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Subsidiary Financials | 2023-2024

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CONTENT

APTOnline Limited

FINANCIAL STATEMENTS

For the year ended March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Auditor's Report

UDIN NO. 24048889BKAKRQ1182

TO THE MEMBERS OF
APTONLINE LIMITED,
HYDERABAD.

Report on the standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **APTOnline Limited** (hereinafter referred to as "the Company"); which comprises the Balance Sheet as at 31st March 2024 and Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the Cash Flow Statement for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and Statement of Profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

  (c) The Balance Sheet, and the Statement of Profit and Loss(including other comprehensive income), the statement of changes in equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of accounts.

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

(e) On the basis of the written representations received from the Directors as on March 31, 2024, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164 (2) of the Act.

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

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 18 to the financial statements.

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

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 22 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

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

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 22 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

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

(v) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 23 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable with effect from 1 April 2023. The Company has used software for maintaining the books of accounts which has inbuilt feature of recording the audit trail and logs of activities in the software. The same was used from 1st April 2023. This software once activated cannot be tempered with. On the basis of verification of details on test check basis we have not come across any inconsistency in the maintenance of audit trail during the year. The Company also uses some other software such as portal for citizen services (G to C) and Human resource management, but they are not interfaced with the accounting software. Data is downloaded and then entered in the accounting software. Hence they have not been verified by us.

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

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

For **K B J & ASSOCIATES**
Chartered Accountants
Firm Registration No. 114934W

Kaushik B. Joshi
Proprietor
(Membership No. 48889)

Date:7th May 2024.
Place: Mumbai

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of APTONLINE LIMITED ('the Company')

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

(B) The Company has maintained proper records showing full particulars, including quantitative details and situation of intangible assets.

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

(c) According to the information and explanations given to us and records examined by us, the company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

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

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

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

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, except for investment in mutual funds and loan to a Company details of the same are given below:

(a) (A) The Company does not have any subsidiaries joint ventures or associates. Accordingly, clause 3(iii)(a)A of the Order is not applicable.

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to other party as below:

Particulars	**Amt (₹ In Lakhs)**
Aggregate Amount during the year- Other	1000.00
Balance outstanding at Balance sheet date	Nil

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the investments made, loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Sections 185 of the Companies Act, 2013 ("the Act") and the company has not made any investments or provided any guarantee or security as specified under section 186 of the Companies Act, 2013 ("the Act"). Further, the company has complied with the provisions of section 186 of the Companies Act, 2013 ("the Act") in relation to the loan given.

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount under dispute (₹in lakhs)	Amount paid under protest (₹in lakhs)	Amount not paid	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act,1957	Sales Tax	2.30	2.30	Nil	2002-03to 2004-05	Appellate Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act,2005	VAT (including Penalty)	16.46	11.49	4.97	2005-06to 2011-12	Appellate Tribunal, Hyderabad

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

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

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

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

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

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has seven CICs as part of the Group.

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

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

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

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

For **K B J & ASSOCIATES**
Chartered Accountants
Firm Registration No. 114934W

Kaushik B. Joshi
Proprietor
Membership No. 48889

Date:7th May 2024.
Place: Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Opinion

We have audited the internal financial controls with reference to financial statements of APTOnline Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **K B J & ASSOCIATES**
Chartered Accountants
Firm Registration No. 114934W

Kaushik B. Joshi
Proprietor
Membership No. 48889

Date:7th May 2024.
Place: Mumbai

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	7(a)	**476.06**	418.73
Intangible assets	7(b)	**86.76**	6.04
Financial assets			
Trade receivables	6(b)		
Billed		**-**	-
Unbilled		**48.77**	48.77
Income-tax assets (net)		**1,053.12**	977.17
Deferred tax assets (net)	14	**423.58**	446.53
Total non-current assets		**2,088.29**	1,897.24
Current assets Inventories Financial assets			
Inventories			
Financial assets			
Investments	7(d)	**32.22**	32.25
Trade receivables	6(a)	**5,214.41**	2,460.32
Billed	6(b)	**4,597.85**	6,518.03
Unbilled		**429.17**	289.32
Cash and cash equivalents	6(c)	**2,341.09**	769.12
Other balances with banks	6(d)	**5,700.00**	4,000.00
Loans	6(e)	**14.62**	1,012.40
Other financial assets	6(f)	**917.74**	745.51
Other assets	7(c)	**435.18**	262.98
Total current assets		**19,682.28**	16,089.93
TOTAL ASSETS		**21,770.57**	17,987.17
EQUITY AND LIABILITIES			
Equity			
Share capital	6(l)	**177.00**	177.00
Other equity	8	**12,629.84**	11,197.29
Total Equity		**12,806.84**	11,374.29
Liabilities			
Non-current liabilities			
(a) Financial liabilities Employee benefit obligations	11	**106.28**	83.11
Total non-current liabilities		**106.28**	83.11
Current liabilities			
Financial liabilities			
Trade payables	6(g)	**-**	-
Dues of creditors other than small enterprises and micro	6(g)	**1,133.06**	1,742.09
Other financial liabilities	6(h)	**6,549.01**	3,716.81
Unearned and deferred revenue		**19.83**	34.70
Other liabilities	7(e)	**727.27**	571.80
Employee benefit obligations	11	**35.83**	37.93
Income-tax liabilities (net)		**392.45**	426.44
Total current liabilities		**8,857.45**	6,529.77
TOTAL EQUITY AND LIABILITIES		**21,770.57**	17,987.17
NOTES FORMING PART OF THE FINANCIALS	1-23		

As per our report of even date attached.

For **K B J & ASSOCIATES**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai
Date:May 07, 2024

For and on behalf of the Board

G S Lakshmi Narayanan
Director
DIN : 07982712

Date:May 07, 2024

V Rajanna
Director
DIN:01280277

Statement of Profit and Loss

(₹ in lakhs)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	9	**16,406.16**	13,439.98
Other income	10	**783.84**	463.85
TOTAL INCOME		**17,190.00**	13,903.83
Expenses:			
Employee benefits expenses	11	**2,802.58**	2,443.14
Direct costs	12(a)	**9,842.27**	7,714.96
Purchases of stock-in-trade	12(b)	**325.08**	169.87
Changes in inventories of stock-in-trade	12(c)	**0.03**	(6.10)
Finance costs	13	**1.62**	1.69
Depreciation and amortisation expense		**214.96**	209.05
Other expenses	12(d)	**752.09**	1,145.68
TOTAL EXPENSES		**13,938.63**	11,678.29
PROFIT BEFORE TAX		**3,251.37**	2,225.54
Tax expense:			
Current tax	14	**810.64**	710.24
Deferred tax	14	**25.92**	(107.01)
Previous years income-tax	14	**-**	-
TOTAL TAX EXPENSE		**836.56**	603.23
PROFIT FOR THE YEAR		**2,414.81**	1,622.31
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined employee benefit plans		**(11.71)**	(25.54)
Income-tax on items that will not be reclassified subsequently to profit or loss		**2.95**	6.43
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**(8.76)**	(19.11)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,406.05**	1,603.20
Earnings per equity share :- Basic and diluted (₹)	15	**136.43**	91.66
Weighted average number of equity shares		**1,770,000**	1,770,000
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-23		

As per our report of even date attached.

For **K B J & ASSOCIATES**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai
Date:May 07, 2024

For and on behalf of the Board

G S Lakshmi Narayanan
Director
DIN : 07982712

V Rajanna
Director
DIN:01280277

Date:May 07, 2024

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2023	Change in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Change in equity share capital during the year*	Balance as at March 31, 2024
177.00	**-**	**-**	**-**	**177.00**

(₹ in lakhs)

Balance as at April 1, 2022	Change in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Change in equity share capital during the year*	Balance as at March 31, 2023
177.00	-	-	-	177.00

*Refer note 6(l).

B. OTHER EQUITY

	General reserve	Capital redemption reserve	Retained earnings	Total Equity
Balance as at April 1, 2023	**-**	**280.00**	**10,917.29**	**11,197.29**
Profit for the year	**-**	**-**	**2,414.81**	**2,414.81**
Other comprehensive income / (losses)	**-**	**-**	**(8.76)**	**(8.76)**
Total comprehensive income	**-**	**280.00**	**13,323.34**	**13,603.34**
Dividend	**-**	**-**	**(973.50)**	**(973.50)**
Balance as at March 31, 2024	**-**	**280.00**	**12,349.84**	**12,629.84**
Balance as at April 1, 2022	566.93	280.00	9,720.66	10,567.59
Profit for the year	-	-	1,622.31	1,622.31
Transfer from general reserve to retained earnings	(566.93)	-	566.93	-
Other comprehensive income / (losses)	-	-	(19.11)	(19.11)
Total comprehensive income	-	280.00	11,890.79	12,170.79
Dividend	-	-	(973.50)	(973.50)
Balance as at March 31, 2023	-	280.00	10,917.29	11,197.29

Loss of ₹ 8.76 lakhs and ₹ 19.11 lakhs on remeasurement of defined employee benefits (net of tax) is recognised as a part of retained earnings for year ended March 31, 2024 and 2023 respectively.

Nature and purpose of reserves

a. General Reserve

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

b. Capital redemption reserve

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

c. Retained earnings

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-23

As per our report of even date attached.

For **K B J & ASSOCIATES**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai
Date:May 07, 2024

For and on behalf of the Board

G S Lakshmi Narayanan
Director
DIN : 07982712

V Rajanna
Director
DIN:01280277

Date:May 07, 2024

Statement of Cash Flow

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**2,414.81**	1,622.31
Adjustments to reconcile profit and loss to net cash provided by operating activities:		
Depreciation and amortisation expenses	**214.96**	209.05
Bad debts and advances written off, allowance on trade receivables and advances (net)	**39.00**	499.48
Tax expense	**836.56**	603.23
Net gain on disposal of property, plant and equipment	**(11.37)**	(1.60)
Net gain on disposal / fair valuation of investments	**(344.21)**	(133.62)
Interest income	**(412.62)**	(315.08)
Finance costs	**1.62**	1.69
Operating profit before working capital changes	**2,738.75**	2,485.46
Net Change in:		
Inventories	**0.03**	(6.10)
Trade receivables		
Billed	**1,881.19**	(812.61)
Unbilled	**(139.85)**	30.49
Loans and Other financial assets	**(125.35)**	(358.74)
Other assets	**(172.19)**	(2.96)
Trade payables	**(609.03)**	(396.13)
Unearned and deferred revenue	**(14.87)**	10.91
Other financial liabilities	**2,832.20**	(1,132.77)
Other liabilities and provisions	**164.83**	(357.43)
Cash generated from operations	**6,555.71**	(539.88)
Taxes paid (net of refunds)	**(920.56)**	(458.50)
Net cash generated in operating activities	**5,635.15**	(998.38)
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	**(6,698.00)**	(4,000.00)
Inter-corporate deposits placed	**1,000.00**	(1,000.00)
Purchase of investments	**(14,600.00)**	(7,800.00)
Payment for purchase of property, plant and equipment	**(241.08)**	(247.83)
Payment for purchase of intangible assets	**(111.96)**	-
Proceeds from bank deposits	**4,998.00**	5,421.00
Proceeds from disposal / redemption of investments	**12,190.11**	8,628.39
Proceeds from disposal of property, plant and equipment	**11.37**	1.60
Interest received	**363.50**	292.13
Net cash (used) / generated from investing activities	**(3,088.06)**	1,295.29

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**-**	-
Interest paid	**(1.62)**	(1.69)
Dividend paid	**(973.50)**	(973.50)
Net cash used in financing activities	**(975.12)**	(975.19)
Cash and cash equivalents at the beginning of the year	**769.12**	1,447.40
Cash and cash equivalents at the end of the year (refer Note 6(c))	**2,341.09**	769.12
NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-23		

As per our report of even date attached.

For **K B J & ASSOCIATES**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai
Date: Date:May 07, 2024

For and on behalf of the Board

G S Lakshmi Narayanan
Director
DIN : 07982712

V Rajanna
Director
DIN:01280277

Date Date:May 07, 2024

Notes forming part of the Financial Statements

1) CORPORATE INFORMATION

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

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

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

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

The financial statements for the year ended March 31, 2024 are approved by the Board of Directors and authorised for issue on May 07, 2024.

2) STATEMENT OF COMPLIANCE

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

3) BASIS OF PREPARATION

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

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

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

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

4) USE OF ESTIMATES AND JUDGEMENTS

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

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

Notes forming part of the Financial Statements

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

(a) Useful lives of property, plant and equipment

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

(b) Fair value measurement of financial instruments

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

(c) Provision for income tax and deferred tax assets

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

(d) Provisions and contingent liabilities

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

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

(e) Employee benefits

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

(f) Leases

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

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

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

The Company has elected not to apply the requirements of Ind AS 116 to leases of all assets with very low value or short-term leased assets that have a lease term of 12 months or less and where the company has right to terminate the lease before end of the lease period. The lease payments associated with these leases are recognized as an expense as an when payment is made or due over the lease term.

Notes forming part of the Financial Statements

5) RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

6) FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

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

Cash and cash equivalents

The Company considers all highly liquid financial investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account

Notes forming part of the Financial Statements

historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(a) Investments

Investments consist of the following:

Investment - Non current

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
Current				
Investment carried at fair value through profit and Loss	**Quantity**	**₹**	Quantity	₹
Mutual funds (quoted)				
Tata-Liquid fund-Direct Plan - Growth	**31,229.00**	**1,189.91**	14,614.00	519.00
UTI-Liquid Cash Plan-Institutional-Direct Plan-Growth	**8,734.00**	**345.70**	-	-
AXIS-Liquid Cash Plan-Institutional-Direct Plan-Growth	**21,738.00**	**583.38**	20,706.00	517.85
Aditya Birla Liquid Fund Direct Growth	**1,65,864.00**	**646.34**	-	-
Bandhan Liquid Fund Direct Growth	**21,248.00**	**619.88**	-	-
ICICI Liquid Fund Direct Growth	**5,11,798.00**	**1,829.20**	-	-
Nippon-Liquid Cash Plan-Institutional-Direct Plan-Growth	**-**	**-**	25,849.00	1,423.47
	7,60,611.00	**5,214.41**	61,169.00	2,460.32

Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Aggregate value of quoted investments	**5,214.41**	1,036.85
Aggregate market value of quoted investments	**5,214.41**	1,036.85

(b) Trade receivables - Billed

Trade receivables (unsecured) consists of the following:

Trade receivables - Billed - Non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**1,599.41**	1,560.41
Less: Allowance for doubtful trade receivables - Billed	**(1,599.41)**	(1,560.41)
Considered Good	**-**	-

Notes forming part of the Financial Statements

Ageing for trade receivables - non-current outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less then 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
Undisputed trade receivables - considered good	-	-	-	-	25.47	1,564.18	1,589.65
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	0.01	9.75	9.76
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	25.48	1,573.93	1,599.41
Less: Allowance for doubtful trade receivables - Billed							(1,599.41)
							-
Trade receivables - unbilled							48.77
							48.77

Ageing for trade receivables - non-current outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less then 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
Undisputed trade receivables - considered good	-	-	-	-	70.29	1,490.12	1,560.41
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	70.29	1,490.12	1,560.41
Less: Allowance for doubtful trade receivables - Billed							(1,560.41)
							-
							48.77
Trade receivables - unbilled							48.77

Notes forming part of the Financial Statements

Trade receivables - Billed - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**4,597.85**	6,518.03
Less: Allowance for doubtful trade receivables - Billed	**-**	-
Considered Good	**4,597.85**	6,518.03
Trade receivables - Billed	**-**	-
Less: Allowance for doubtful trade receivables - Billed	**-**	-
Credit impaired	**-**	-
	4,597.85	6,518.03

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

Ageing for trade receivables - current outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less then 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
Undisputed trade receivables - considered good	**1,176.38**	**1,806.04**	**667.45**	**393.47**	**333.87**	**220.63**	**4,597.84**
Undisputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undisputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1,176.38	**1,806.04**	**667.45**	**393.47**	**333.87**	**220.63**	**4,597.84**
Less: Allowance for doubtful trade receivables - Billed							**-**
							4,597.84
Trade receivables - unbilled							**429.17**
							5,027.01

Notes forming part of the Financial Statements

Ageing for trade receivables - current outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less then 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
Undisputed trade receivables - considered good	790.8	2538.41	1.032.14	1,037.27	715.54	393.95	6,508.29
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	0.03	9.72	9.75
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	790.8	2538.41	1.032.14	1,037.27	715.57	403.67	6,518.04
Less: Allowance for doubtful trade receivables - Billed							-
							6,518.04
Trade receivables - unbilled							289.32
							6,807.36

(c) Cash and cash equivalents

Cash and cash equivalents consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts	**2,341.09**	769.12
	2,341.09	769.12

(d) Other balances with banks

Other balances with banks consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Short-term bank deposits	**5,700.00**	4,000.00
	5,700.00	4,000.00

Notes forming part of the Financial Statements

(e) Loans

Loans (unsecured) consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Loans - considered good		
Inter-corporate deposits	-	1,000.00
Loans and advances to employees	**14.62**	12.40
	14.62	1,012.40

(f) Other financial assets

Other financial assets (unsecured) consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
a) Security deposits	**32.19**	32.19
b) Other advances	**717.85**	594.74
c) Accrued interest	**167.70**	118.58
	917.74	745.51

(g) Trade Payables

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Payables						
MSME*	-	-	-	-	-	-
Others	142.93	360.69	-	-	-	503.62
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	142.93	360.69	0.00	0.00	0.00	503.62
Accrued expenses						629.44
						1,133.06

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

Notes forming part of the Financial Statements

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Payables						
MSME*	-	-	-	-	-	-
Others	117.85	669.79	-	-	150.23	937.87
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	117.85	669.79	0.00	0.00	150.23	937.87
Accrued expenses						804.22
						1,742.09

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

(h) Other financial liabilities

Other financial liabilities consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
a) Amount collected on behalf of *		
Government departments	**5,784.97**	2,955.07
Non-government departments	**73.88**	79.54
b) Security deposits received	**551.96**	560.82
c) Employee payables	**138.19**	121.38
	6,549.00	3,716.81

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

Notes forming part of the Financial Statements

(i) Financial instruments by category

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

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	**-**	**2,341.09**	**2,341.09**
Other balances with bank	**-**	**5,700.00**	**5,700.00**
Investments	**5,214.41**	**-**	**5,214.41**
Trade receivables			
Billed	**-**	**4,597.85**	**4,597.85**
Unbilled	**-**	**477.94**	**477.94**
Loans	**-**	**14.62**	**14.62**
Other financial assets	**-**	**917.74**	**917.74**
Total	**5,214.41**	**14,049.24**	**19,263.65**
Financial liabilities:			
Trade payables	**-**	**1,133.06**	**1,133.06**
Other financial liabilities	**-**	**6,549.01**	**6,549.01**
Total	**-**	**7,682.07**	**7,682.07**

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

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	769.12	769.12
Other balances with bank	-	4,000.00	4,000.00
Investments	2,460.32	-	2,460.32
Trade receivables			
Billed	-	6,518.03	6,518.03
Unbilled	-	338.09	338.09
Loans	-	1,012.40	1,012.40
Other financial assets	-	745.50	745.50
Total	2,460.32	13,383.14	15,843.46
Financial liabilities:			
Trade payables	-	1,742.09	1,742.09
Other financial liabilities	-	3,716.81	3,716.81
Total	-	5,458.90	5,458.90

Carrying amounts of cash and cash equivalents, other balances with bank, trade receivables, unbilled receivables, loans , other financial assets, trade payables and other financial liabilities as at March 31, 2024 and March 31, 2023 approximate the fair value due to their nature.

Carrying amounts of other balances with bank, 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.

Notes forming part of the Financial Statements

(j) Fair value hierarchy

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

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

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

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

The 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 of March 31, 2024 (₹ in lakhs))

Financial assets:	Level 1	Level 2	Level 3	Total
Mutual fund units	**5,214.41**	**-**	**-**	**5,214.41**
Total	**5,214.41**	**-**	**-**	**5,214.41**

As of March 31, 2023 (₹ in lakhs)

Financial assets:	Level 1	Level 2	Level 3	Total
Mutual fund units	2,460.31	-	-	2,460.31
Total	2,460.31	-	-	2,460.31

(k) Financial risk management

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

Market risk

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

- **Interest rate risk**

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

Credit risk

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

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

Notes forming part of the Financial Statements

- **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 19,263.65 lakhs and ₹ 15,843.45 lakhs as on March 31, 2024 and 2023, respectively, being the total of the carrying amount of investment in mutual funds, balances with banks, trade receivables, unbilled receivables , loans and other financial assets.

The Company exposure to customers is diversified. Apart from The principal Secretary-APPSC ₹ 991.97 lakhs, (Previous Year - The Principal Secretary-APPSC ₹ 1,264.99 lakhs and The Director EDS-AP ₹ 682.29 lakhs), no other customer contributes to more than 10% of outstanding accounts receivable as of March 31, 2024 and 2023.

- **Geographic concentration of credit risk**

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

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2024 and 2023 was ₹ 39 lakhs and ₹ 499.48 lakhs, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**1560.41**	1060.93
Change during the year	**39.00**	499.48
Balance at the end of the year	**1599.41**	1560.41

Liquidity risk

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

The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

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

(₹ in lakhs)

March 31, 2024	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade payables	**1,133.06**	-	-	-	-	**1,133.06**
Other financial liabilities	**6,549.01**	-	-	-	-	**6,549.01**
Total	**7,682.07**	-	-	-	-	**7,682.07**

(₹ in lakhs)

March 31, 2023	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade payables	1,742.09	-	-	-	-	1,742.09
Other financial liabilities	3,716.81	-	-	-	-	3,716.81
Total	5,458.90	-	-	-	-	5,458.90

Other price risks

The fair value of investment in mutual funds is ₹ 5,214.41 lakhs and ₹ 2,460.32 lakhs as on March 31, 2024 and March 31, 2023 respectively. The Company is exposed to price risks arising from investment in mutual funds. The investments are made in acceptable funds, while optimizing the returns.

Notes forming part of the Financial Statements

(l) Equity instruments

Share capital

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Authorised :		
a) Equity shares ₹ 3,000,000 of ₹ 10 each with voting rights (March 31, 2023: 3,000,000 equity shares of ₹ 10 each)	**300.00**	300.00
b) Redeemable preference shares ₹ 3,000,000 of ₹ 10 each (March 31, 2023: 3,000,000 preference shares of ₹ 10 each)	**300.00**	300.00
	600.00	600.00
Issued, Subscribed and Fully paid-up		
1,770,000 equity shares of ₹ 10 each (March 31, 2023: 1,770,000 equity shares of ₹ 10 each)	**177.00**	177.00
	177.00	177.00

I. Reconciliation of the number of shares:

Investments - Current	As at March 31, 2024		As at March 31, 2023	
	No. of Equity shares	**Amount (₹ lakhs)**	**No. of Equity shares**	**Amount (₹ lakhs)**
Equity shares				
Opening balance	**1,770,000**	**177.00**	1,770,000	177.00
Issued during the year	**-**	**-**	-	-
Closing balance	**1,770,000**	**177.00**	1,770,000	177.00

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

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

III. Details of shares held by the holding company

	As at March 31, 2024		As at March 31, 2023	
Equity shares	**No. of Equity shares**	**Amount (₹ lakhs)**	**No. of Equity shares**	**Amount (₹ lakhs)**
Tata Consultancy Services Limited, holding company	**1,575,300**	**157.53**	1,575,300	157.53
Total	**1,575,300**	**157.53**	1,575,300	157.53

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Tata Consultancy Services Limited	**1,575,300**	**89%**	1,575,300	89%
Andhra Pradesh Technology Services Limited	**194,700**	**11%**	194,700	11%
	1,770,000	**100%**	1,770,000	100%

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

V. Disclosure of Shareholding Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

(₹ in lakhs)

Promoter name	Shares held by promoters				% Change during the year
	As at March 31, 2024		As at March 31, 2023		
	No.of shares*	% of total shares	No.of shares*	% of total shares	
Tata Consultancy Services Limited (holding company)	**1,575,300**	**89%**	1,575,300	89%	-
Andhra Pradesh Technology Services Limited (significant share holder)	**194,700**	**11%**	194,700	11%	-
Total	**1,770,000**	**100%**	1,770,000	100%	-

Notes forming part of the Financial Statements

7) 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:

(₹ in lakhs)

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

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

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

Property, plant and equipment consists of the following:

(₹ in lakhs)

Description	Computer equipment	Vehicles	Office equipment	Furniture and fixtures	Total
Cost as at April 1, 2023	**2,737.68**	**48.72**	**0.83**	**2.61**	**2,789.84**
Additions	**224.42**	**15.99**	**0.66**	**-**	**241.07**
Disposals	**(356.24)**	**(11.31)**	**(0.06)**	**-**	**(367.61)**
Gross block as at March 31, 2024	**2,605.86**	**53.40**	**1.43**	**2.61**	**2,663.30**
Accumulated depreciation as at April 1, 2023	**(2,339.43)**	**(28.93)**	**(0.74)**	**(2.01)**	**(2,371.11)**
Depreciation for the year	**(174.59)**	**(8.54)**	**(0.12)**	**(0.49)**	**(183.74)**
On disposals	**356.24**	**11.31**	**0.06**	**-**	**367.61**
Accumulated depreciation as at March 31, 2024	**(2,157.78)**	**(26.16)**	**(0.80)**	**(2.50)**	**(2,187.24)**
Net carrying amount as at March 31, 2024	**448.08**	**27.24**	**0.63**	**0.11**	**476.06**

Notes forming part of the Financial Statements

(₹ in lakhs)

Description	Computer equipment	Vehicles	Office equipment	Furniture and fixtures	Total
Cost as at April 1, 2022	2,488.46	56.45	0.76	2.61	2,548.28
Additions	249.22	-	0.07	-	249.29
Disposals	-	(7.73)	-	-	(7.73)
Gross block as at March 31, 2023	2,737.68	48.72	0.83	2.61	2,789.84
Accumulated depreciation as at April 1, 2022	(2,187.08)	(26.00)	(0.73)	(1.52)	(2,215.33)
Depreciation for the year	(152.35)	(9.20)	(0.01)	(0.49)	(162.05)
On disposals	-	6.27	-	-	6.27
Accumulated depreciation as at March 31, 2023	(2,339.43)	(28.93)	(0.74)	(2.01)	(2,371.11)
Net carrying amount as at March 31, 2023	398.25	19.79	0.09	0.60	418.73

(b) Intangible assets

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

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

Asset	Useful life
Computer software	2 years

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

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

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

Intangible assets consists of the following:

(₹ in lakhs)

Description	Computer software	Total
Cost as at April 1, 2023	**386.61**	386.61
Additions	**111.95**	111.95
Gross block as at March 31, 2024	**498.56**	498.56
Accumulated amortisation as at April 1, 2023	**(380.57)**	(380.57)
Amortisation for the year	**(31.23)**	(31.23)
Accumulated amortisation as at March 31, 2024	**(411.80)**	(411.80)
Net carrying amount as at March 31, 2024	**86.76**	86.76

Notes forming part of the Financial Statements

The estimated amortisation for the years subsequent to March 31, 2024 as follows:

(₹ in lakhs)

Year ending March 31	Amortisation expense
2025	55.98
2026	30.78
	86.76

(₹ in lakhs)

Description	Computer software	Total
Cost as at April 1, 2022	386.61	386.61
Additions	-	-
Gross block as at March 31, 2023	386.61	386.61
Accumulated amortisation as at April 1, 2022	(333.57)	(333.57)
Amortisation for the year	(47.00)	(47.00)
Accumulated amortisation as at March 31, 2023	(380.57)	(380.57)
Net carrying amount as at March 31, 2023	6.04	6.04

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

(₹ in lakhs)

Year ending March 31	Amortisation expense
2024	6.04
	6.04

(c) Other assets

Other assets (unsecured) consists of the following:

A) Other assets - current

(₹ in lakhs)

Considered good	As at March 31, 2024	As at March 31, 2023
a) Prpnairl expenses	**264.89**	137.90
b) Advance to suppliers	**1.29**	9.10
c) Indirect taxes recoverable	**169.00**	115.98
	435.18	262.98

(d) Inventories

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

Notes forming part of the Financial Statements

Inventories consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Stock in trade	**32.22**	32.25
	32.22	32.25

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

(e) Other liabilities

Other liabilities consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Other liabilities - current	**270.21**	174.22
Advance received	**278.16**	185.26
Indirect tax payable and other statutory liabilities	**178.90**	212.32
Amount received from franchisees	**727.27**	571.80

8) OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
(a) Capital redemption reserve		
Opening balance	**280.00**	280.00
Movement	**-**	-
Closing balance	**280.00**	280.00
(b) General reserve		
Opening balance	**-**	566.93
Transfer to retained earnings	**-**	(566.93)
Closing balance	**-**	-
(c) Retained earnings		
(i) Opening balance	**10,917.29**	9,720.66
(ii) Profit for the year	**2,414.81**	1,622.31
(iii) Other comprehensive income arising from remeasurement of defined employee benefit plans, net of income-tax	**(8.76)**	(19.11)
(iv) Transfer from general reserve to retained earning	**-**	566.93
	13,323.34	11,890.79
Less: Appropriations		
(i) Dividend on equity shares	**(973.50)**	(973.50)
	12,349.84	10,917.29
	12,629.84	11,197.29

Notes forming part of the Financial Statements

9) REVENUE RECOGNITION

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

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- Revenue from the sale of distinct third party software and hardware is recognised at the point in time when control is transferred to the customer, net of applicable taxes and duties.
- Unearned and deferred revenue ("contract liability") consists of advances received from customers. The Company disaggregates revenue from contracts with customers by nature of services.

Revenue disaggregation by nature is as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
A) Information technology and consultancy services		
(a) Transaction revenue	**2,908.31**	2,730.12
(b) Aasara Pensions	**656.21**	616.74
(c) Software development services and maintenance	**3,062.86**	3,317.87
(d) Man power supply	**681.34**	610.81
(e) Data centre establishment and maintenance	**114.88**	109.04
(f) Franchisee fees	**42.90**	45.13
(g) Digital Assessment services	**8,083.27**	5,472.82
(h) Aadhaar authentication	**334.16**	257.29
(i) Others	**101.43**	66.09
Total	**15,985.36**	13,225.91
B) Sale of products		
(a) Hardware	**103.57**	28.29
(b) Software	**35.93**	10.95
(c) Stationery	**281.30**	174.83
Total	**420.80**	214.07
Total	**16,406.16**	13,439.98

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

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

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

Notes forming part of the Financial Statements

The Company does not have contract assets.

Changes in Unearned and deferred revenue are as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**34.70**	23.79
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year.	**(34.70)**	(23.79)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**19.83**	34.70
Balance at the end of the year	**19.83**	34.70

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

10) OTHER INCOME

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

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

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

Other income consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Net gain on disposal / fair valuation of investments carried at fair value through profit of loss	**344.21**	133.62
(b) Interest income	**412.62**	315.08
(c) Net gain on disposal of property, plant and equipment	**11.37**	1.60
(d) Miscellaneous income	**15.64**	13.55
	783.84	463.85

11) EMPLOYEE BENEFITS

Defined benefit plans

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

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

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

Defined contribution plans

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

Notes forming part of the Financial Statements

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

Short term employee benefits

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

Compensated absences

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

Other short-term employee benefits

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

Employee benefit expenses consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
a) Salaries, incentives and allowances	**2,531.42**	2,197.90
b) Contributions to provident fund	**158.09**	140.78
c) Contributions to ESIC	**9.59**	8.51
d) Staff welfare expenses	**103.48**	95.95
	2,802.58	2,443.14

Employee benefit obligations consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
(A) Employee benefit obligation - Non-current		
Compensated absences	**106.28**	83.11
	106.28	83.11
(B) Employee benefit obligation - Current		
Compensated absences	**35.83**	37.93
	35.83	37.93

Gratuity

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

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

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Change in defined benefit obligations		
Benefit obligations, beginning of the year	**259.03**	235.78
Service cost	**24.92**	24.74
Interest cost	**18.78**	13.56
Benefit paid	**(21.45)**	(43.61)
Actuarial loss/(gain) recognized in OCI	**19.82**	28.56
Benefit obligations, end of the year	**301.10**	259.03

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Change in plan assets		
Fair value of plan assets, beginning of the year	**297.31**	208.24
Interest Income	**21.56**	11.97
Employer contribution	**99.57**	117.69
Actuarial (loss)/gain	**-**	-
Benefits paid	**(21.45)**	(43.61)
Remeasurement-return on plan assets excluding amount included in interest income	**8.11**	3.02
Fair value of plan assets, end of the year	**405.10**	297.31

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Funded status:		
Surplus / (Deficit) of plan assets over obligations	**104.00**	38.29

	As at March 31, 2024	As at March 31, 2023
Category of assets:		
Insurance managed funds	**405.10**	297.31

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Service cost	**24.92**	24.74
Net interest on net defined benefit (asset) / liability	**(2.78)**	1.58
Net periodic gratuity cost	**22.14**	26.32
Actual return on plan assets	**11.71**	25.54

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Actuarial (gains) and losses arising from changes in demographic assumptions.	**8.84**	(0.74)
Actuarial (gains) and losses arising from changes in financial assumptions.	**-**	3.12
Actuarial (gains) and losses arising from changes in experience adjustments.	**10.99**	26.18
Remeasurement of the net defined benefit liability	**19.83**	28.56
Remeasurement - return on plan assets excluding amount included in interest income	**(8.11)**	(3.02)
Total	**11.72**	25.54

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	**7.25%**	7.25%
Rate of increase in compensation	**8.00%**	8.00%
Levels of covered employees		
Rate of return on plan assets		
Weighted average duration of		
defined benefit obligations		
Attrition rate		
i) If Services for 0 years to 5 years	**29.98%**	37.58%
ii) If Services for 6 years and above	**20.44%**	27.91%
Mortality Rate	**Indian Assured Lives Mortality (2012-14) (Urban)**	Indian Assured Lives Mortality (2012-14) (Urban)

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2024.

The Company is expected to contribute ₹ nil lakhs to the defined benefit plan obligation for the year ending March 31, 2024.

Remeasurement (Gain) of defined employee benefit plan in other comprehensive income for the fiscals 2024 and 2023 are ₹ 11.71 lakhs and ₹ 25.54 lakhs respectively.

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

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**(5.40)**	(3.15)
Decrease of 0.50%	**5.63**	3.26

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**5.54**	3.22
Decrease of 0.50%	**(5.37)**	(3.15)

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

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

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

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

Year ending March 31, 2024	**Defined benefit obligations**
2024	56.02
2025	49.16
2026	45.50
2027	42.95
2028	35.16
2029-2033	108.56
2034 and above	78.87
	416.22

Provident Fund

In accordance with Indian law, all eligible employees of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to Regional Provident Fund Commissioner. The Company recognised ₹ 158.09 lakhs and ₹ 140.78 lakhs towards contribution provident fund and family pension fund in fiscals 2024 and 2023 respectively. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes forming part of the Financial Statements

12) COST RECOGNITION

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

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

(a) Direct costs

Direct costs consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Service charges	**8,161.23**	6,286.97
(b) Man power charges	**1,681.04**	1,427.99
Total	**9,842.27**	7,714.96

(b) Purchase of stock-in-trade

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Hardware Purchase	**81.17**	1.87
(b) Stationery Purchase	**243.91**	168.00
Total	**325.08**	169.87

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the end of the year:		
Stock-in-trade		
(a) Hardware, stationery, etc.	**32.22**	32.25
	32.22	32.25
Inventories at the beginning of the year:		
Stock-in-trade		
(a) Hardware, stationery, etc.	**32.25**	26.15
	32.25	26.15
Net increase / (decrease)	**0.03**	(6.10)

Notes forming part of the Financial Statements

(d) Other expenses

Other expenses consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Consumables	**1.18**	0.34
(b) Facility charges	**228.72**	194.94
(c) Repairs and maintenance - Others	**42.50**	38.09
(d) Rates and taxes	**0.91**	0.72
(e) Internet connectivity charges	**74.58**	73.26
(f) Travelling and conveyance	**32.01**	31.75
(g) Printing and stationery	**35.10**	27.52
(h) Business promotion expenses	**23.84**	25.66
(i) Legal and professional fees	**32.41**	33.15
(j) Corporate Social Responsibility (refer Note below)	**43.00**	53.32
(k) Payments to auditors (refer Note 17)	**7.28**	7.39
(l) Software maintenance charges	**72.48**	59.78
(m) Allowance on trade receivables and advances	**39.00**	499.48
(n) Miscellaneous expenses	**119.10**	100.28
Total	**752.11**	1,145.68

(e) Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, amount required to be spent on CSR by the Company during the year ended March 31, 2024 and 2023 is ₹ 42.88 lakhs and ₹ 53.00 lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years. The Company incurred an amount of 43.00 lakhs and ₹ 53.32 lakhs during the year ended March 31, 2024 and 2023, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
1 Amount required to be spent by the company during the year	**42.88**	53.00
2 Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	**-**	-
(ii) On purpose other than (i) and above	**43.00**	53.32
3 Shortfall at the end of the year,	**-**	-
4 Total of previous years shortfall	**-**	-
5 Reason for shortfall,	**NA**	NA
6 Nature of CSR activities,	**-**	-

Notes forming part of the Financial Statements

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
7 Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	**₹25 lakhs and ₹18 lakhs paid to Hyderabad Eye Institute (Operating Trust of L V Prasad Eye institute) for performing critical eye surgeries for economically under privileged back ground patients at no cost to them from Andhra Pradesh & Telangana Sates.**	₹22 lakhs paid to Rotary Club of Banjara Hills, Hyderabad (For Palliative care), ₹31.32 lakhs contributed to Schools in Penagalur, Andhra Pradesh for providing Mattresses, Beds, Benches and R.O. Water Plants.

13) FINANCE COSTS

Finance costs consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
(i) interest on lease liabilities	**-**	-
(ii) Interest on tax matters	**1.62**	1.69
(iii) Other interest costs	**-**	-
	1.62	1.69

14) INCOME TAXES

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

Current income taxes

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

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

Deferred income taxes

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

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

Notes forming part of the Financial Statements

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

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

The Income - tax expense consists of the following

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax:		
Current tax expense for current year	**800.33**	680.83
Current tax (benefit) / expense pertaining to prior years	**10.31**	29.41
Deferred tax:		
Deferred tax (benefit) / expense for current year	**25.92**	(107.01)
Deferred tax (benefit) / expense pertaining to Prior Years	**-**	-
Total Income tax expense recognised in current year	**836.56**	603.23

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

Deferred tax on remeasurement of defined employee benefit plans	**2.95**	6.43
Total income - tax expense recognised	**2.95**	6.43

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes	**3,251.36**	2,225.54
Indian Statutory income - tax rate	**25.168%**	25.168%
Expected Incometax expense	**818.30**	560.12
Tax effect of adjustments to reconcile expected income - tax expense to reported income - tax expense:		
Tax pertaining to prior years	**10.31**	29.41
Disallowance U/s 37		
CSR expenses	**10.82**	13.42
Others	**(2.88)**	0.28
Total Income tax expenses	**836.55**	603.23

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in lakhs)

	Opening balance	Recognised / reversed through profit or loss	Recognised / Reversed through other comprehensive income	Recognised / Reversed through retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	**14.53**	**(6.52)**	**-**	**-**	**8.01**
Provision for employee benefits	**51.38**	**(9.96)**	**2.95**	**-**	**44.37**
Provision for doubtful debts	**392.72**	**9.82**	**-**	**-**	**402.54**
Others	**(12.10)**	**(19.26)**	**-**	**-**	**(31.36)**
Total deferred tax assets / (liabilities)	**446.53**	**(25.92)**	**2.95**	**-**	**423.56**

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

(₹ in lakhs)

	Opening balance	Recognised / reversed through profit or loss	Recognised / Reversed through other comprehensive income	Recognised / Reversed through retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	12.63	1.90	-	-	14.53
Provision for employee benefits	62.55	(17.60)	6.43	-	51.38
Provision for doubtful debts	267.02	125.71	-	-	392.73
Others	(9.10)	(3.00)	-	-	(12.10)
Total deferred tax assets / (liabilities)	333.10	107.01	6.43	-	446.54

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at 31 March,2024	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	**8.01**	**-**	**8.01**
Provision for employee benefits	**44.37**	**-**	**44.37**
Provision for doubtful debts	**402.54**	**-**	**402.54**
Others	**-**	**(31.36)**	**(31.36)**
Total deferred tax assets / (liabilities)	**454.92**	**(31.36)**	**423.56**

Notes forming part of the Financial Statements

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

	Assets	Liabilities	Net
As at 31 March,2023			
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	14.53	-	14.53
Provision for employee benefits	51.38	-	51.38
Provision for doubtful debts	392.73	-	392.73
Others	-	(12.10)	(12.10)
Total deferred tax assets / (liabilities)	458.64	(12.10)	446.54

15) EARNINGS PER SHARE

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year	**2,414.81**	1,622.31
Amount available for equity shareholders	**2,414.81**	1,622.31
Weighted average number equity shares	**1,770,000**	1,770,000
Total weighted average number of equity shares	**1,770,000**	1,770,000
Basic and diluted earning per share (₹)	**136.43**	91.66
Face value per equity share (₹)	**10.00**	10.00

16) AUDITORS REMUNERATION

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Services as statutory auditors (including quarterly audits)	**5.00**	5.00
Tax audit	**2.00**	2.00
Re-imbursement of out-of-pocket expenses	**0.39**	0.39
	7.39	7.39

17) SEGMENT INFORMATION

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

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

For the year ended March 31 ,2024 there are three customers that contribute more than 10% each of total revenue.

Notes forming part of the Financial Statements

18) COMMITMENTS AND CONTINGENCIES

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Contingent liability :		
Sales tax demands		
(1) Claims against the Company not acknowledged as debt - disputed sales tax liability	**18.76**	18.76
Capital commitment (net of advances) :		
(2) Estimated amount of contracts remaining to be executed on capital account	**-**	-

19) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

20) RELATED PARTY TRANSACTIONS

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

Key Management Personnel (KMP)

Mr. Satish Kumar Elaprolu

(₹ in lakhs)

	Year ended March 31, 2024				
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Andhra Pradesh Technology Services Limited	Total
Revenue from sale of services and licenses	**3.00**	**-**	**0.04**	**-**	**3.04**
Purchases of goods and services (including reimbursement)*	**6,083.84**	**13.91**	**1.20**	**-**	**6,098.95**
Dividend paid	**866.42**	**-**	**-**	**107.09**	**973.50**
Rent expense	**71.44**	**-**	**-**	**-**	**71.44**

*The key manangement personnel of the Company are on deputation and have drawn remuneration of ₹ 55.42 Lakhs from Tata Consultancy Services Limited during the year ended March 31, 2024. Service charges are payable by the Company to Tata Consultancy Services Limited.

Notes forming part of the Financial Statements

(₹ in lakhs)

	Year ended March 31, 2023				
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Andhra Pradesh Technology Services Limited	Total
Revenue from sale of services and licenses	-	0.01	0.14	-	0.15
Purchases of goods and services (including reimbursement)*	4,321.60	-	1.20	-	4,322.80
Dividend paid	866.42	-	-	107.09	973.50
Rent expense	71.44	-	-	-	71.44

*The key manangement personnel of the Company are on deputation and have drawn remuneration of ₹ 56.21 Lakhs from Tata Consultancy Services Limited during the year ended March 31, 2023. Service charges are payable by the Company to Tata Consultancy Services Limited.

(₹ in lakhs)

	Year ended March 31, 2024			
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Total
Trade receivables and unbilled receivables	**-**	**0.87**	-	0.87
Total	**-**	**0.87**	-	0.87

(₹ in lakhs)

	Year ended March 31, 2023			
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Total
Trade receivables and unbilled receivables	16.77	0.05	-	16.81
Total	16.77	0.05	-	16.81

(₹ in lakhs)

	Year ended March 31, 2024			
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Total
Trade payables	**499.85**	**-**	-	499.85

(₹ in lakhs)

	Year ended March 31, 2023			
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Total
Trade payables	762.59	-	0.04	762.63

Notes forming part of the Financial Statements

21) ADDITIONAL REGULATORY INFORMATION

• Ratios	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	2.22	2.46	(9.76)%	
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	-	-	-	
Return On equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	19.97%	14.67%	36.13 %	Increase due to increase in profit during the year
Inventory turnover ratio (in times)	Raw materials, subassemblies, components, finished goods and work in progress consumed	Average inventories	10.09	5.61	79.86 %	Increased due to increase in stationery and hardware purchases
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	2.75	2.00	37.50 %	Increase due to increase in revenue from operations and decrease in Trade receivables
Trade payables turnover ratio (in times)	Cost of equipment and software licenses + Other	Average trade payables	7.60	4.65	63.44 %	Increased due to as trade payables and direct expenses reduced
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities	1.61	1.44	11.81 %	
Net profit ratio (in %)	Profit for the year	Revenue from operations	14.72%	12.07%	21.96 %	
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	25.40%	19.58%	29.72 %	Increase due to increase in revenue from operations
Return on investments (in %)	Income generated from invested funds	Average invested funds in treasury investments	8.71%	5.60%	55.54 %	Income generated from invested funds has increased due to increase in fixed deposits and mutual fund during this year.

*Restricted to two decimals

Notes forming part of the Financial Statements

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

23) DIVIDENDS

Dividends paid during the year ended March 31, 2024 include an amount of ₹ 55 per equity share for the year ended March 31, 2023. Dividends paid during the year ended March 31, 2023 include an amount of ₹ 55 per equity share towards dividend for the year ended March 31, 2022.

Dividends declared by the Company are based on the profit available for distribution. On May 07, 2024 the Board of Directors of the Company have proposed a final dividend of ₹ 85 per share in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹1,504.50lakhs.

For **K B J & ASSOCIATES**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai
Date: May 07, 2024

For and on behalf of the Board

G S Lakshmi Narayanan
Director
DIN : 07982712

V.Rajanna
Director
DIN:01280277

Date: May 07, 2024

MP ONLINE LIMITED

FINANCIAL STATEMENTS

For the year ended
March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

AUDITOR'S REPORT

UDIN:- 24048889BKAKRP8931

TO THE MEMBERS MP ONLINE LIMITED BHOPAL

Report on the standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **MP Online Limited** (hereinafter referred to as "the Company"); which comprises the Balance Sheet as at 31st March 2024 and Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the Cash Flow Statement for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and Statement of Profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

  (c) The Balance Sheet and the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of accounts.

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

  (e) On the basis of the written representations received from the Directors as on March 31, 2024, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024, from being appointed as a Director in terms of Section 164 (2) of the Act.

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

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 19 to the financial statements.

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

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

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

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

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

(v) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

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

(vi) Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable with effect from 1st April 2023. The Company has used software for maintaining the books of accounts which has inbuilt feature of recording the audit trail and logs of activities in the software. The same was used from 14th May 2023. This software once activated cannot be tempered with. On the basis of verification of details on test check basis we have not come across any inconsistency in the maintenance of audit trail during the year. The Company also uses some other software such as portal for citizen services (G to C) and but it is not interfaced with the accounting software. Data is downloaded and then entered in the accounting software. Hence they have not been verified by us.

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

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

For K B J & ASSOCIATES.
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No. 48889)

7th May 2024.
Mumbai

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ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of MP ONLINE LIMITED ('the Company')

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

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

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

(c) According to the information and explanations given to us and records examined by us, the company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

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

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

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

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, except for investment in mutual funds and loan to a company details of the same are given below:

(a) (A) The Company does not have any subsidiaries. Accordingly, clause 3(iii)(a) A of the Order is not applicable.

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to other party as below:

Particulars	Amt (₹ In Lakhs)
Aggregate Amount during the year- Other	6,000.00
Balance outstanding at Balance sheet date	6,000.00

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the investments made, loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Sections 185 of the Companies Act, 2013 ("the Act") and the company has not made any investments or provided any guarantee or security as specified under section 186 of the Companies Act, 2013 ("the Act"). Further, the company has complied with the provisions of section 186 of the Companies Act, 2013 ("the Act") in relation to loans given.

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount under dispute (₹in lakhs)	Amount paid under protest (₹in lakhs)	Amount not paid	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	2,995.27	112.32	2,882.96	Oct-09 to Sept-14	Appellate Tribunal
The Finance Act, 1994	Service Tax	1,273.16	95.48	1,177.67	Oct-14 to Mar-16	Appellate Tribunal
The Finance Act, 1994	Service Tax	997.32	67.99	929.33	April-16 to June-17	Appellate Tribunal
The Income Tax Act, 1961	Income Tax	7.15	-	7.15	AY 2014-15	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	2.35	-	2.35	AY 2018-19	Commissioner of Income Tax (Appeals)

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

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

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

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

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

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has seven CICs as part of the Group.

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

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

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

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

For K B J & ASSOCIATES.
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No. 48889)

7th May 2024.
Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS

Opinion

We have audited the internal financial controls with reference to financial statements of MP Online Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For K B J & ASSOCIATES.
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No. 48889)

7th May 2024.
Mumbai

Balance Sheet

(₹ in lakhs)

		Note	As at March 31, 2024	As at March 31, 2023
I.	**ASSETS**			
	Non - current assets			
	Property, plant and equipment	8(a)	**145.39**	180.27
	Right-of-use assets	7	**576.22**	410.92
	Financial assets			
	Trade receivables			
	Billed	6(b)	**-**	-
	Other financial assets	6(f)	**2,571.39**	6,053.00
	Income tax assets (net)		**112.57**	124.47
	Deferred tax assets (net)	15	**231.99**	176.25
	Other assets	8(b)	**285.56**	280.32
	Total non-current assets		**3,923.12**	7,225.23
	Current assets			
	Financial assets			
	Investments	6(a)	**2,877.40**	4,699.22
	Trade receivables			
	Billed	6(b)	**1,814.45**	99.03
	Cash and cash equivalents	6(c)	**2,319.22**	2,760.91
	Other balances with banks	6(d)	**3,697.79**	2,541.43
	Loans	6(e)	**3.00**	2.68
	Other financial assets	6(f)	**6,926.89**	422.07
	Other assets	8(b)	**383.26**	331.45
	Total current assets		**18,022.01**	10,856.79
	TOTAL ASSETS		**21,945.13**	18,082.02
II.	**EQUITY AND LIABILITIES**			
	Equity			
	Share capital	6(m)	**100.00**	100.00
	Other equity	9	**13,919.46**	12,620.09
	Total Equity		**14,019.46**	12,720.09
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	Lease liabilities		**651.88**	482.09
	Employee benefit obligations	12	**94.99**	71.00
	Income tax liabilities (net)			
	Other liabilities	7c)	**-**	0.00
	Deferred tax liabilities (net)	7		
	Total non-current liabilities		**746.87**	553.09
	Current liabilities			
	Financial liabilities			
	Lease liabilities		**77.40**	62.79
	Trade payables			
	Dues of small enterprises and micro enterprises	6(g)	**-**	-
	Dues to creditors other than small enterprises and micro enterprises	6(h)	**640.54**	623.89
	Other financial liabilities	6(i)	**4,700.12**	2,908.76
	Unearned and deferred revenue		**146.27**	0.34
	Other liabilities	8(c)	**1,429.18**	1,075.48
	Employee benefit obligations	12	**103.80**	94.29
	Income tax liabilities (net)		**81.49**	43.29
	Total current liabilities		**7,178.80**	4,808.84
	TOTAL EQUITY AND LIABILITIES	1-24	**21,945.13**	18,082.02
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS			

As per our report of even date attached.

For and on behalf of the Board of MPOnline Limited
CIN number : U72400MP2006PLC01877

For **KBJ & Associates**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai, May 07,2024

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675

Mumbai, May 07,2024

Statement of Profit and Loss

(₹ in lakhs)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	10	**8,911.28**	9,184.60
Other income	11	**1,250.28**	828.87
TOTAL INCOME		**10,161.56**	10,013.47
Expenses			
Employee benefit expenses	12	**1,490.65**	1,391.06
Finance cost	14	**55.46**	49.65
Depreciation expense	7, 8(a)	**86.89**	104.63
Other expenses	13(a)	**4,644.54**	4,944.75
TOTAL EXPENSES		**6,277.54**	6,490.09
PROFIT BEFORE TAX		**3,884.02**	3,523.38
Tax expense			
Current tax	15	**1,052.10**	915.00
Deferred tax	15	**(53.66)**	(10.57)
TOTAL TAX EXPENSE		**998.44**	904.43
PROFIT FOR THE YEAR		**2,885.58**	2,618.95
OTHER COMPREHENSIVE INCOME (OCI) /(LOSS)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		**(8.29)**	(12.98)
Income-tax on items that will not be reclassified subsequently to profit or loss		**2.08**	3.27
TOTAL OTHER COMPREHENSIVE INCOME /(LOSS)		**(6.21)**	(9.71)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		**2,879.37**	2,609.24
Earnings per equity share :- Basic and diluted (₹)	16	**288.56**	261.90
Weighted average number of equity shares		**10,00,000**	10,00,000
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date attached.

For **KBJ & Associates**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai, May 07,2024

For and on behalf of the Board of MPOnline Limited
CIN number : U72400MP2006PLC01877

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675

Mumbai, May 07,2024

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
100	**-**	**-**	**-**	**100**

(₹ in lakhs)

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
100	-	-	-	100

*Refer note 6(l).

B. OTHER EQUITY

(₹ in lakhs)

	Retained earnings
Balance as at April 1, 2023	**12,620.09**
Profit for the year	**2,885.58**
Other comprehensive losses	**(6.21)**
Total comprehensive income	**15,499.46**
Dividend	**(1,580.00)**
Balance as at March 31, 2024	**13,919.46**
Balance as at April 1, 2022	12,040.85
Profit for the year	2,618.95
Other comprehensive losses	(9.71)
General reserve	-
Total comprehensive income	14,650.09
Dividend	(2,030.00)
Balance as at March 31, 2023	12,620.09

Nature and purpose of reserves

General Reserve

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

Retained earnings

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-24

As per our report of even date attached.

For and on behalf of the Board of MPOnline Limited
CIN number : U72400MP2006PLC01877

For **KBJ & Associates**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675

Mumbai, May 07,2024

Mumbai, May 07,2024

Statement of Cash Flow

(₹ in lakhs)

			Year ended March 31, 2024	Year ended March 31, 2023
I	CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit for the year		**3,884.02**	3,523.38
	Adjustments to reconcile profit and loss to net cash provided by Operating activities			
	Depreciation expense		**86.89**	104.63
	Net gain on investements		**(629.64)**	(354.99)
	Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)		**(22.83)**	36.18
	Interest income		**(838.08)**	(467.60)
	Unrealised gain on investments		**217.44**	(5.70)
	Finance costs		**55.46**	49.65
	Operating profit before working capital changes		**2,753.26**	2,885.55
	Net change in			
	Trade receivables		**(1,692.59)**	(24.60)
	Loans and other financial assets		**(0.32)**	(3.09)
	Other assets		**(57.05)**	248.09
	Trade payables		**16.65**	397.04
	Unearned and deferred revenue		**145.93**	(37.69)
	Employee benefit obligations		**25.21**	5.11
	Other liabilities and provisions		**2,145.06**	1,429.99
	Cash generated from operations		**3,336.15**	4,900.40
	Taxes paid (net of refunds)		**(1,002.02)**	(1,064.52)
	Net cash generated from operating activities		**2,334.13**	3,835.88
II	CASH FLOWS FROM INVESTING ACTIVITIES			
	Bank deposits placed		**(8,223.81)**	(2,502.46)
	Inter-corporate deposits placed		**-**	(6,000.00)
	Purchase of investments		**(19,000.00)**	(3,100.00)
	Payment for purchase of property, plant and equipment		**-**	(29.30)
	Proceeds from bank deposits		**4,541.43**	5.72
	Proceeds from disposal / redemption of investments		**21,234.01**	10,822.77
	Interest received		**331.81**	49.30
	Net cash generated from / (used in) investing activities		**(1,116.56)**	(753.97)
III	CASH FLOWS FROM FINANCING ACTIVITIES			
	Dividend		**(1,580.00)**	(2,030.00)
	Interest paid		**(55.46)**	(49.65)
	Repayment of lease liabilities		**(23.80)**	(34.47)
	Net cash (used in) financing activities		**(1,659.26)**	(2,114.12)
	Net change in cash and cash equivalents		**(441.69)**	967.79
	Cash and cash equivalents at the beginning of the year		**2,760.91**	1,793.12
	Cash and cash equivalents at the end of the year (refer Note 6(c))		**2,319.22**	2,760.91
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

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

As per our report of even date attached.

For and on behalf of the Board of MPOnline Limited
CIN number : U72400MP2006PLC01877

For **KBJ & Associates**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675

Mumbai, May 07,2024

Mumbai, May 07,2024

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

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

The Company, is a public company incorporated and domiciled in India. The address of its registered office and principal place of business Office Block No.9 & 10, DB City Corporate block , DB Mall Fifth Floor, Arera Hills, MP Nagar, Bhopal 462011. As of March 31, 2024 Tata Consultancy Services Limited, the holding company owned 89% of the Company's equity share capital. Tata Sons Private Limited is the ultimate parent.

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

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 07,2024

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

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

These financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values at the end of each reporting period and employee retirement obligations as explained in the accounting policies below. Historical cost is generally based on fair value of consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measerement date.

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

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

4. USE OF ESTIMATES AND JUDGEMENTS

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

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

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

a) Useful lives of property, plant and equipment

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

Notes forming part of the Financial Statements

b) Fair value measurement of financial instruments

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

c) Provision for income tax and deferred tax assets

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

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

d) Provisions and contingent liabilities

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

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

e) Employee benefits

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

f) Leases

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

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

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

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Financial Statements

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Impairment of financial assets (other than at fair value)

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

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

Notes forming part of the Financial Statements

a) Investments - current

	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through profit or loss		
Mutual funds units (quoted)	**2,877.40**	4,699.22
	2,877.40	4,699.22

Investment - Non current

	Quantity	As at March 31, 2024	Quantity	As at March 31, 2023
Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan	**2,56,960.25**	**1,001.32**	63,029.59	228.85
Nippon - Liquid Fund - Growth-Direct Plan	**9,664.96**	**571.10**	23,041.71	1,268.89
SBI - Liquid Fund - Growth-Direct Plan	**20,549.88**	**800.58**	32,197.38	1,134.42
DSP Savings Fund - Direct Plan - Growth	**10,19,379.37**	**504.40**	-	-
ICICI Prudential - Liquid Fund - Growth-Direct Plan	**-**	**-**	3,41,495.25	1,137.81
Kotak Liquid Fund - Growth-Direct Plan	**-**	**-**	20,430.25	929.25
	13,06,554.46	**2,877.40**	4,80,194.18	4,699.22

Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Aggregate value of quoted investments	**2,877.40**	4,699.22
Aggregate market value of quoted investments	**2,877.40**	4,699.22

b) Trade receivables - Billed

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

Trade receivables - Billed - Non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**530.76**	554.24
Less : Allowance for doubtful trade receivables - Billed	**(530.76)**	(554.24)
Considered good	**-**	-

Notes forming part of the Financial Statements

Ageing for trade receivables – non-current outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - Billed							
Undisputed trade receivables – considered good	-	-	-	-	-	530.76	530.76
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	530.76	530.76
Less: Allowance for doubtful trade receivables - Billed							(530.76)
							-

Ageing for trade receivables - non-current outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - Billed							
Undisputed trade receivables – considered good	-	-	-	23.32	17.58	513.34	554.24
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	23.32	17.58	513.34	554.24
Less: Allowance for doubtful trade receivables - Billed							(554.24)
							-

Notes forming part of the Financial Statements

Trade receivables - Billed - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**1,814.45**	99.03
Less: Allowance for doubtful trade receivables - Billed	**-**	-
Considered good	**1,814.45**	99.03

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

(₹ in lakhs)

	Outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Trade receivables - Billed							
Undisputed trade receivables – considered good	**1,798.81**	**-**	**1.14**	**14.50**	**-**	**-**	**1,814.45**
Undisputed trade receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undisputed trade receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables – considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1,798.81	**-**	**1.14**	**14.50**	**-**	**-**	**1,814.45**
Less: Allowance for doubtful trade receivables - Billed							**-**
							1,814.45

Notes forming part of the Financial Statements

Ageing for trade receivables - non-current outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - Billed							
Undisputed trade receivables – considered good	30.72	43.63	24.68	-	-	-	99.03
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	30.72	43.63	24.68	-	-	-	99.03
Less: Allowance for doubtful trade receivables - Billed							-
							99.03

c) Cash and cash equivalents

Cash and cash equivalents consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	**2,319.22**	2,760.91
	2,319.22	2,760.91

d) Other balances with banks

Other balances with banks consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Short-term bank deposits	**3,676.00**	2,500.00
Earmarked balances with banks*	**21.79**	41.43
	3,697.79	2,541.43

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

Notes forming part of the Financial Statements

e) Loans

Loans (unsecured) consists of the following:

Loans - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans and advances to employee	**3.00**	2.68
	3.00	2.68

f) Other financial assets

Other financial assets consist of the following:

Other financial assets - Non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Bank deposits	**2,500.00**	-
Security deposits	**19.29**	26.92
Earmarked balances with banks *	**52.10**	26.08
Inter-corporate deposits**	**-**	6,000.00
	2,571.39	6,053.00

Other financial assets - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Inter-corporate deposits**	**6,000.00**	-
Interest receivable	**926.89**	422.07
	6,926.89	422.07

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

**Inter-corporate deposits placed with financial institutions yield fixed interest rate.The same financial institution has since, been merged with bank.

Notes forming part of the Financial Statements

g) Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2024 and March 31, 2023 is as under:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Dues remaining unpaid to any supplier Principal	-	-
Interest on the above	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-
	-	-

h) Trade payables

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment					
Particulars	**Not Due**	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
MSME	-	-	-	-	-	-
Others	304.81	-	9.42	-	156.56	470.79
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	304.81	-	9.42	-	156.56	470.79
Accrued expenses						169.75
						640.54

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

Notes forming part of the Financial Statements

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment					
Particulars	**Not Due**	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
MSME	-	-	-	-	-	-
Others	365.56	9.42	-	-	156.56	531.54
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	365.56	9.42	-	-	156.56	531.54
Accrued expenses						92.35
						623.89

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

i) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Amount collected on behalf of customers	**4,645.22**	2,853.51
Security deposits received	**54.90**	54.90
Accrued payroll	**-**	0.34
	4,700.12	2,908.75

j) Financial instruments by category

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

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	**-**	**2,319.22**	**2,319.22**
Other balances with bank	**-**	**3,697.79**	**3,697.79**
Investments	**2,877.40**	**-**	**2,877.40**
Trade receivables	**-**	**1,814.45**	**1,814.45**
Loans	**-**	**3.00**	**3.00**
Other financial assets	**-**	**9,498.28**	**9,498.28**
Total	**2,877.40**	**17,332.74**	**20,210.14**
Financial liabilities:			
Trade payables	**-**	**640.54**	**640.54**
Lease liabilities	**-**	**729.28**	**729.28**
Other financial liabilities	**-**	**4,700.12**	**4,700.12**
Total	**-**	**6,069.94**	**6,069.94**

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	2,760.91	2,760.91
Other balances with banks	-	2,541.43	2,541.43
Investments	4,699.22	-	4,699.22
Trade receivables	-	99.03	99.03
Loans	-	2.68	2.68
Other financial assets	-	6,475.07	6,475.07
Total	4,699.22	11,879.12	16,578.34
Financial liabilities:			
Trade payables	-	623.89	623.89
Lease liabilities	-	544.88	544.88
Other financial liabilities	-	2,908.76	2,908.76
Total	-	4,077.53	4,077.53

Carrying amounts of cash and cash equivalents, other balances with bank, trade receivables, loans receivables, trade payables and other financial liabilities as at March 31, 2024 and 2023 approximate the fair value due to their nature.Carrying amounts of other balances with bank, 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.

Measurement of fair value

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

k) Fair value hierarchy

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

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

Notes forming part of the Financial Statements

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, 2024

(₹ in lakhs))

Financial assets	Level 1	Level 2	Level 3	Total
Mutual fund units	**2,877.40**	**-**	**-**	**2,877.40**
Total	**2,877.40**	**-**	**-**	**2,877.40**

As of March 31, 2023

(₹ in lakhs)

Financial assets:	Level 1	Level 2	Level 3	Total
Mutual fund units	4,699.22	-	-	4,699.22
Total	4,699.22	-	-	4,699.22

l) **Financial risk management**

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

Market risk

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

Foreign currency exchange rate risk

The Company has no exposure to foreign currency risk.

Interest rate risk

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

Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits, inter corporate deposits and other financial assets. Inter corporate deposits of ₹ 6,000 lakhs and ₹ 6,000 lakhs as of March 31, 2024 and 2023, respectively are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits of ₹ 6,249.89.00 lakhs and ₹ 2,567.51 lakhs as at March 31, 2024 and 2023, respectively is held with Indian banks having high credit ratings. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 20,210.14 lakhs and ₹ 16,578.34 lakhs as of March 31, 2024 and 2023, respectively, being the total of the Carrying amount of balances with banks, bank deposits, investments, trade receivables, loans receivables, Intercorporate deposits and other financial assets.

Notes forming part of the Financial Statements

Of the total trade receivables ₹ 2,345.21 lakhs as at March 31, 2024, Amt of ₹ 1,774.74/- is due from the variuos collecting agents which have since been received. Out of balance receivables of ₹ 570.47 lakhs following two are largest customers of the Company. There are no other customers who represent more than 10% of the total trade receivables other than collecting agents.

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Customer A	**327.81**	327.81
Customer B	**191.76**	191.76
Customer C	**-**	18.74
Customer D	**-**	17.45
	519.57	555.76

Geographic concentration of credit risk

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

Liquidity risk

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

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

(₹ in lakhs)

March 31, 2024	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	**640.54**	**-**	**-**	**-**	**640.54**
Lease liabilities	**77.40**	**79.46**	**262.44**	**1,403.43**	**1,822.73**
Other financial liabilities	**4,700.12**	**-**	**-**	**-**	**4,700.12**
Total	**5,418.06**	**79.46**	**262.44**	**1,403.43**	**7,163.39**

(₹ in lakhs)

March 31, 2023	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	623.89	-	-	-	623.89
Lease liabilities	62.77	35.77	116.80	1,419.01	1,634.35
Other financial liabilities	2,908.76	-	-	-	2,908.76
Total	3,595.42	35.77	116.80	1,419.01	5,167.00

Notes forming part of the Financial Statements

m) Equity instruments

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Authorised :		
1,000,000 equity shares of ₹10 each	**100.00**	100.00
(March 31, 2023 : 1,000,000 Equity shares of ₹ 10 each)	**-**	-
Issued, Subscribed and Fully paid up		
1,000,000 equity shares of ₹ 10 each	**100.00**	100.00
(March 31, 2023 : 1,000,000 Equity shares of ₹ 10 each)	**-**	-
	100.00	100.00

a. Reconciliation of the number of shares

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ lakhs)	Number of shares	Amount (₹ lakhs)
Equity shares				
Opening balance	**10,00,000**	**100.00**	10,00,000	100.00
Issued during the year	**-**	**-**	-	-
Closing balance	**10,00,000**	**100.00**	10,00,000	100.00

b. Rights, preferences and restrictions attached to shares

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

c. Shares held by holding company

	Number of shares	
	As at March 31, 2024	As at March 31, 2023
Equity shares		
Holding Company		
8,90,000 equity shares are held by Tata Consultancy Services Limited	**8,90,000**	8,90,000

Notes forming part of the Financial Statements

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

Class of shares / Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Tata Consultancy Services Limited	**8,90,000**	**89%**	8,90,000	89%
Madhya Pradesh State Electronics Development Corporation	**1,10,000**	**11%**	1,10,000	11%

e. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at March 31, 2024		As at March 31, 2023		
	Number of shares	% of total shares	Number of shares	% of total shares	
Tata Consultancy Services Limited	**8,90,000**	**89%**	8,90,000	89%	0%
Madhya Pradesh State Electronics Development Corporation Limited	**1,10,000**	**11%**	1,10,000	11%	0%

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

7. LEASES

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

Company as a lessee

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

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

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily

Notes forming part of the Financial Statements

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

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessee

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

(₹ in lakhs)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Leasehold Building	**217.31**	**576.22**
	217.31	**576.22**

(₹ in lakhs)

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Leasehold Building	-	410.92
	-	410.92

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation		
Leasehold Building	**52.01**	47.51
	52.01	47.51

Interest on lease liabilities is ₹ 55.46 lakhs and ₹ 49.65 lakhs for the years ended March 31, 2024 and 2023, respectively.

The total cash outflow for leases is ₹ 80.12 lakhs and ₹ 84.12 lakhs for the years ended March 31, 2024 and 2023, respectively.

The Company incurred ₹ 2.85 lakhs and Nil lakhs for the years ended March 31, 2024 and 2023, respectively, towards expenses relating to short-term leases and leases of low-value assets.

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

Notes forming part of the Financial Statements

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a) Property, plant and equipment

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

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

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years

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

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

Property, plant and equipment consists of the following:

(₹ in lakhs)

Description	Leasehold improvements	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2023	204.00	628.51	9.04	109.43	16.28	52.69	1,019.95
Additions	-		-	-	-	-	-
Disposals	(60.70)	(0.42)	-	(19.72)	-	(4.20)	(85.04)
Cost as at March 31, 2024	143.30	628.09	9.04	89.71	16.28	48.49	934.91
Accumulated depreciation as at April 1, 2023	(78.10)	(579.69)	(9.04)	(103.88)	(16.28)	(52.69)	(839.68)
Disposals	60.70	0.42	-	19.72	-	4.20	85.04
Depreciation for the year	(8.89)	(20.49)	-	(5.50)	-	-	(34.88)
Accumulated depreciation as at March 31, 2024	(26.29)	(599.76)	(9.04)	(89.66)	(16.28)	(48.49)	(789.52)
Net carrying amount as at March 31, 2024	117.01	28.33	-	0.05	-	-	145.39

Notes forming part of the Financial Statements

(₹ in lakhs)

Description	Leasehold improvements	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2022	204.00	599.21	9.04	109.43	16.28	52.69	990.65
Additions	-	29.30	-	-	-	-	29.30
Disposals	-	-	-	-	-	-	-
Cost as at March 31, 2023	204.00	628.51	9.04	109.43	16.28	52.69	1,019.95
Accumulated depreciation as at April 1, 2022	(66.26)	(545.51)	(9.04)	(92.78)	(16.28)	(52.69)	(782.56)
Disposals	-	-	-	-	-	-	-
Depreciation for the year	(11.84)	(34.18)	-	(11.10)	-	-	(57.12)
Accumulated depreciation as at March 31, 2023	(78.10)	(579.69)	(9.04)	(103.88)	(16.28)	(52.69)	(839.68)
Net carrying amount as at March 31, 2023	125.90	48.82	-	5.55	-	-	180.27

b) Other assets

Other assets consist of the following:

Other assets - Non - current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses	**9.76**	4.52
Balance with Government authorities	**275.80**	275.80
	285.56	280.32

Other assets - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses	**49.24**	40.30
Other advance*	**334.02**	291.15
	383.26	331.45

* Paid to MP Electricty Board & NSDL for wallet

Notes forming part of the Financial Statements

c) Other liabilities

Other liabilities - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Advance received from collection agents	**1,380.81**	984.11
Indirect tax payable and other statutory liabilities	**48.37**	91.37
	1,429.18	1,075.48

9. OTHER EQUITY

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	**12,620.09**	12,040.85
Profit for the year	**2,885.58**	2,618.95
Other comprehensive income arising from remeasurement of defined employee benefit plans, net of income-tax	**(6.21)**	(9.71)
	15,499.46	14,650.09
Less: Appropriations		
Dividend	**(1,580.00)**	(2,030.00)
	13,919.46	12,620.09

10. REVENUE RECOGNITION

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

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

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

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. The Company disaggregates revenue from contracts with customers by nature of services.

Revenue disaggregation by nature is as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Transaction revenue	**8,885.16**	9,070.51
Adhar authentication	**26.12**	15.88
Franchisee fees	**-**	56.21
Manpower supply	**-**	42.00
	8,911.28	9,184.60

Notes forming part of the Financial Statements

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

The Company does not have any contract assets.

Movement in contract liabilities is given below:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**0.34**	38.03
Revenue recognised that was included in the contract liability balance at the beginning of the period.	**(401.83)**	(250.77)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**547.76**	213.08
Balance at the end of the year	**146.27**	0.34

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

11. OTHER INCOME

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

Other income (net) consist of the following :

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	**836.63**	465.89
Net gain on investments carried at fair value through profit or loss	**(217.44)**	5.70
Net gain on sale of investments carried at fair value through profit or loss	**629.64**	354.99
Miscellaneous income *	**1.45**	2.29
	1,250.28	828.87
Interest income comprises :		
Interest on bank deposits	**415.22**	94.59
Interest income on corporate deposit	**421.41**	371.30
(*) Includes interest on lease deposits	**1.45**	1.71

12. EMPLOYEE BENEFITS

Defined benefit plans

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

Notes forming part of the Financial Statements

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

Defined contribution plans

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

Short-term employee benefits

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

Compensated absences

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

Employee benefit expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	**1,348.13**	1,260.80
Contribution to provident and other funds	**85.00**	79.56
Staff welfare expenses	**57.52**	50.70
	1,490.65	1,391.06

Employee benefit obligation - Non-Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Gratuity	**94.99**	71.00
	94.99	71.00

Employee benefit plans consist of the following:

Employee benefit obligation - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Gratuity	**38.93**	36.05
Compensated absences	**64.87**	58.24
	103.80	94.29

Notes forming part of the Financial Statements

Employee benefit obligations consist of the following:

Gratuity

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

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

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Change in benefit obligations		
Benefit obligations, beginning of the year	**155.50**	136.04
Service cost	**15.17**	14.44
Interest cost	**11.67**	9.86
Actuarial losses on obligations for the year	**7.10**	12.20
Benefit paid	**(3.62)**	(17.04)
Benefit obligaons,end of the year	**185.82**	155.50
Change in plan assets		
Fair value of plan assets, beginning of the year	**48.46**	44.98
Interest income	**3.63**	3.26
Employers' contributions	**1.00**	1.00
Return on plan assets, excluding interest income	**(1.19)**	(0.78)
Fair value of plan assets, end of the year	**51.90**	48.46

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Net obligation:		
(Deficit) of plan assets over obligations	**(133.92)**	(107.05)
	(133.92)	(107.05)

	As at March 31, 2024	As at March 31, 2023
Category of assets:		
Insurer managed funds	**51.90**	48.46
	51.90	48.46

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Service cost	**15.17**	14.44
Net interest on net defined benefit liability / (asset)	**8.03**	6.60
Net periodic gratuity / pension cost	**23.20**	21.04
Actual return on plan asets	**3.63**	3.26

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Actuarial (gains) arising from changes in demographic assumptions	**3.46**	6.17
Actuarial losses arising from changes in financial assumptions	**4.28**	(4.25)
Actuarial losses arising from changes in experience adjustments	**(0.65)**	10.28
Return on plan assets, excluding interest income	**1.19**	0.78
Remeasurement of the net defined benefit liability / (assets)	**8.28**	12.98

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	**7.25%**	7.50%
Salary escalation rate	**6%**	6%
Attrition rate		
i) If Services < = 5 years	**17.07%**	18.98%
ii) If Services > 5 years	**5.58%**	4.32%
Mortality rate	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2012-14)

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

The Company is expected to contribute ₹ 38.93 lakhs to the defined benefit plan obligation for the year ending March 31, 2024.

Remeasurement (gain) / loss of defined employee benefit plan in other comprehensive income for the fiscals 2024 and 2023 are ₹ 8.29 lakhs and ₹ 12.98 lakhs respectively.

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

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**(8.40)**	(7.98)
Decrease of 0.50%	**9.08**	8.69

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**9.15**	8.77
Decrease of 0.50%	**(8.54)**	(8.13)

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

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

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

Year ending March 31,	**Defined benefit obligations**
2025	12.08
2026	12.14
2027	14.41
2028	13.07
2029	13.62
2030 to 2034	70.28
2034 and above	300.76

Provident Fund

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

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

The Company expensed contributed ₹ 59.20 lakhs (March 31, 2023: ₹ 55.75 lakhs) for provident fund during the year ended March 31, 2024.

13. COST RECOGNITION

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

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, cost

Notes forming part of the Financial Statements

of equipment and software licences, communication expenses, comission, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(a) Other expenses

Other expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Fees to external consultants	**656.86**	470.81
Facility expenses	**157.30**	132.45
Cost of equipment and software licences	**16.15**	13.86
Communication expenses	**135.41**	197.98
Commission	**3,550.30**	3,945.68
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**(22.83)**	36.18
Expenditure on Corporate Social Responsibility (refer to in note 13b)	**56.26**	48.54
Others (includes auditors remuneration referred to in note 17)	**95.09**	99.25
Total	**4,644.54**	4,944.75

(b) Corporate Social Responsibility (CSR) expenditure

(₹ in lakhs)

		Year ended March 31, 2024	Year ended March 31, 2023
1	Amount required to be spent by the Company during the year	**56.26**	48.54
2	Amount of expenditure incurred on:		
	(i). Construction/acquisition of any asset	**-**	-
	(ii) On purposes other than (i) above	**56.26**	48.54
3	Shortfall at the end of the year	**-**	-
4	Total of previous years shortfall	**-**	-
5	Reason for shortfall	**-**	-
6	Nature of CSR activities	**Education and welfare of children with disabilities**	
7	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	**-**	-

14. FINANCE COSTS

Finance costs consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	**55.46**	49.65
	55.46	49.65

Notes forming part of the Financial Statements

15. INCOME TAX

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

Current income taxes

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

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

Deferred income taxes

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

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

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

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

The income tax expense consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expenses for current year	**1,052.10**	915.00
Current tax benefit pertaining to prior years		
Deferred tax	**1,052.10**	915.00
Deferred tax expenses/(benefit)	**(53.66)**	(10.57)
Deferred tax expense / (benefit) pertaining to prior years	**(53.66)**	(10.57)
Total income tax expense recognised in current year	**998.44**	904.43
Income tax expense recognised in OCI		
Deferred tax on remeasurement of defined employee benefit plan	**2.08**	3.27

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before income taxes	3,884.02	3,523.38
Indian statutory income tax rate	25.17%	25.17%
Expected income tax expense	977.61	886.83
Tax effect of adjustments to reconcile expected income tax expense		
Disallowance of CSR expenses	14.15	12.22
Others (net)	6.68	5.38
Total income tax expense	998.44	904.43

Deferred tax balance

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in lakhs)

	Opening balance	Recognised in profit and loss	Recognised through OCI	Recognised through Retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment	28.40	(4.60)	-	-	23.81
Provision for employee benefits	41.60	6.34	2.09	-	50.04
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(63.80)	54.73	-		(9.07)
Operating lease liabilities	33.71	4.81	-	-	38.52
Provision for doubtful debts	139.50	(5.92)	-	-	133.58
Others	(3.16)	(1.73)	-	-	(4.89)
Net deferred tax assets / (liabilities)	176.25	53.63	2.09	-	231.99

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at 31 March, 2024	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	23.81	-	23.81
Provision for employee benefits	50.04	-	50.04
Unrealised gain on securities carried at fair value through profit or loss / other	-	(9.07)	(9.07)
Right of Use	183.56	-	183.56
Operating lease liabilities	-	(145.04)	(145.04)
Provision for doubtful debts	133.58	-	133.58
Others	(4.89)	-	(4.89)
Total deferred tax assets / (liabilities)	386.10	(154.11)	231.99

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	Opening balance	Recognised in profit and loss	Recognised through OCI	Recognised through Retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment	26.43	1.97	-	-	28.40
Provision for employee benefits	37.05	1.28	3.27	-	41.60
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(62.37)	(1.43)	-	-	(63.80)
Operating lease liabilities	30.42	3.29	-	-	33.71
Provision for doubtful debts	130.78	8.72	-	-	139.50
Others	0.10	(3.26)	-	-	(3.16)
Net deferred tax assets / (liabilities)	162.41	10.57	3.27	-	176.25

Gross deferred tax assets and liabilities are as follows:

(₹ lakhs)

As at 31 March, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	28.40	-	28.40
Provision for employee benefits	41.60	-	41.60
Unrealised gain on securities carried at fair value through profit or loss / other	-	(63.80)	(63.80)
Right of Use	-	(103.43)	(103.43)
Operating lease liabilities	137.14	-	137.14
Provision for doubtful debts	139.50	-	139.50
Others	-	(3.16)	(3.16)
Total deferred tax assets / (liabilities)	346.64	(170.39)	176.25

Notes forming part of the Financial Statements

16. EARNINGS PER SHARE

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

(₹ lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year (₹ in lakhs)	**2,885.58**	2,618.95
Weighted average number of equity shares	**10,00,000**	10,00,000
Earnings per share basic and diluted (₹)	**288.56**	261.90
Face value per equity share (₹)	**10**	10

17. AUDITORS REMUNERATION

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Services as statutory auditors	**5.15**	5.00
Tax audit	**1.25**	1.25
Re-imbursement of out of pocket expenses	**0.31**	0.28
	6.71	6.53

18. SEGMENT INFORMATION

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

For the year ended March 31, 2024 there are three customers that contribute more than 10% each of total revenue.

(₹ lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Customer A	**1,683.08**	1,970.47
Customer B	**1,180.39**	1,173.86
Customer C	**553.88**	1,127.91

19. COMMITMENTS AND CONTINGENCIES

Indirect tax matters

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. As at March 31, 2024, the Company has demands amounting to ₹ 5,265.76 lakhs (March 31, 2023: ₹ 5,265.76 lakhs) from indirect tax authority which are being contested by the Company.

Income tax matters

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

Notes forming part of the Financial Statements

The Company has contingent liability in respect of demands from direct tax authorities, which are being contested by the Company on appeal amounting ₹ 9.50 lakhs and ₹ 9.50 lakhs as at March 31, 2024 and 2023, respectively.

Bank guarantees

The Company has provided guarantees to third parties aggregating ₹ 55.00 lakhs (March 31, 2023: ₹ 60.00 lakhs). The Company does not expect any outflow of resources in respect of the above.

20. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

21. RELATED PARTY TRANSACTIONS

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

Ultimate Holding Company

Tata Sons Private Limited

Holding Company

Tata Consultancy Services Limited

Significant shareholder

Madhya Pradesh State Electronics Development Corporation Limited

Key Management Personnel (KMP)

Arun Panchal - Chief Operating Officer

Transactions with related parties are as follows:

(₹ in lakhs)

	Year ended March 31, 2024		
	Holding Company	Significant shareholder	Total
Revenue from operations	-	594.53	594.53
Purchases of goods and services*	444.02	32.90	476.92
Reimbursement of expenses	-	15.52	15.52
Dividend paid	1,406.20	173.80	1,580.00

Notes forming part of the Financial Statements

(₹ in lakhs)

	Year ended March 31, 2023		
	Holding Company	Significant shareholder	Total
Revenue from operations	42.00	17.11	59.11
Purchases of goods and services*	266.51	32.90	299.41
Reimbursement of expenses	4.05	13.10	17.15
Dividend paid	1,806.70	223.30	2,030.00

* The key manangement personnel of the Company are on deputation and draw remuneration ₹ 38.52 lakhs and ₹ 44.40 lakhs from Tata Consultancy Services Limited as at March 31, 2024 and 2023, respectively. Service charges are payable by the Company to Tata Consultancy Services Limited

(₹ in lakhs)

	Year ended March 31, 2024		
	Holding Company	Significant shareholder	Total
Trade receivables	**10.98**	**17.09**	**28.07**
Security deposit	**-**	**8.15**	**8.15**
Total	**10.98**	**25.24**	**36.22**

(₹ in lakhs)

	Year ended March 31, 2023		
	Holding Company	Significant shareholder	Total
Trade receivables	54.37	211.04	265.41
Security deposit	-	8.15	8.15
Total	54.37	219.19	273.56

Balances payable to related parties are as follows:

(₹ in lakhs)

	Year ended March 31, 2024		
	Holding Company	Significant shareholder	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**144.79**	**-**	**144.79**
Total	**144.79**	**-**	**144.79**

(₹ in lakhs)

	Year ended March 31, 2023		
	Holding Company	Significant shareholder	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	35.21	-	35.21
Total	35.21	-	35.21

Notes forming part of the Financial Statements

22. ADDITIONAL REGULATORY INFORMATION

a) Ratios

	Numerator	Denominator	Current Year	Previous Year
Current ratio (in times)	Total current assets	Total current	2.51	2.26
Debt-Equity ratio (in times)*	Debt consists of borrowings and lease liabilities	Total equity	0.05	0.04
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating Mexpenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments+Pri ncipal repayments	38.49	32.61
Return on equity ratio (in %)*	Profit for the year less Preference dividend (if any	Average total equity	29%	28%
Trade receivables turnover ratio (in times)**	Revenue from operations	Average trade receivables	9.31	87.62
Trade payables turnover ratio (in times)***	Cost of equipment and software licences + Other expenses	Average trade payables	7.38	11.62
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.06	1.06
Net profit ratio (in %)	Profit for the year	Revenue from operations	32%	29%
Return on capital employed (in %)***	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	27%	28%
Return on investment (in %)****	Income generated from invested funds	Average invested funds in treasury investments	0.09	0.06

*Debts of the company has gone up because company has taken new office on lease.

**Trade receivables turnover ratio (in times) has gone done due to increase in receivables from collecting agents.

*** Trade payable turnover ratio(in times) has gone down to increase in average trade payables.

**** Due to funds invested in high yeild return.

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

Notes forming part of the Financial Statements

24. DIVIDENDS

Dividends paid during the year ended March 31, 2024 include an amount of ₹ 158 per equity share for the year ended March 31, 2023.

Dividends declared by the Company are based on the profit available for distribution. On May 07,2024 the Board of Directors of the Company have proposed a final dividend of ₹ 174 per share in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 1740 lakhs.

Note:

Previous Years Figures have been reclassed wherever necessary.

As per our report of even date attached.

For and on behalf of the Board of MPOnline Limited
CIN number : U72400MP2006PLC01877

For **KBJ & Associates**
Chartered Accountants
Firm's registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership number : 048889

Mumbai, May 07,2024

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675

Mumbai, May 07,2024

C - Edge Technologies Limited

(CIN: U72900MH2006PLC159038)

FINANCIAL STATEMENTS

For the year ended March 31, 2024

SUBSIDIARY FINANCIALS FOR THE YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF C - EDGE TECHNOLOGIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of C - Edge Technologies Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

e. On the basis of the written representations received from the directors as on 31 March 2024 to 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer income tax liabilities disclosed in the balance sheet along with Note 17 to the financial statements.

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

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

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 22 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 22 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 23 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll and certain non-editable fields/tables of the accounting software used for maintaining general ledger.

ii. The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting softwares relating to revenue, trade receivables and general ledger for the period 1 April 2023 to 13 November 2023, relating to property, plant and equipment for the period 1 April 2023 to 14 December 2023 and relating to payroll for the period 1 April 2023 to 15 February 2024.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Rajesh Shetty
Partner
Membership No.: 130778
ICAI UDIN:24130778BKHNSU4420

Place: Mumbai
Date: 25 April 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of C - Edge Technologies Limited for the year ended 31 March 2024

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

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

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

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

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

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

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

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

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

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount (₹ in lakhs)**	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax Act	GST	213.07	2017	Joint Commisioner	None
**The amount is net of amount paid under protest of Rs. 91.31 lakhs					

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

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

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

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

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

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

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

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

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

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

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

(xiii) Pursuant to circular dated July 05, 2017 notified by Ministry of Corporate Affairs (MCA), the Company is exempted from the requirements of constitution of audit committee, accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

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

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

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

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has seven CICs as part of the Group.

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

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

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

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

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

Rajesh Shetty
Partner

Place: Mumbai
Date: 25 April 2024

Membership No.: 130778
ICAI UDIN:24130778BKHNSU4420

Annexure B to the Independent Auditor’s Report on the financial statements of C - Edge Technologies Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of C - Edge Technologies Limited (“the Company”) as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

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

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Rajesh Shetty
Partner

Place: Mumbai
Date: 25 April 2024

Membership No.: 130778
ICAI UDIN:24130778BKHNSU4420

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non - current assets			
Property, plant and equipment	8(a)	**4,306.38**	3,390.27
Right-of-use assets	7	**2,818.81**	727.91
Intangible assets	8(b)	**2,361.30**	725.93
Financial assets			
Other financial assets	6(c)	**129.00**	9,204.64
Deferred tax assets (net)	15	**345.99**	410.63
Income tax asset (net)		**644.36**	1,482.92
Other assets	8(c)	**280.88**	352.12
Total non-current assets		**10,886.72**	16,294.42
Current assets			
Financial assets			
Trade receivables			
Billed	6(a)	**9,726.19**	5,534.69
Unbilled		**1,359.61**	2,772.45
Cash and cash equivalents	6(b)(i)	**15,840.99**	14,671.86
Other balances with bank	6(b)(ii)	**12,006.07**	2,618.13
Other financial assets	6(c)	**1,476.68**	512.43
Other assets	8(c)	**2,359.08**	1,690.49
Total current assets		**42,768.62**	27,800.05
TOTAL ASSETS		**53,655.34**	44,094.47
EQUITY AND LIABILITIES			
Equity			
Share capital	6(i)	**1,000.00**	1,000.00
Other equity	6(j)	**40,083.19**	35,090.28
Total equity		**41,083.19**	36,090.28
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**2,744.47**	463.46
Employee benefit obligations	11 (ii) (a)	**86.63**	81.38
Unearned and deferred revenue		**179.25**	466.96
Total non-current liabilities		**3,010.35**	1,011.80
Current liabilities			
Financial liabilities			
Lease liabilities		**230.98**	326.90
Trade payables			
Dues of small enterprises and micro enterprises	6(d)	**22 92**	-
Dues of creditors other than small enterprises and micro enterprises	6(e)	**4,823.35**	3,479.67
Other financial liabilities	6(f)	**88.51**	32.59
Unearned and deferred revenue		**904.36**	1 099.27
Other liabilities	8(d)	**1,760.20**	701.75
Employee benefit obligations	11 (ii) (b)	**485.79**	428.30
Income tax liabilities (net)		**1,245.69**	923.91
Total current liabilities		**9,561.80**	6,992.39
TOTAL EQUITY AND LIABILITIES		**53,655.34**	44,094.47
NOTES FORMING PART OF FINANCIAL STATEMENTS	1 – 23		

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

For and on behalf of the Board

Rajesh Shetty
Partner
Membership number: 130778
Mumbai, April 25, 2024

Lakshminarayanan Gomatam Seshadri
Director

Satish Rao
Director

Rahul Kulkarni
Chief Executive Officer

Aarti Salekar
Company Secretary

Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2024

Statement of Profit and Loss

(₹ in lakhs)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	9	**42,291.14**	35,576.82
Other income	10	**1,872.13**	1,231.10
TOTAL INCOME		**44,163.27**	36,807.92
Expenses:			
Employee benefits expenses	11(i)	**7,467.37**	6,535.19
Finance costs	14	**207.11**	52.61
Depreciation and amortisation expense		**2,459.57**	1,931.82
Other expenses	12	**21,225.16**	16,802.59
TOTAL EXPENSES		**31,359.21**	25,322.21
PROFIT BEFORE TAX		**12,804.06**	11,485.71
Tax expense:			
Current tax	15	**3,259.25**	3,097.97
Deferred tax	15	**61.43**	(173.98)
Total tax expenses		**3,320.68**	2,923.99
PROFIT FOR THE YEAR		**9,483.38**	8,561.72
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss.			
Remeasurement of defined employee benefit plans		**12.74**	(43.61)
Income tax on item that will not be reclassified subsequently to the statement of profit or loss		**(3.21)**	10.98
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**9.53**	(32 63)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**9,492.91**	8,529.09
Earnings per equity share- Basic and diluted (₹)	19	**94.83**	85.62
Weighted average number of equity shares		**10,000,000**	10,000,000
NOTES FORMING PART OF FINANCIAL STATEMENTS	1 – 23		

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

For and on behalf of the Board

Rajesh Shetty
Partner
Membership number: 130778
Mumbai, April 25, 2024

Lakshminarayanan Gomatam Seshadri
Director

Satish Rao
Director

Rahul Kulkarni
Chief Executive Officer

Aarti Salekar
Company Secretary

Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2024

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
1,000.00	**-**	**1,000.00**	**-**	**1,000.00**

(₹ in lakhs)

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Change in equity share capital during the year	Balance as at March 31, 2023
1,000.00	-	1,000.00	-	1,000.00

*Refer note 6(l).

B. OTHER EQUITY

	Retained earnings	Total Equity
Balance as at April 1, 2023	**35,090.28**	**35,090.28**
Profit for the year	**9,483.38**	**9,483.38**
Other comprehensive income / (losses)	**9.53**	**9.53**
Total comprehensive income	**9,492.91**	**9,492.91**
Dividend	**(4,500.00)**	**(4,500.00)**
Balance as at March 31, 2024	**40,083.19**	**40,083.19**
Balance as at April 1, 2022	30,261.19	30,261.19
Profit for the year	8,561.72	8,561.72
Other comprehensive income / (losses)	(32.63)	(32.63)
Total comprehensive income	8,529.09	8,529.09
Dividend	(3,700.00)	(3,700.00)
Balance as at March 31, 2023	35,090.28	35,090.28

Nature and purpose of reserves

a. Retained earnings

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-23

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

For and on behalf of the Board

Rajesh Shetty
Partner
Membership number: 130778
Mumbai, April 25, 2024

Lakshminarayanan Gomatam Seshadri
Director

Satish Rao
Director

Rahul Kulkarni
Chief Executive Officer

Aarti Salekar
Company Secretary

Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2024

Statement of Cash Flow

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**9,483.38**	8,561.72
Adjustments for :		
Depreciation and amortisation expense	**2,459.57**	1,931.82
Bad debts written off, allowance for expected credit losses and doubtful advances (net)	**-**	731.29
Tax expense	**3,320.68**	2,923.99
Unrealised (gain) / loss on lease modification	**(80.92)**	(22.91)
Net loss on disposal of property, plant & equipment	**20.99**	-
Interest income	**(1,790.34)**	(1,204.56)
Finance costs	**207.11**	52.61
Operating profit before working capital changes	**13,620.47**	12,973.96
Net Change in:		
Trade receivables		
Billed	**(4,191.50)**	(139.20)
Unbilled	**1,412.84**	(1,023.08)
Other financial assets	**(88.03)**	(21.62)
Other assets	**(597.35)**	(114.48)
Trade payables	**1,366.60**	(381.11)
Unearned and deferred revenues	**(482.62)**	(344.39)
Other financial liabilities	**(14.70)**	15.42
Other liabilities and provision	**1,133.93**	(31.79)
Cash generated from operations	**12,159.64**	10,933.71
Taxes paid (net of refunds)	**(1,969.74)**	(3,094.31)
Net cash generated from operating activities	**10,189.90**	7,839.40
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits matured	**2,618.13**	10,195.45
Bank deposits placed	**(3,000.00)**	(11,624.20)
Payment for purchase of property, plant and equipment	**(2,539.93)**	(1,930.89)
Payment for intangible assets	**(1,959.63)**	(788.00)
Interest received	**780.06**	1,416.37
Net cash used in Investing activities	**(4,101.37)**	(2,731.27)

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**(327.27)**	(293.63)
Interest paid	**(92.13)**	(52.61)
Dividend paid	**(4,500.00)**	(3,700.00)
Net cash used in financing activities	**(4,919.40)**	(4,046.24)
Net change in cash and cash equivalents	**1,169.13**	1,061.89
Cash and cash equivalents at the beginning of the year	**14,671.86**	13,609.97
Cash and cash equivalents at the end of the year (Refer note 6(b)(i))	**15,840.99**	14,671.86
Components of cash and cash equivalents		
Balances with bank		
In current accounts	**892.84**	2,960.18
In deposit accounts	**14,948.15**	11,711.68
	15,840.99	14,671.86
NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-23		

Refer note 12(j) for amount spent during the years ended March 31, 2024 and 2023 on construction / acquisition of any asset and other purposes relating to CSR activities.

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

For and on behalf of the Board

Rajesh Shetty
Partner
Membership number: 130778
Mumbai, April 25, 2024

Lakshminarayanan Gomatam Seshadri
Director

Satish Rao
Director

Rahul Kulkarni
Chief Executive Officer

Aarti Salekar
Company Secretary

Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2024

Notes to the Separate Financial Statements

1) Corporate information

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

The Company is a public limited company incorporated and domiciled in India. The address of its Corporate office is Lodha iThink, Tower A, Floor 9th, Kolshet Road, Sandoz Baug, Thane (West) – 400607.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on April 25, 2024.

2) Statement of compliance

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

Adoption of new accounting principles

Deferred tax related to assets and liabilities arising from a single transaction (amendments to Ind AS 12 -Income Taxes):

The amendments clarify that lease transactions give rise to equal and offsetting temporary differences and financial statements should reflect the future tax impacts of these transactions through recognizing deferred tax. The Company has adopted this amendment effective 1 April 2023. The Company previously accounted for deferred tax on leases on a net basis. Following the amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. The adoption did not have any impact on the current and comparative periods presented in the financial statements.

3) Basis of preparation

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

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

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

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

Notes to the Separate Financial Statements

4) Use of estimates and judgements

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

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

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its financial statements:

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. (Refer note 8 (a))

b) Provision for income tax and deferred tax assets

The Company uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. (Refer note 15)

c) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each balance sheet date and are adjusted to reflect the current best estimates. (Refer note 17)

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

d) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note. (Refer note 11(ii))

e) Leases

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

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

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

5) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Separate Financial Statements

6) Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. In determining the allowances for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rate 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.

Notes to the Separate Financial Statements

6) (a) TRADE RECEIVABLES - BILLED

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

Trade receivables - Billed – Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivable - Billed	**10,207.47**	6,190.69
Less : Allowance for expected credit loss	**(481.28)**	(656.00)
Considered good	**9,726.19**	5,534.69
Trade receivable - Billed	**664.32**	701.85
Less : Allowance for expected credit loss	**(664.32)**	(701.85)
Credit impaired	**9,726.19**	5,534.69

Above balances of trade receivables include balances with related parties (Refer note 18)

Ageing for trade receivables – current outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	6,758.53	3,155.93	207.06	85.95	-	-	10,207.47
Undisputed trade receivables – credit impaired	-	-	-	233.70	309.31	121.31	664.32
	6,758.53	3,155.93	207.06	319.65	309.31	121.31	10,871.79
Less : Allowance for expected credit loss							(1,145.60)
							9,726.19
Trade Receivables - unbilled							1,359.61
							11,085.80

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	1,512.29	3,994.27	454.91	169.82	41.67	17.73	6,190.69
Undisputed trade receivables – credit impaired	-	-	-	478.72	183.47	39.66	701.85
	1,512.29	3,994.27	454.91	648.54	225.14	57.39	6,892.54
Less : Allowance for expected credit loss							(1,357.85)
							5,534.69
Trade Receivables - unbilled							2,772.45
							8,307.14

Notes to the Separate Financial Statements

(b) i Cash and cash equivalents

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts *	**892.84**	2,960.18
In deposit accounts with original maturity less than 3 months ***	**14,948.15**	11,711.68
	15,840.99	14,671.86

* Above balances of cash and cash equivalents include balances with related parties (Refer note 18)

** The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

(b) ii Other balances with bank

Other balances with bank consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Short term bank deposits*	**12,006.07**	2,618.13
	12,006.07	2,618.13

*Above balances of short term bank deposits include balances with related parties (Refer note 18)

(c) Other financial assets

Other financial assets consist of the following:

(i) Other financial assets - Non – current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Security deposits	**129.00**	198.57
Bank deposit more than 12 months	**-**	9,006.07
	129.00	9,204.64

(ii) Other financial assets – current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
(a) Security depos its	**96.88**	56.50
(b) Interest receivable *	**1,379.80**	455.93
	1,476.68	512.43

*Above balances of interest receivable include balances with related parties (Refer note 18)

Notes to the Separate Financial Statements

d) Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2024 and March 31, 2023 is as under:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Dues remaining unpaid to any supplier	22.92	-
Principal	-	-
Interest on the above		
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along wi th the amount of the payment made to the s upplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

(e) Trade payables

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 months	1 - 2 years	2 - 3 years	More than 3 years	
MSME *	22.92	-	-	-	-	22.92
Others **	-	776.32	-	-	113.47	889.79
Disputed dues - Others •	-	-	-	-	-	-
	22.92	776.32	-	-	113.47	912.71
Accrued expenses						3,933.56
						4,846.27

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

• Disputed Trade Payables pertain to those parties where a legal claim has been filed in any court in India.

**Above balances of trade payables include balances with related parties (Refer note 18).

Notes to the Separate Financial Statements

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 months	1 - 2 years	2 - 3 years	More than 3 years	
MSME *	-	-	-	-	-	-
Others **	-	488.73	45.90	-	113.47	648.10
Disputed dues - Others •	-	-	-	-	-	-
	-	488.73	45.90	-	113.47	648.10
						2,831.57
Accrued expenses						3,479.67

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

• Disputed Trade Payables pertain to those parties where a legal claim has been filed in any court in India.

* Above balances of trade payables include balances with related parties (Refer note 18).

(f) Other financial liabilities - current

Other financial liabilities consist of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Accrued payroll	**17.89**	32.59
Capital creditors	**70.62**	-
	88.51	32.59

g) Financial instruments by category

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

(₹ in lakhs)

	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	**-**	**15,840.99**	**15,840.99**
Trade receivables			
Billed	**-**	**9,726.19**	**9,726.19**
Unbilled	**-**	**1,359.61**	**1,359.61**
Other bank balances	**-**	**12,006.07**	**12,006.07**
Other financial assets	**-**	**1,605.68**	**1,605.68**
Total	**-**	**40,538.54**	**40,538.54**
Financial liabilities			
Trade payables	**-**	**4,823.35**	**4,823.35**
Lease liabilities	**-**	**2,975.45**	**2,975.45**
Other financial liabilities	**-**	**88.51**	**88.51**
Total	**-**	**7,887.31**	**7,887.31**

Notes to the Separate Financial Statements

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

(₹ in lakhs)

	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	14,671.86	14,671.86
Trade receivables			
Billed	-	5,534.69	5,534.69
Unbilled	-	2,772.45	2,772.45
Other bank balances	-	2,618.13	2,618.13
Other financial assets	-	9,717.07	9,717.07
Total	-	35,314.20	35,314.20
Financial liabilities			
Trade and other payables	-	3,479.67	3,479.67
Lease liabilities	-	790.36	790.36
Other financial liabilities	-	32.59	32.59
Total	-	4,302.62	4,302.62

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2024 and 2023, approximate the fair value due to their nature. Carrying amounts of bank deposits, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

(h) Financial risk management

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

a) Interest rate risk

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

b) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Refer note 4 for methods, assumptions and information used to measure expected credit losses.

Financial instruments that are subject to credit risk consist of trade receivables, unbilled receivable, cash and cash equivalents, bank deposits and other financial assets. Bank deposits include an amount of ₹ 26,954.22 lakhs held with two banks having high credit rating which is individually in excess of 10% or more of the Company's total bank deposit as at March 31,2024.

The Company's exposure to customers is diversified and there are no customers other than the Holding Company who contributes to more than 10% of outstanding trade receivables as at March 31, 2024 and March 31, 2023. None of the other financial instruments of the Company result in material concentration of credit risk.

Notes to the Separate Financial Statements

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31,2024 and 2023, was ₹ NIL lakhs and ₹ 731.29 lakhs respectively. The reconciliation of allowance for expected credit loss is as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**1,357.85**	757.85
Changes during the year	**-**	731.29
Bad debts written off	**(212.25)**	(131.29)
Balance at the end of the year	**1,145.60**	1,357.85

c) Liquidity risk

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

The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

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

(₹ in lakhs)

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
March 31, 2024					
Trade payables	**4,823.35**	**-**	**-**	**-**	**4,823.35**
Lease liabilities	**454.37**	**430.63**	**1,425.47**	**1,796.22**	**4,106.69**
Other financial liabilities	**88.51**	**-**	**-**	**-**	**88.51**
	5,366.23	**430.63**	**1,425.47**	**1,796.22**	**9,018.55**
March 31, 2023					
Trade payables	3,479.67	-	-	-	3,479.67
Lease liabilities	365.59	318.59	164.61	-	848.79
Other financial liabilities	32.59	-	-	-	32.59
	3,877.85	318.59	164.61	-	4,361.05

d) Foreign currency exchange rate risk

The Company's exposure to foreign currency risk is not material.

(i) Equity instruments

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Authorised :		
4,00,00,000 equity shares of ₹ 10 each (March 31, 2023 : 4,00,00,000 equity shares of ₹ 10 each)	**4,000.00**	4,000.00
	4,000.00	4,000.00
Issued, subscribed and fully paid-up:		
1,00,00,000 equity shares of ₹ 10 each (March 31, 2023 : 1,00,00,000 equity shares of ₹ 10 each)	**1,000.00**	1,000.00
	1,000.00	1,000.00

Notes to the Separate Financial Statements

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

i) Reconciliation of number of shares

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Equity shares				
Opening balance	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued during the year	**-**	**-**	-	-
Closing balance	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00

ii) Rights, preferences and restrictions attached to shares

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

iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity shares

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Holding	Number of shares	Holding
Tata Consultancy Services Limited (Holding company)	**51,00,000**	**51%**	51,00,000	51%
State Bank of India (significant shareholder)	**49,00,000**	**49%**	49,00,000	49%

iv) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Sr. no.	Promoter name	Shares held by promoters		% Change during the year
		No. of shares	% of total shares	
1	Tata Consultancy Services Limited (holding company)	**51,00,000**	**51**	**-**
2	State Bank of India (significant shareholder)	**49,00,000**	**49**	**-**
	Total	**1,00,00,000**	**100**	**-**

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Sr. no.	Promoter name	Shares held by promoters		% Change during the year
		No. of shares	% of total shares	
1	Tata Consultancy Services Limited (holding company)	**51,00,000**	**51**	**-**
2	State Bank of India (significant shareholder)	**49,00,000**	**49**	**-**
	Total	**1,00,00,000**	**100**	**-**

Notes to the Separate Financial Statements

(j) Other equity

Other equity consists of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
(i) Retained earnings		
Opening balance	**35,090.28**	30,261.19
(ii) Profit for the year	**9,483.38**	8,561.72
(iii) OCI Impact and remeasurement of defined employee benefit plans	**9.53**	(32.63)
(iv) Appropriation :		
(v) Less :		
(a) Dividend on equity shares	**(4,500.00)**	(3,700.00)
	40,083.19	35,090.28

7) Leases

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

Company as a lessee

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

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

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

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

Notes to the Separate Financial Statements

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

(₹ in lakhs)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Buildings	**3,029.76**	2,818.81
	3,029.76	2818.81

(₹ in lakhs)

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2022
Buildings	**199.38**	727.91
	199.38	727.91

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Buildings	**541.42**	315.21
	541.42	315.21

Interest on lease liabilities is ₹ 207.11 lakhs and ₹ 52.61 lakhs for the year ended March 31, 2024 and 2023 respectively.

The Company incurred ₹ 8.25 lakhs and ₹ 6.91 lakhs for the year ended March 31, 2024 and 2023 respectively towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹ 427.65 lakhs and ₹ 353.15 lakhs for the year ended March 31, 2024 and 2023 respectively , including cash outflow for short term and low value leases.

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

8) NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

(a) Property, plant and equipment

Property, plant and equipment are stated at cost 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 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 as prescribed in schedule II of the Companies Act, 2013 except in respect of certain categories of assets, where the useful life of the asset has been assessed 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.

Notes to the Separate Financial Statements

The estimated useful lives are as mentioned below:

Type of the asset	Useful life
Office equipment	5 - 10 years *
Buildings (Leasehold)	Lease term
Furniture and fixtures	5 years *
Computer equipment	4 years *
Leasehold improvements	Lease term

*The Company believes that the technically evaluated useful lives, different from Schedule II of the Companies Act, 2013, best represent the period over which these assets are expected to be used.

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

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

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

Notes to the Separate Financial Statements

Property, plant and equipment

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Gross Block as at April 1, 2023	Additions	Disposals	Gross block as at March 31, 2024	Accumulated depreciation as at April 1, 2023	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2024	Net carrying amount as at March 31 , 2024	Net carrying amount as at March 31, 2023
Computer equipment	11,098.84	1,451.83	194.82	12,355.85	(7,889.78)	(1,451.66)	(194.82)	(9,146.62)	3,209.23	3,209.06
Office equipment	279.35	233.98	127.59	385.74	(148.54)	(43.85)	(81.83)	(110.56)	275.18	130.81
Furniture and fixtures	116.11	208.47	63.38	261.20	(113.53)	(37.87)	(63.38)	(88.02)	173.18	2.58
Leasehold Improvements	208.13	661.48	89.29	780.32	(160.31)	(60.51)	(89.29)	(131.53)	648.79	47.82
Total	**11,702.43**	**2,555.76**	**475.08**	**13,783.11**	**(8,312.16)**	**(1,593.89)**	**(429.32)**	**(9,476.73)**	**4,306.38**	**3,390.27**

(₹ in lakhs)

Description	Gross Block as at April 1, 2022	Additions	Disposals	Gross block as at March 31, 2023	Accumulated depreciation as at April 1, 2022	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2023	Net carrying amount as at March 31 , 2023	Net carrying amount as at March 31, 2022
Computer equipment	11,455.98	1,916.21	2,273.35	11,098.84	(8,682.28)	(1,480.85)	(2,273.35)	(7,889.78)	3,209.06	2,773.70
Office equipment	269.33	10.02	-	279.35	(119.54)	(29.00)	-	(148.54)	130.81	149.79
Furniture and fixtures	111.45	4.66	-	116.11	(99.35)	(14.18)	-	(113.53)	2.58	12.10
Leasehold Improvements	208.13	0.00	-	208.13	(129.80)	(30.51)	-	(160.31)	47.82	78.33
Total	12,044.89	1,930.89	2,273.35	11,702.43	(9,030.97)	(1,554.54)	(2,273.35)	(8,312.16)	3,390.27	3,013.92

Notes to the Separate Financial Statements

(b) Intangible assets

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

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life of 4 years on a straight-line basis over the period of its economic useful life.

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

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

Intangible assets consist of the following:

(₹ in lakhs)

	Software licences
Cost as at April 1, 2023	**788.00**
Additions	**1,959.63**
Disposals / Derecognised	**-**
Cost as at March 31, 2024	**2,747.63**
Accumulated amortisation as at April 1, 2023	**(62.07)**
Amortisation	**(324.26)**
Disposals / Derecognised	**-**
Accumulated amortisation as at March 31 2024	**(386.33)**
Net carrying amount as at March 31, 2024	**2,361.30**

(₹ in lakhs)

	Software licences
Cost as at April 1, 2022	**-**
Additions	**788.00**
Disposals / Derecognised	**-**
Cost as at March 31, 2023	**788.00**
Accumulated amortisation as at April 1, 2022	**-**
Amortisation	**(62.07)**
Disposals / Derecognised	**-**
Accumulated amortisation as at March 31, 2023	**(62.07)**
Net carrying amount as at March 31, 2023	**725.93**

Notes to the Separate Financial Statements

The estimated amortisation for years subsequent to March 31, 2024 is as follows:

(₹ in lakhs)

	Amortisation expense
Year ending March 31,	
2025	**686.91**
2026	**686.91**
2027	**624.84**
2028	**362.64**
	2,361.30

(c) Other assets

Other assets consist of the following:

(i) Other assets - Non – current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Prepaid expenses	**93.18**	49.68
Contract fulfill ment cost *	**96.39**	211.13
Balance with Government Authorities **	**91.31**	91.31
	280.88	352.12

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	**34.95**	5.40
Prepaid expenses	**408.04**	174.31
Contract fulfillment cost *	**694.98**	640.00
Indirect taxes recoverable	**1,216.22**	869.18
Advances to employees	**4.89**	1.60
	2,359.08	1,690.49

* Contract fulfilment costs of ₹ 1,315.28 lakhs and ₹ 1,018.53 lakhs for the years ended March 31, 2024 and 2023, respectively, have been amortized in the statement of profit and loss.

(d) Other liabilities

Other liabilities consists of the following:

(i) Other liabilities – current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Advance received from customers	**104.50**	-
Indirect taxes payable and other statutory liabilities	**1,655.70**	701.75
	1,760.20	701.75

Notes to the Separate Financial Statements

9) Revenue recognition

The Company earns revenue primarily from providing IT services and business solutions.

The Company's contracts with customers could include commitment to transfer multiple products and services to a customer. The Company assesses the products / services committed in a contract and identifies distinct performance obligations in the contract including whether a performance obligation is satisfied at a point in time or over a period of time. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at each reporting period.

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue from ASP (Applications Service Provider) platforms are recognised as the services are performed and amount earned. Revenue is recognised on a time elapsed mode and revenue is straight lined over the period of performance. Amounts are considered to be earned once evidence of an agreement or contractual arrangement has been obtained, services are delivered and collectability is reasonably assured.
- Revenue from the supply of third party equipment or software is recognised at the point in time when control is transferred to the customer net of applicable taxes and duties.

Contract fulfilment costs

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

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

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

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

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

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

Significant shareholder, along with its Regional Rural Banks, and the Holding Company contributes 39% (40% : March 2023) and 31% (29% : March 31, 2023) of the company's total revenue for year ended March 31, 2024, respectively.

Other income comprises of interest income for financial instruments namely bank and corporate deposits measured at amortised cost which is recorded on accrual basis.

Notes to the Separate Financial Statements

Revenue from operations

The Company generates revenue from consultancy services and sale of equipment to the Banking, Financial Services and Insurance (BFSI) sector in India.

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Information technology and consultancy services	**41,075.06**	35,339.99
(b) Sale of equipment	**1,216.08**	236.83
	42,291.14	35,576.82

The Company has applied practical expedient of not disclosing the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

The Company does not have any contract assets.

Movement in contract liabilities is given below:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	**1,566.23**	1,910.62
Less : Revenue recognised that was included in contract liability balance at the beginning of the year	**(1,001.33)**	(1,487.32)
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**518.71**	1,142.93
Closing balance	**1,083.61**	1,566.23

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

10) OTHER INCOME

Interest income is recognised using the effective interest method. Other income consist of the following:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	**1,771.70**	1,204.56
Other income	**100.43**	26.54
Closing balance	**1,872.13**	1,231.10
Interest income comprises :		
Interest income on bank deposits and interest on financial assets carried at amortised cost.	**1,703.93**	1,170.49
Interest revenue - Income tax refunds	**67.77**	34.07
Others income comprises :		
Net gain on lease modification	**80.92**	22.91
Others	**19.51**	3.63

Notes to the Separate Financial Statements

11) EMPLOYEE BENEFITS

i) Short-term employee benefits

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

ii) Defined benefit plans

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

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

The Company provided benefits such as gratuity and provident fund to its employees which are treated as defined benefit plan.

iii) Defined contribution plan

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

iv) Other employee benefit obligations

Compensated absences

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

i) Employee benefit expenses consist of the following:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Salaries, incentives and allowances	**7,006.73**	6,114.96
(b) Contribution to provident and other funds	**307.03**	273.57
(c) Staff welfare expenses	**153.61**	146.66
	7,467.37	6,535.19

Notes to the Separate Financial Statements

Employee benefit obligation consist of the following:

(ii)(a) Employee benefit obligations - non current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Gratuity liability	**86.63**	81.38
	86.63	81.38

(ii)(b) Employee benefit obligations – current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Gratuity liability	**302.07**	267.39
Compensated absences	**183.72**	160.91
	485.79	428.30

Employee benefit plans consists of the following:

i) Defined contribution plans

Provident fund

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

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

The Company contributed ₹ 241.05 lakhs (March 31, 2023 : ₹ 219.52 lakhs) for provident fund during the year ended March, 31 2024.

Gratuity

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

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

Notes to the Separate Financial Statements

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

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Change in benefit obligations		
Benefit obligations, beginning of the year	**348.77**	303.83
Service cost	**36.64**	31.49
Interest cost	**25.29**	17.41
Benefits paid	**(9.25)**	(47.58)
Actuarial losses / (gains) recognized in OCI	**(12.74)**	43.62
Benefit obligations, end of the year	**388.71**	348.77
Service cost	**36.64**	31.49
Net interest on net defined benefit (assets)/liabilities	**25.29**	17.41
Net periodic gratuity cost	**61.93**	48.90

The Company has no plan assets.

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

Discount rate	**7.25%**	7.25%
Salary escalation rate	**5.00%**	7.00%
Mortality Rate	**Indian Assured Lives Mortality (2012-14)**	I ndian Assured Lives Mortality (2012-14)

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

Attrition rate

i) If Services < = 5 years	**33.52%**	33.27%
ii) If Services > 5 years	**20.43%**	24.29%

Remeasurement of net defined benefit liability / (asset)

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gains) and losses a rising from changes in demographic assumptions	**(0.88)**	8.65
Actuarial (gains) and losses a rising from changes in financial assumptions	**(26.59)**	5.01
Actuarial (gains) and losses a rising from changes in experience adjustments	**14.73**	29.95
Remeasurement of net defined benefit liability / (asset)	**(12.74)**	43.61

The expected benefits are based on the same assumptions as used to measure the Company's defined benefit obligations as at March 31, 2024.

Notes to the Separate Financial Statements

Remeasurement loss / (gain) of the defined benefit obligation of ₹ (12.74) lakhs and ₹ 43.61 lakhs for the years ended March 31, 2024 and March 31, 2023 has been accounted in other comprehensive income.

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

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

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase of 0.50%	**6.25**	(4.87)
Decrease of 0.50%	**(6.01)**	5.05

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

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase of 0.50%	**6.35**	5.04
Decrease of 0.50%	**(6.17)**	(4.91)

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

(₹ in lakhs)

Year ending March 31,	Defined benefit obligation
2025	**86.63**
2026	**68.11**
2027	**59.13**
2028	**55.42**
2029	**44.37**
2030 to 2034	**127.92**

12) COST RECOGNITION

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

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

Notes to the Separate Financial Statements

Other expenses consist of the following:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Fees to external consultants	**2,517.01**	1,424.88
(b) Software and material costs	**9,709.14**	6,754.85
(c) Communication expenses	**7,067.90**	6,280.14
(d) Travelling and conveyance expenses	**102.10**	69.84
(e) Facility and hosting charges	**617.14**	588.10
(f) Repairs and maintenance	**466.29**	357.05
(g) Electricity expenses	**113.44**	116.68
(h) Bad debts written off, allowance for trade receivable and advance (net)	**-**	731.29
(i) Security charges	**54.07**	44.81
(j) Corporate Social Responsibility*	**220.89**	206.09
(k) Others (includes Auditor's remuneration referred to in note 13)	**357.18**	228.86
	21,225.16	16,802.59

*** Corporate Social Responsibility (CSR) expenditure**

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
• Amount approved by the Board and required to be spent by the company during the year	**220.89**	206.09
• Amount of expenditure incurred on :		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**220.89**	206.09
• Excess / (Shortfall) at the end of the year	**-**	-
• Total of previous years shortfall	**-**	-
• Nature of CSR activities	Education, Skilling, Health, Hygiene and Sanitation	

13) AUDITOR'S REMUNERATION

Auditor's remuneration consists of the following:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditor	**6.73**	6.73
For other services	**2.36**	2.36
For reimbursement of out-of-pocket expenses	**0.50**	0.50
	9.59	9.59

Inclusive of indirect taxes input credit has been / will be availed.

Notes to the Separate Financial Statements

14) AUDITOR'S REMUNERATION

Finance costs consist of the following:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	**207.11**	52.61
	207.11	52.61

15) INCOME TAXES

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

i) Current income taxes

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

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

ii) Deferred income taxes

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

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

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax labilities and assets and the Company can settle current tax labilities and assets on a net basis.

The income tax expense consists of the following:

Income tax recognised in the statement of profit and loss

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
Current tax expense for current year	**3,258.76**	3,113.95
Current tax expense pertaining to prior years	**0.49**	(15.98)
	3,259.25	3,097.97
Deferred tax expense / (benefit)	**61.43**	(173.98)
Total income tax expense recognised in the current year	**3,320.68**	2,923.99
Income tax expense recognised in OCI		
Deferred tax on remeasurement of defined employee benefit plan.	**(3.21)**	10.98

Notes to the Separate Financial Statements

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

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before taxes	**12,804.06**	11,485.71
Indian statutory income tax rate	**25.170%**	25.170%
Expected income tax expense	**3,222.78**	2,890.95
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(a) Current tax expense pertaining to prior years	**0.49**	(15.98)
(b) Disallowance under section 37		
(i) CSR expenses	**56.80**	51.87
(c) Others (net)	**40.61**	(2.85)
Total income tax expense	**3,320.68**	2,923.99

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in lakhs)

	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	(84.01)	(64.24)	-	-	(148.25)
Lease liabilities and right-of-use assets	23.14	43.73	-	-	66.87
Provision for Employee benefit	129.73	12.51	(3.21)	-	139.03
Provision for receivables, loans and advances	341.77	(53.43)	-	-	288.34
Total deferred tax assets / (liabilities)	410.63	(61.43)	(3.21)	-	345.99

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

	Assets	Liabilities	Net
As at March 31, 2024			
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(148.25)	(148.25)
Lease liabilities	748.92	-	748.92
Right-of-use assets	-	(682.05)	(682.05)
Provi sion for Employee benefit	139.03	-	139.03
Provision for receivables, loans and advances	288.34	-	288.34
Net deferred tax assets / (liabilities)	**1,176.29**	**(830.30)**	**345.99**

Notes to the Separate Financial Statements

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

(₹ in lakhs)

	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	(102.43)	18.42	-	-	(84.01)
Lease liabilities and right-of-use assets	20.93	2.21	-	-	23.14
Provision for Employee benefit	116.42	2.33	10.98	-	129.73
Provision for receivables, loans and advances	190.75	151.02	-	-	341.77
Total deferred tax assets / (liabilities)	225.67	173.98	10.98	-	410.63

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

	Assets	Liabilities	Net
As at March 31, 2023			
Deferred tax assets / (liabilities) in relation to:			
Property, pla nt and equipment	-	(84.01)	(84.01)
Lease liabilities	198.94	-	198.94
Right-of-use assets	-	(175.80)	(175.80)
Provision for Employee benefit	129.73	-	129.73
Provision for receivables, loans and advances	341.77	-	341.77
Net deferred tax assets / (liabilities)	670.44	(259.81)	410.63

16) SEGMENT INFORMATION

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chief Executive Officer.

The Company has been operating largely in one business segment viz. Banking, Financial Services and Insurance (BFSI). The activities of the Company are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 on "Segment Reporting" are not applicable.

17) COMMITMENTS AND CONTINGENCIES

The company has contractually committed (net of advances) ₹ 1200.00 lakhs as at March 31, 2024 (March 31, 2023 : ₹ 286.01 lakhs) for purchase of property, plant and equipment.

Contingencies

Indirect tax matters

The Company has received a demand notice from the Office of the Commissioner of Goods and Service Tax dated September 03, 2020 demanding ₹ 304.38 lakhs which the Company has claimed as transition benefits u/s 140 of the Central Goods and Service Tax Act, 2017. The Company has filed an appeal before the Appellate Authority after making payment of 10% of the confirmed demand, i.e. ₹ 30.44 lakhs.

Since the Appellate Authority has upheld the base demands, consequential interest and penalties have also been upheld via order in appeal dated April 05, 2021, the next recourse available to the company is to file an appeal within three months of constitution of the Appellate Tribunal, as also clarified by CBIC vide Circular 132/2/2020 – GST dated 18.03.2020.

Notes to the Separate Financial Statements

However, in view of non-constitution of the GST Appellate Tribunal, company is unable to file the appeal as on date. Company has complied with the pre-deposit requirement u/s 112 (9) of the CGST Act, 2017 and made further payment of ₹ 60.88 lakhs. The total deposit paid by the company is ₹ 91.31 lakhs.

18) RELATED PARTY DISCLOSURES

The Company's material related party transactions and outstanding balances are with its Holding Company and Significant Shareholder with whom the Company routinely enters into transactions in the ordinary course of business.

a) Related parties and their relationship

Ultimate Holding Company	Tata Sons Private Limited
Holding Company	Tata Consultancy Services Limited
Significant shareholder	State Bank of India
Key Management Personnel	Rahul Kulkarni - Chief Executive Officer *
	Rohinton Peer - Chief Financial Officer *

b) Transactions with the related parties

Transactions with related parties are as follows:

For the year ended March 31, 2024 and March 31, 2023

(₹ in lakhs)

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total
i) Revenues from operation	**13,084.14**	**1,542.48**	**-**	**14,626.62**
	10,140.04	*1,344.42*	-	*11,484.46*
ii) Managerial remuneration	**-**	**-**	**-**	**-**
	-	-	-	-
iii) Other operating expenses	**2,182.05**	**-**	**144.05**	**2,326.10**
	1,407.25	-	*142.23*	*1,549.48*
iv) Interest income	**-**	**1,277.83**	**-**	**1,277.83**
	-	*588.16*	-	*588.16*
v) Dividend paid	**2,295.00**	**2,205.00**	**-**	**4,500.00**
	1,887.00	*1,813.00*	-	*3,700.00*
vi) Bad debts	**-**	**-**	**-**	**-**
	278.45	-	-	*278.45*
vii) Deposits	**-**	**3,000.00**	**-**	**3,000.00**
	-	*3,800.00*	-	*3,800.00*

Notes to the Separate Financial Statements

As at March 31, 2024 and March 31, 2023

(₹ in lakhs)

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total
i) Trade payables	**959.69**	**-**	**-**	**959.69**
	710.52	*-*	*-*	*710.52*
ii) Trade receivables	**7,029.53**	**319.72**	**-**	**7,349.25**
	5,108.87	*159.08*	*-*	*5,267.95*
iii) Balances with bank	**-**	**15,840.99**	**-**	**15,840.99**
	-	*14,671.86*	*-*	*14,671.86*
iv) Unearned and deferred revenues	**47.90**	**-**	**-**	**47.90**
	235.00	*-*	*-*	*235.00*
v) Interest receivable	**-**	**839.80**	**-**	**839.80**
	-	*196.07*	*-*	*196.07*
vi) Bad debts	**153.79**	**-**	**-**	**153.79**
	278.45	*-*	*-*	*278.45*
vii) Deposits	**-**	**6,800.00**	**-**	**6,800.00**
	-	*3,800.00*	*-*	*3,800.00*

* The Chief Executive Officer and Chief Financial Officer of the Company are on deputation and draw remuneration from Tata Consultancy Services Limited. Service charges are payable by the Company to Tata Consultancy Services Limited.

Figures in italics in the above tables pertains to March 31, 2023.

19) EARNING PER SHARE (EPS)

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

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year (₹ in lakhs)	**9,483.38**	8,561.72
Weighted average number of equity shares	**10,000,000**	10,000,000
Earning per share basic and diluted (₹)	**94.83**	85.62
Face value per equity share (₹)	**10**	10

20) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to the Separate Financial Statements

21) ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	4.47	3.98	12.31%	
Debt service coverage ratio (in times)	Earning for Debt Service = Profit after tax + Noncash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	22.74	30.46	(25.34)%	Reduction in ratio due to increase in Debt Service as the Company has acquired new lease office.
Return On equity ration (in %)	Profit for the year	Average total equity	24.58%	25.42%	(3.30)%	
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	4.36	4.40	(0.91)%	
Trade payables turnover ratio (in times)	Cost of equipment and software licenses + Other expenses	Average trade payables	5.11	4.52	13.05%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities	1.57	1.71	(8.19)%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	22.42%	24.07%	(6.86)%	
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Tangible net worth + Lease Liability + Deferred tax liabilities	29.53%	31.29%	(5.62)%	
Return on investments (in %)	Income generated from invested funds	Average invested funds	8.25%	8.17%	0.98%	
Debt equity ratio (in times)	Lease liability	Total equity	0.07	0.02	250.00%	Increase in ratio due to increase in lease liability as the Company has acquired new lease office.

Notes to the Separate Financial Statements

22) No funds have been advanced/loaned/invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23) SUBSEQUENT EVENT

Dividend paid during the year ended March 31, 2024 pertains to final dividend for the year ended March 31, 2023.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly, the Retained Earnings reported in these financial statements may not be fully distributable. As at March 31, 2024, income available for distribution were ₹ 5000.00 lakhs. On April 25, 2024 the Board of Directors of the Company have proposed a final dividend of ₹ 50.00 per equity share in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 5000.00 lakhs.

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

For and on behalf of the Board

Rajesh Shetty
Partner
Membership number: 130778
Mumbai, April 25, 2024

Lakshminarayanan Gomatam Seshadri
Director

Satish Rao
Director

Rahul Kulkarni
Chief Executive Officer

Aarti Salekar
Company Secretary

Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2024

MAHAONLINE LIMITED

FINANCIAL STATEMENTS

For the year ended
March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

UDIN:-24048889BKAKXM8972

TO THE MEMBERS MAHAONLINE LIMITED,
Report on the standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **MahaOnline Limited** (hereinafter referred to as "the Company"); which comprises the Balance Sheet as at 31st March 2024 and Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the Cash Flow Statement for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and Statement of Profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

Responsibility of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Attention is invited to Note 23 to the financial statement about management's views on use of the Going Concern basis of accounting for the year. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet and the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of accounts.

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

(e) On the basis of the written representations received from the Directors as on March 31, 2024, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164 (2) of the Act.

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

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

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 19 to the financial statements.

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

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

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 24 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

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

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 24 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

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

(v) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 25 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi) Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable with effect from 1st April 2023. The Company has used software for maintaining the accounting books of accounts which has inbuilt feature of recording the audit trail and logs of activities in the software. The same was used from 1st April 2023. This software once activated cannot be tempered with. On the basis of verification of details on test check basis we have not come across any inconsistency in the maintenance of audit trail during the year.

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

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

For K B J & ASSOCIATES.
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No. 48889)

24th May, 2024
Mumbai

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of MahaOnline Limited ('the Company')

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

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

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

(c) According to the information and explanations given to us and records examined by us, the company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

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

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

(ii) (a) The Company is a service company, primarily rendering information technology related solutions. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, except for investment in mutual funds and loan to a Company details of the same are given below:

(a) (A) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, clause 3(iii)(a)A of the Order is not applicable.

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to other party as below:

Particulars	Amount (₹ In Lakhs)
Aggregate Amount during the year- Other	1,401.72
Balance outstanding at Balance sheet date	Nil

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the investments made, loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Sections 185 of the Companies Act, 2013 ("the Act") and the company has not made any investments or provided any guarantee or security as specified under section 186 of the Companies Act, 2013 ("the Act"). Further, the company has complied with the provisions of section 186 of the Companies Act, 2013 ("the Act") in relation to the loan given.

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount under dispute (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	12.95	AY 2017-18	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	0.75	AY 2012-13 and AY 2013-14	Assessing Officer

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

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

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

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

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

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

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

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

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

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

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

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

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

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

(xiv) Based on information and explanations provided to us, the Company is not required to have internal audit system. Accordingly, clause (xiv) of the Order is not applicable

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

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

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

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has seven CICs as part of the Group.

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

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

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

(xx) As stated in Note 13 (b) of the Financial statements and according to the information and explanations given to us, during the year provision of Section 135 is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For K B J & ASSOCIATES.
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No. 48889)

24th May, 2024
Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Opinion

We have audited the internal financial controls with reference to financial statements of MahaOnline Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For K B J & ASSOCIATES.
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No. 48889)

24th May, 2024
Mumbai

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	8(a)	**-**	0.39
Right-of-use assets	7	**-**	3.11
Intangible Assets	8(b)	**-**	-
Financial assets			
Other financial assets	6(f)	**6.00**	136.74
Trade Receivables			
Billed	6(b)	**-**	-
Income-tax assets (net)		**535.11**	483.26
Total non-current assets		**541.11**	623.50
Current assets			
Financial assets			
Investments	6(a)	**8,401.22**	3,340.55
Trade receivables			
Billed	6(b)	**3,208.77**	3,059.46
Cash and cash equivalents	6(c)	**652.87**	3,496.56
Other balances with banks	6(d)	**1,698.73**	2,540.74
Loans	6(e)	**-**	1,401.72
Other financial assets	6(f)	**30.50**	255.71
Other assets	8(c)	**66.84**	87.25
Total current assets		**14,058.93**	14,181.99
TOTAL ASSETS		**14,600.04**	14,805.49
EQUITY AND LIABILITIES			
Equity			
Share capital	6(l)	**255.27**	255.27
Other equity	9	**8,229.84**	8,288.49
Total Equity		**8,485.11**	8,543.76
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	6(h)	**-**	42.70
Employee benefit obligations	12	**5.76**	3.11
Unearned and deferred revenue	10	**-**	47.16
Deferred tax liability (net)	15	**187.45**	91.10
Total non-current liabilities		**193.21**	184.07
Current liabilities			
Financial liabilities		**-**	119.08
Lease liabilities			
Trade payables			
Dues of creditors other than micro enterprises and small enterprises	6(g)	**1,087.79**	1,175.97
Other financial liabilities	6(h)	**4,651.34**	4,679.84
Other liabilities	8(d)	**110.88**	98.29
Employee benefit obligations	12	**5.12**	4.48
Income tax liabilities (net)		**66.59**	-
Total current liabilities		**5,921.72**	6,077.66
TOTAL EQUITY AND LIABILITIES		**14,600.04**	14,805.49
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-25		

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For KBJ & Associates
Chartered Accountants
Firm's registration no: 114934W

Tej Paul Bhatla
Director
Din No: 08491426

Lakshminarayanan G.S.
Director
DIN No: 07982712

Kaushik B. Joshi
Proprietor
Membership No: 48889
Mumbai, May 24, 2024

Shanti Nair
Chief Operating Officer

Statement of Profit and Loss

(₹ in lakhs)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	10	**11.87**	71.91
Other income	11	**988.31**	499.54
Exceptional income	11(a)	**-**	541.65
TOTAL INCOME		**1,000.18**	1,113.10
Expenses			
Employee benefit expenses	12	**42.40**	37.07
Depreciation	7,8(a)	**3.33**	13.59
Other expenses	13(a)	**109.89**	119.01
Finance costs	14	**1.69**	12.10
TOTAL EXPENSES		**157.31**	181.77
PROFIT BEFORE TAX		**842.87**	931.33
Tax expense			
Current tax	15	**103.08**	1.67
Deferred tax	15	**96.82**	232.45
TOTAL TAX EXPENSE		**199.90**	234.12
PROFIT FOR THE YEAR		**642.97**	697.21
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		**(1.88)**	(2.12)
Income tax on items that will not be reclassified subsequently to profit or loss		**0.47**	0.55
TOTAL OTHER COMPREHENSIVE (LOSSES)/INCOME		**(1.41)**	(1.57)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**641.56**	695.64
Earnings per equity share- Basic and diluted (₹)	16	**25.19**	27.31
Weighted average number of equity shares		**2,552,705**	2,552,705
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-25		

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For KBJ & Associates
Chartered Accountants
Firm's registration no: 114934W

Tej Paul Bhatla
Director
Din No: 08491426

Lakshminarayanan G.S.
Director
DIN No: 07982712

Kaushik B. Joshi
Proprietor
Membership No: 48889
Mumbai, May 24, 2024

Shanti Nair
Chief Operating Officer

Statement of Changes in Equity

A EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as on April 1, 2023	Changes in equity share capital due to prior period erros	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at March 31, 2024
255.27	**-**	**-**	**-**	**255.27**

(₹ in lakhs)

Balance as on April 1, 2022	Changes in equity share capital due to prior period erros	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at March 31, 2023
255.27	-	-	-	255.27

*Refer note 6(l)

B OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	Reserves and surplus	
	Retained earnings	Total Equity
Balance as at April 1, 2023	**8,288.49**	**8,288.49**
Profit for the year	**642.97**	**642.97**
Other comprehensive income	**(1.41)**	**(1.41)**
Total comprehensive income	**641.56**	**641.56**
Dividend	**700.21**	**700.21**
Balance as at March 31, 2024	**8,229.84**	**8,229.84**
Balance as at April 1, 2022	7,739.89	7,739.89
Profit for the year	697.21	697.21
Other comprehensive income	(1.57)	(1.57)
Total comprehensive income	695.64	695.64
Dividend	147.04	147.04
Balance as at March 31, 2023	8,288.49	8,288.49

Retained earnings

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

Loss of ₹ (1.41) lakhs and of ₹(1.57) lakhs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2024 and 2023, respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-25

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For KBJ & Associates
Chartered Accountants
Firm's registration no: 114934W

Tej Paul Bhatla
Director
Din No: 08491426

Lakshminarayanan G.S.
Director
DIN No: 07982712

Kaushik B. Joshi
Proprietor
Membership No: 48889
Mumbai, May 24, 2024

Shanti Nair
Chief Operating Officer

Statement of Cash Flows

(₹ in lakhs)

		Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**642.97**	697.21
Adjustments to reconcile profit and loss to net cash provided by operating activities			
Depreciation		**3.33**	13.59
Net gain on disposal of property, plant and equipment		**(0.78)**	(4.25)
Net gain on investments		**(127.42)**	(24.67)
Provision for doubtful debts (net)		**-**	(74.10)
Tax expense		**199.90**	234.11
Interest income		**(172.58)**	(310.90)
Unrealised gain on investments		**(383.26)**	(159.72)
Finance costs		**1.69**	12.10
Operating profit before working capital changes		**163.85**	383.37
Net change in			
Trade receivables		**(149.30)**	(73.35)
Other financial assets		**251.62**	190.43
Other assets		**20.41**	(1.57)
Trade payables		**(88.18)**	(668.47)
Unearned and deferred revenue		**(47.16)**	-
Other financial liabilities		**(71.20)**	1,667.31
Other liabilities and provisions		**14.00**	(2.49)
Cash generated from operations		**94.04**	1,495.23
Taxes paid (net of refunds)		**(88.34)**	165.64
Net cash (used in)/ generated from operating activities		**5.70**	1,660.87
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank deposits placed		**(1,715.40)**	(2,570.06)
Inter-corporate deposits placed		**-**	(1,401.72)
Purchase of investments		**(5,300.00)**	-
Payment for purchase of property, plant and equipment		**0.01**	(0.03)
Proceeds from disposal of property, plant and equipmen		**0.94**	28.29
Proceeds from bank deposits		**2,557.40**	3,943.39
Proceeds from inter-corporate deposits		**1,401.72**	1,344.83
Proceeds from disposal / redemption of investments		**750.00**	200.00
Interest received		**276.92**	248.94
Net cash generated from investing activities		**(2,028.41)**	1,793.64
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(700.21)**	(147.04)
Repayment of lease liabilities		**(120.77)**	(207.40)
Net cash used in financing activities		**(820.98)**	(354.44)
Net change in cash and cash equivalents		**(2,843.69)**	3,100.07
Cash and cash equivalents at the beginning of the yea		**3,496.56**	396.49
Cash and cash equivalents at the end of the year (Refer Note 6 (c))		**652.87**	3,496.56
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-25		

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For KBJ & Associates
Chartered Accountants
Firm's registration no: 114934W

Tej Paul Bhatla
Director
Din No: 08491426

Lakshminarayanan G.S.
Director
DIN No: 07982712

Kaushik B. Joshi
Proprietor
Membership No: 48889
Mumbai, May 24, 2024

Shanti Nair
Chief Operating Officer

Notes forming part of the financial statements

1. CORPORATE INFORMATION

MahaOnline Limited (hereinafter referred as 'the Company') provides information technology (IT) and IT enabled services in the State of Maharashtra. The Company is engaged into the business of development, maintenance and management of MahaOnline portals for providing web-based services by Government to Citizens (G2C), Government to Business and other portal services of Government of Maharashtra.

The Company is unlisted public limited company incorporated and domiciled in India. The address of the registered office is Directorate of Information Technology, Mantralaya Annex, 7th Floor, Mumbai - 400032 and corporate office is 5th floor, Trade World, D-Wing, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Tata Consultancy Services Limited (TCS), the holding company, owns 74% of the Company's equity share capital. Tata Sons Limited is the ultimate parent.

The joint venture between Tata Consultancy Services ("TCS") and the Government of Maharashtra ("GoM") to provide IT services to the GoM was for a period of 10 years until the agreement is terminated or the Joint Venture ("JV") Company is liquidated/dissolved. The agreement expired in July 2020 and post July 2020 the Joint Venture agreement is in continuation until notice of termination of the agreement by either party is received.

Effective 1st April 2020, MahaOnline transferred its projects to Maharashtra Information Technology Corporation Limited (MahaIT). However, MahaOnline continues to assist Maha IT in fulfilling its service responsibilities on these projects that Maha IT now has with Government of Maharashtra. MahaOnline will raise invoices with agreed markup on MahaIT for the expenses incurred on the its associates cost, office premises lease cost and all AMCs renewal /firewall/UPS cost (Refer Note No 23).

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 24, 2024.

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

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

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

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

Notes forming part of the financial statements

4. USE OF ESTIMATES AND JUDGEMENTS

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

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

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

a) Useful lives of property, plant and equipment

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

b) Provision for income tax and deferred tax

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

c) Provision and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

d) Employee benefits

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

e) Leases

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

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

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

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the financial statements

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

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

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Impairment of financial assets (other than at fair value)

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

Notes forming part of the financial statements

a) Investment

Investments consist of the following:

(₹ in lakhs)

Investments - Current	As at March 31, 2024		As at March 31, 2023	
	Quantity	₹	Quantity	₹
Investment carried at fair value through profit and loss Mutual funds (quoted)				
Tata Liquid Fund Direct Plan - Growth	**1,04,763**	**3,991.74**	41,891	1,487.71
UTI Liquid Cash Plan - Direct Growth Plan	**1,11,408**	**4,409.48**	50,221	1,852.84
	2,16,171	**8,401.22**	92,112	3,340.55

Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Aggregate value of quoted investments	**8,401.22**	3,340.55
Aggregate market value of quoted investments	**8,401.22**	3,340.55

b) Trade receivables - Billed

Trade receivables - Billed (unsecured) consist of the following

(₹ in lakhs)

Trade receivables - Billed - Non Current	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**41.76**	**41.76**
Less: Allowance for doubtful trade receivables - Billed	**(41.76)**	**(41.76)**
Considered good	**-**	**-**
Trade receivables - Billed	**-**	**-**
Less: Allowance for doubtful trade receivables - Billed	**-**	**-**
Credit impaired	**-**	**-**
	-	**-**

Notes forming part of the financial statements

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

Ageing for trade receivables - non-current outstanding as at March 31, 2024 is as follow

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed	**-**	**-**	**-**	**-**	**-**	**41.76**	**41.76**
Undisputed trade receivables – considered good	-	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**41.76**	**41.76**
Less: Allowance for doubtful trade receivables - Billed							**(41.76)**
							-

Ageing for trade receivables - non-current outstanding as at March 31, 2023 is as follow

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed	-	-	-	-	-	41.76	41.76
Undisputed trade receivables – considered good	-	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	0.00	0.00	41.76	41.76
Less: Allowance for doubtful trade receivables - Billed							(41.76)
							-

Notes forming part of the financial statements

(₹ in lakhs)

Trade receivables - Billed - Current	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**3,208.77**	**3059.46**
Less: Allowance for doubtful trade receivables - Billed	**-**	**-**
Considered good	**3,208.77**	3059.46

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

Ageing for trade receivables - current outstanding as at March 31, 2024 is as follow:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed							
Undisputed trade receivables – considered good	-	**26.46**	**123.58**	**264.84**	**481.42**	**2,312.47**	**3,208.77**
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	**26.46**	**123.58**	**264.84**	**481.42**	**2,312.47**	**3,208.77**
Less: Allowance for doubtful trade receivables - Billed							-
							3,208.77

Notes forming part of the financial statements

Ageing for trade receivables - current outstanding as at March 31, 2023 is as follow:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed							
Undisputed trade receivables – considered good	-	129.98	157.02	459.26	614.42	1,698.77	3,059.45
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good Disputed	-	-	-	-	-	-	-
trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	129.98	157.02	459.26	614.42	1,698.77	3,059.45
Less: Allowance for doubtful trade receivables - Billed							-
							3,059.45

c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	**652.87**	3,496.56
	652.87	3,496.56

d) Other balances with banks

Other balances with banks consist of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks*	**3.40**	3.28
Short-term bank deposits	**1,695.33**	2,537.46
	1,698.73	2,540.74

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

Notes forming part of the financial statements

e) Loans

Loans receivable (unsecured) consist of the following:

Loans receivables - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Inter-corporate deposits*	-	1,401.72
	-	1,401.72

*Inter-corporate deposits placed with financial institutions yield fixed interest rate.

f) Other Financial Assets

Other financial assets consist of the following:

Other financial assets - Non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Security deposits	**6.00**	136.74
	6.00	136.74

Other financial assets - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Security deposits	-	1.79
Interest receivable	**30.50**	134.84
Sub -lease receivable	-	119.08
	30.50	255.71

g) Trade payables

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME *		-	-	-	-	-
Others	-	**0.08**	**13.07**	**1.59**	**1,018.23**	**1,032.97**
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	-	**0.08**	**13.07**	**1.59**	**1,018.23**	**1,032.97**
Accrued Expenses						**54.81**
						1,087.78

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

Notes forming part of the financial statements

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME *		-	-	-	-	-
Others	-	31.70	0.65	7.65	1,024.82	1,064.82
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	-	**31.70**	**0.65**	**7.65**	**1,024.82**	**1,064.82**
Accrued Expenses						111.15
						1,175.97

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

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

h) Other Financial Liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Security deposits received	**-**	42.70
	-	42.70

Other financial liabilities - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Amounts collected on behalf of customers *	**4,360.72**	4,431.92
Security deposits	**290.62**	247.92
	4,651.34	4,679.84

* Amount collected on behalf of customers includes collection of government services fees

Notes forming part of the financial statements

i) Financial instruments by category

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

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	652.87	652.87
Bank deposits	-	1,695.33	1,695.33
Earmarked balances with banks	-	3.40	3.40
Investments	8,401.22	-	8,401.22
Trade receivables	-	3,208.77	3,208.77
Other financial assets	-	36.50	36.50
Total	8,401.22	5,596.87	13,998.09
Financial liabilities:			
Trade payables	-	1,087.79	1,087.79
Other financial liabilities	-	4,651.34	4,651.34
Total	-	5,739.13	5,739.13

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

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	3,496.56	3,496.56
Bank deposits	-	2,537.46	2,537.46
Earmarked balances with banks	-	3.28	3.28
Investments	3,340.55	-	3,340.55
Trade receivables	-	3,059.46	3,059.46
Loans *	-	1,401.72	1,401.72
Other financial assets	-	392.45	392.45
Total	3,340.55	10,890.93	14,231.48
Financial liabilities:			
Trade and other payables	-	1,175.97	1,175.97
Lease liabilities	-	119.08	119.08
Other financial liabilities	-	4,722.54	4,722.54
Total	-	6,017.59	6,017.59

* Loans consist inter corporate deposits of ₹ 1,401.72 lakhs with original maturity period within 12 months

Notes forming part of the financial statements

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans receivables and trade payables as at March 31, 2024 and March 31, 2023 approximate the fair value. Carrying amounts of bank deposits, other 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.

j) Fair value hierarchy:

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

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

The following table summarises financial assets measured at fair value on a recurring basis.

(₹ in lakhs)

As of March 31, 2024:	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in Mutual fund units	8,401.22	-	-	8,401.22
Total	8,401.22	-	-	8,401.22

(₹ in lakhs)

As of March 31, 2023:	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in Mutual fund units	3,340.55	-	-	3,340.55
Total	3,340.55	-	-	3,340.55

k) Financial risk management:

The Company is exposed primarily to credit ,liquidity and interest rate risk which may adversely impact the fair value of its financial instruments. The Company's focus is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on its financial performance.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such change in financial instruments may result from changes in the credit rating and other market changes. The Company's exposure to the market risk is primarily on account of fluctuation in market rates of NAV of mutual funds.

Interest rate risk

The fixed deposits and intercorporate deposits made by the Company bears a fixed rate of interest. Hence the Company is not significantly expose to interest rate risk.

Credit risk

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

Notes forming part of the financial statements

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits, inter corporate deposits and other financial assets. Inter corporate deposits of ₹ Nil lakhs and ₹ 1401.72 as of March 31, 2024 and 2023, respectively, are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits of ₹ 1695.33 lakhs and ₹ 2537.46 lakhs as at March 31, 2024 and 2023 is held with Indian banks having high credit ratings. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 13,998.09 lakhs and ₹ 14,231.48 lakhs as of March 31, 2024 and 2023, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled receivables, investments and loans receivables and other financial assets.

  Of the trade receivables balance as at March 31, 2024, ₹ 2372.06 lakhs and ₹ 674.52 lakhs (March 31, 2023: ₹ 2,222.03 lakhs and ₹ 674.52 lakhs) are due from Maharashtra Information Technology Corporation Ltd and Rural Development Department respectively, the Company's largest customers. There are no other customers who represent more than 10% of the total trade receivables.

- **Geographic concentration of credit risk**

  The Company has a geographic concentration of trade receivables, net of allowances and unbilled revenue in India. The allowance for lifetime expected credit loss on trade receivables for the year ended March 31, 2024 and 2023 was ₹ Nil lakhs and ₹ (756.59) lakhs respectively .The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**41.77**	798.36
Change during the year	**-**	(756.59)
Balance at the end of the year	**41.77**	41.77

Liquidity risk

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

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

(₹ in lakhs)

March 31, 2024	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade payables	**1,087.79**	**-**	**-**	**-**	**-**	**1,087.79**
Other financial liabilities	**4,651.34**	**-**	**-**	**-**	**-**	**4,651.34**
Total	**5,739.13**	**-**	**-**	**-**	**-**	**5,739.13**

Notes forming part of the financial statements

(₹ in lakhs)

March 31, 2023	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade payables	1,175.97	-	-	-	-	1,175.97
Lease Liability	120.75					120.75
Other financial liabilities	4,722.54	-	-	-	-	4,722.54
Total	6,019.26	-	-	-	-	6,019.26

l) Equity instruments

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Authorised :		
25,000,000 equity shares of ₹ 10 each (March 31, 2023 : 25,000,000 equity shares of ₹ 10 each)	**2,500.00**	2,500.00
	2,500.00	2,500.00
Issued, Subscribed and Fully paid-up:		
2,552,705 equity shares of ₹ 10 each (March 31, 2023 : 2,552,705 equity shares of ₹ 10 each)	**255.27**	255.27
	255.27	255.27

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

a) Reconciliation of number of shares

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	No. of Equity shares	Amount (₹ lakhs)	No. of Equity shares	Amount (₹ lakhs)
Opening balance	**2,552,705**	**255.27**	2,552,705	255.27
Issued during the year	**-**	**-**	-	-
Closing balance	**2,552,705**	**255.27**	2,552,705	255.27

b) Rights, preferences and restrictions attached to shares

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

Notes forming part of the financial statements

c) Shares held by holding company and subsidiaries of holding company

(₹ in lakhs)

	Number of shares	
	As at March 31, 2024	As at March 31, 2023
Equity shares		
Holding Company		
1,889,005 equity shares (March 31, 2023: 1,889,005) are held by Tata Consultancy Services Limited	**1,889,005**	1,889,005
	18,89,005	18,89,005

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

(₹ in lakhs)

Equity Shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Holding	No. of shares	Holding
Tata Consultancy Services Limited (Holding company)	**1,889,005**	**74%**	1,889,005	74%
Governor, Government of Maharashtra	**6,63,700**	**26%**	6,63,700	26%
	2,552,705	**100%**	2,552,705	100%

(e) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

(₹ in lakhs)

Shares held by promoters at the end of the year				% Change during the year
Sr. no.	Promoter name	No. of shares*	% of total shares	
1	Tata Consultancy Services Limited	**18,89,005**	**74**	-
2	Governor, Government of Maharashtra	**6,63,700**	**26**	-
	Total	**25,52,705**	**100**	-

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

(₹ in lakhs)

Shares held by promoters at the end of the year				% Change during the year
Sr. no.	Promoter name	No. of shares*	% of total shares	
1	Tata Consultancy Services Limited	18,89,005	74	-
2	Governor, Government of Maharashtra	6,63,700	26	-
	Total	25,52,705	100	-

Notes forming part of the financial statements

7. LEASES

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

Company as a lessee

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

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

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

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

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

Notes forming part of the financial statements

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

(₹ in lakhs)

	Addition for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Building	-	-
	-	-

(₹ in lakhs)

	Addition for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Building	-	3.11
	-	3.11

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation		
Building	**3.11**	5.59
	3.11	5.59

Interest on lease liabilities is ₹ 1.67 lakhs for the year ended March 31, 2024 (March 31, 2023: ₹ 11.70 lakhs)

The Company incurred ₹ Nil for the year ended March 31, 2024 (March 31, 2023: ₹ Nil lakhs) towards expenses relating to short-term leases and leases of low-value assets.The total cash outflow for leases is ₹ Nil for the year ended March 31, 2024 (March 31, 2023: ₹ Nil lakhs), including cash outflow for short term and low value leases.

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

During December 2020, leased property has been sub-let by the Company. The lease and sub-lease expired in October 2023. The lease income is equal to lease payments. The Company classifies the sub-lease as a finance lease because it is for the whole of the remaining term.

(₹ in lakhs)

Sublease movement	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the period	**119.08**	314.38
Additions during the period	**-**	-
Interest income accrued during the period	**1.67**	11.70
Lease receipts	**(120.75)**	(207.00)
Balance at the end of the period	**-**	119.08

Notes forming part of the financial statements

The following tables sets out maturity analysis of lease receivables, showing the undiscounted lease payaments to be received after the reporting date.

(₹ in lakhs)

	2024	2023
Less than one year	-	120.75
One or two years	-	-
Two or three years	-	-
Total undiscounted lease receivables	-	120.75

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any.

Cost of an item of property, plant and equipment comprises of its purchases price including non refundable taxes, after deducting trade discount and any directly attributable cost of bringing the item to its working condition for its intended use.

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

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful life
Computer equipment	Straight line	4 years
Office equipment	Straight line	5 years
Electrical installation	Straight line	5 years
Furniture and fixtures	Straight line	5 years
Leasehold improvements	Straight line	Lease term

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

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

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

Notes forming part of the financial statements

Property, plant and equipment consist of the following:

(₹ in lakhs)

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2023	**10.74**	**188.79**	**69.34**	**55.87**	**64.92**	**389.66**
Additions	**-**	**-**	**-**	**-**	**-**	**-**
Disposals	**(10.74)**	**(186.90)**	**(69.34)**	**(55.87)**	**(64.92)**	**(387.77)**
Cost as at March 31, 2024	**-**	**1.89**	**-**	**-**	**-**	**1.89**
Accumulated depreciation as at April 1, 2023	**(10.74)**	**(188.76)**	**(69.34)**	**(55.51)**	**(64.92)**	**(389.27)**
Depreciation for the year	**-**	**(0.03)**	**-**	**(0.20)**	**-**	**(0.22)**
On disposals	**10.74**	**186.90**	**69.34**	**55.71**	**64.92**	**387.61**
Accumulated depreciation as at March 31, 2024	**-**	**(1.89)**	**-**	**-**	**-**	**(1.89)**
Net carrying amount as at March 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in lakhs)

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2022	10.74	591.77	69.57	55.87	64.92	792.87
Additions	-	0.03	-	-	-	0.03
Disposals	-	(403.01)	(0.23)	-	-	(403.24)
Cost as at March 31, 2023	10.74	188.79	69.34	55.87	64.92	389.66
Accumulated depreciation as at April 1, 2022	(10.74)	(560.12)	(69.57)	(55.12)	(64.92)	(760.47)
Depreciation for the year	-	(7.61)	-	(0.39)	-	(8.00)
On disposals	-	378.97	0.23	-	-	379.20
Accumulated depreciation as at March 31, 2023	(10.74)	(188.76)	(69.34)	(55.51)	(64.92)	(389.27)
Net carrying amount as at March 31, 2023	-	0.03	-	0.36	-	0.39

Notes forming part of the financial statements

b) Intangible assets

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

Intangible assets are amortised on a straight line basis.

Intangible assets consist of software licenses.

(₹ in lakhs)

Description	Softwares licenses
Cost as at April 1, 2023	**30.33**
Additions	**-**
Disposals / Derecognised	**(30.33)**
Cost as of March 31, 2024	**-**
Accumulated depreciation as of April 1, 2023	**(30.33)**
Amortisation	**-**
Disposals / Derecognised	**30.33**
Accumulated depreciation as of March 31, 2024	**-**
Net carrying amount as of March 31, 2024	**-**

(₹ in lakhs)

Description	Softwares licenses
Cost as at April 1, 2022	30.33
Additions	-
Disposals / Derecognised	-
Cost as of March 31, 2023	30.33
Accumulated depreciation as at April 1, 2022	(30.33)
Amortisation	-
Disposals / Derecognised	-
Accumulated depreciation as at March 31, 2023	(30.33)
Net carrying amount as at March 31, 2023	-

c) Other assets

Other assets consist of the following:

(₹ in lakhs)

Other assets - Current	As at March 31, 2024	As at March 31, 2023
Considered good		
Prepaid expenses	**-**	1.64
Indirect taxes recoverable	**61.96**	57.54
Advances to suppliers	**-**	0.50
Others	**4.88**	27.57
	66.84	87.25

Notes forming part of the financial statements

d) Other liabilities

Other liabilities consist of the following:

(₹ in lakhs)

Other liabilities - Current	As at March 31, 2024	As at March 31, 2023
Advance received from collection agencies	**109.77**	90.02
Indirect taxes payable and other statutory liabilities	**1.11**	8.27
	110.88	98.29

9. OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	Reserves and surplus	
	Retained earnings	Total Equity
Balance as at April 1, 2023	**8,288.49**	8,288.49
Profit for the year	**642.97**	642.97
Other comprehensive income	**(1.41)**	(1.41)
Total comprehensive income	**641.56**	641.56
Dividend	**700.21**	700.21
Balance as at March 31, 2024	**8,229.84**	8,229.84
Balance as at April 1, 2022	**7,739.89**	7,739.89
Profit for the year	**697.21**	697.21
Other comprehensive income	**(1.57)**	(1.57)
Total comprehensive income	**695.64**	695.64
Dividend	**147.04**	147.04
Balance as at March 31, 2023	**8,288.49**	8,288.49

10. REVENUE RECOGNITION

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

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue excludes taxes collected from customers.
- Support service income is accounted on accrual basis in accordance with the terms of the contract entered into between the Company and the counterparty. It is calculated based on agreed mark-up on costs incurred.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

Notes forming part of the financial statements

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

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

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

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

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

Revenue disaggregation by nature is as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Transaction revenue	-	24.65
Support services	**11.87**	47.26
	11.87	71.91

The Company generates revenues from providing services in the state of Maharashtra in India. For the current year, the revenue recognised in the statement of profit and loss equals to the contracted price.

Information about major customers:

For the year ended March 31,2024 there are two customers who contribute more than 10% each to the total revenue. Maharashtra Information Technology Corporation Ltd. ₹ 6.40 lakhs constituting 53.92 % of the total revenue and Tribal Devlopment Corporation Limited ₹ 5.47 lakhs constituting 46.08 % of the total revenue.

Changes in miscellaneous income as under :

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**47.16**	47.16
Transfer to sundry balances written off	**(47.16)**	-
Balance at the end of the year	**-**	47.16

Notes forming part of the financial statements

11. Other income

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

Other income consists of the following:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	**172.58**	310.90
Net gain on investments carried at fair value through profit and loss	**510.67**	184.39
Net gain on disposal of property, plant and equipment	**0.78**	4.25
Sundry balances written off	**304.28**	-
	988.31	499.54
Interest income comprises :		
Interest on bank deposits	**89.30**	190.41
Interest on income-tax refund	**-**	28.54
Interest on inter-corporate deposits	**78.34**	74.56
Other interest	**4.94**	17.39
	172.58	310.90

11A Exceptional income

Exceptional income consists of the following:

(₹ in lakhs)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Previous year liability written off	**-**	541.65
	-	541.65

12. EMPLOYEE BENEFITS

Defined benefit plans

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

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

Defined contribution plans

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

Notes forming part of the financial statements

Short-term employee benefits

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

Compensated absences

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

Employee Benefit Expenses

Employee benefit expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	**40.05**	38.57
Contribution to provident fund and other funds	**2.34**	2.29
Staff welfare expenses	**0.01**	(3.79)
	42.40	37.07

Employee benefit obligations consist of the following:

Employee benefit obligations - Non-current

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Compensated absences	**1.28**	0.73
Gratuity liability	**4.48**	2.38
	5.76	3.11

Employee benefit obligations - Current

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Compensated absences	**1.83**	1.58
Gratuity liability	**3.29**	2.90
	5.12	4.48

Employee benefit plans consist of the following:

Gratuity

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

Notes forming part of the financial statements

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Change in benefit obligations:		
Benefit obligation at the beginning of the year	**5.28**	4.42
Interest cost	**0.38**	0.20
Service cost	**0.23**	0.23
Benefits paid	**-**	(1.70)
Remeasurement of net defined benefit liability / (assets)	**1 .88**	2.13
Present value of benefit obligation at the end of the year	**7.77**	5.28

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Actuarial (gains) and losses arising from changes in demographic assumptions	**(0.09)**	0.00
Actuarial (gains) and losses arising from changes in financial assumptions	**0.56**	(0.12)
Actuarial (gains) and losses arising from changes in experience adjustments	**1.41**	2.24
Remeasurement of the net defined benefit liability	**1.88**	2.12
Net actuarial loss	**1.88**	2.12

Assumptions used in accounting for gratuity plan:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate		
Salary escalation rate	**7.00%**	7.25%
Attrition rate	**10.00%**	4.00%
i) If Services < 5 years	**62.96%**	88.60%
ii) If Services > 5 years	**43.65%**	53.33%
Mortality Rate During Employment	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2012-14)

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.

Notes forming part of the financial statements

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**(0.05)**	(0.02)
Decrease of 0.50%	**0.05**	0.02

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**0.05**	0.02
Decrease of 0.50%	**(0.05)**	(0.02)

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

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Amount recognised in the Statement of Profit and Loss:		
Current service cost	**0.23**	0.23
Net interest expenses	**0.38**	0.20
Component of defined benefit cost recognised in profit or loss	**0.61**	0.43
Remeasurement of the net defined benefit liability/(asset)	**1.88**	2.12
Components of defined benefits cost recongnised in other comprehensive	**1.88**	2.12
Total	**2.49**	2.55

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Amount recognised in the Balance Sheet:		
Present value of benefit obligation at the end of the year	**(7.77)**	(5.28)
Net (Liability) recognized In the Balance Sheet	**(7.77)**	(5.28)

Notes forming part of the financial statements

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

(₹ in lakhs)

Year ending March 31,	Defined benefit obligations
2025	3.29
2026	2.03
2027	1.25
2028	0.77
2029	0.48
2029 to 2034	0.69

Provident fund

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

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund covers substantially all regular employees. While both, the employee and the Company pay predetermined contributions into the provident fund, contribution into the family pension fund are made by only the Company. The contribution is based on certain proportion of employee's salary. Contributions to Provident Fund are made to The Regional Provident Fund Commissioner for qualifying employees. The Company contributed ₹ 1.73 lakhs (March 31, 2023: ₹ 1.86 lakhs) for provident fund during the year ended March, 31 2024.

13. COST RECOGNITION

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

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and other expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other expenses majorly include fees to external consultants, commission, facility running expenses, travel expenses, cost of equipment and software licenses, communication costs, bad debts and allowances for doubtful trade receivables and other expenses. Other expenses is an aggregation of costs which are individually not material such as recruitment and training, entertainment, etc.

a) Other expenses

Other expenses includes the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Fees to external consultants	**43.65**	78.67
Equipment and software licenses	**0.06**	0.20
Communication expenses	**7.05**	21.75
Facility running expenses	**30.12**	34.64
Repairs and maintenance	**4.22**	7.93
Provision for doubtful debts (net)	**-**	(74.10)
Payment to auditors (refer note 17)	**1.50**	1.50
Project expenses	**0.25**	0.90
Other expenses	**23.04**	47.52
	109.89	119.01

Notes forming part of the financial statements

b) Expenditure on Corporate Social Responsibility Activities

With the omission of Rule 3(2) of the CSR Rules, since in the previous financial year none of the three criteria exceeds the threshold, the Company is not required to make any CSR spending for the FY 23-24.

14. FINANCE COSTS

Finance cost includes the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Interest on delayed payment of TDS	**0.01**	0.40
Interest on lease liabilities	**1.68**	11.70
	1.69	12.10

15. INCOME TAXES

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

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision.

Deferred income taxes

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

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences.

Notes forming part of the financial statements

Income-tax expense consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense for current year	**103.08**	1.67
	103.08	1.67
Deferred tax		
Deferred tax expense	**96.82**	232.45
Total income-tax expense recognised in current year	**199.90**	234.12

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes	**842.87**	931.33
Indian statutory income-tax rate	**25.168%**	25.168%
Expected income-tax expense	**212.13**	234.40
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax pertaining to prior year	**(11.49)**	(0.08)
Others (net)	**(0.74)**	(0.20)
Total income-tax expense	**199.90**	234.12

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(₹ in lakhs)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Recognised in/ reclassified from retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment and intangible assets	**20.90**	**(2.31)**	**-**	**-**	**18.59**
Provision for employee benefits	**2.86**	**0.69**	**0.47**	**-**	**4.02**
Provision for doubtful debts	**10.39**	**-**	**-**	**-**	**10.39**
Unrealised gain on mutual fund	**(125.25)**	**(95.20)**	**-**	**-**	**(220.45)**
Net deferred tax assets / (liabilities)	**(91.10)**	**(96.82)**	**0.47**	**-**	**(187.45)**

Notes forming part of the financial statements

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2024	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	**18.59**	**-**	**18.59**
Provision for employee benefits	**4.02**	**-**	**4.02**
Provision for doubtful debts	**10.39**	**-**	**10.39**
Unrealised gain on mutual fund	**-**	**(220.45)**	**(220.45)**
Total deferred tax assets / (liabilities)	**33.00**	**(220.45)**	**(187.45)**

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

(₹ in lakhs)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Recognised in/ reclassified from retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment and intangible assets	22.87	(1.97)	-	-	20.90
Provision for employee benefits	2.17	0.14	0.55	-	2.86
Provision for doubtful debts	200.81	(190.42)	-	-	10.39
Unrealised gain on mutual fund	(85.05)	(40.20)	-	-	(125.25)
Net deferred tax assets / (liabilities)	140.80	(232.45)	0.55	-	(91.10)

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	20.90	-	20.90
Provision for employee benefits	2.86	-	2.86
Provision for doubtful debts	10.39	-	10.39
Unrealised gain on mutual fund	-	(125.25	(125.25)
Total deferred tax assets / (liabilities)	34.15	(125.25)	91.10

16. EARNINGS PER SHARE

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year(₹)	**642.97**	697.21
Weighted average number of equity shares	**25,52,705**	25,52,705
Earnings per share basic and diluted (₹)	**25.19**	27.31
Face value per equity share (₹)	**10**	10

Notes forming part of the financial statements

17. AUDITOR'S REMUNERATION

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Statutory Audit	**1.50**	1.50
Out of pocket	**0.08**	0.08
	1.58	1.58

18. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments. The Company is mainly engaged in the business of providing IT enabled services to various departments of Government of Maharashtra which constitute a single business segment. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 "Segment Reporting" are not applicable.

19. COMMITMENTS AND CONTINGENCIES

Capital commitments

There are no contractual commitment for purchase of property plant and equipment as at March 31, 2024 and 2023.

Contingencies

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Income-tax demands	**13.70**	13.70
Sales Tax *	**-**	18.61
	13.70	32.31

* The company received an assessment order and a demand for the financial year 2013–14 of ₹ 18.61 lakhs on account of J1-J2 mismatches and the consequential denial of ITC + Interest. The company applied for rectification of order to the Commissioner u/s. 24(2A) of the MVAT Act, 2002, but the same was rejected. During the year, the company has settled the dues under amnesty Scheme 2022.

20. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

21. RELATED PARTY DISCLOSURES

A Related Parties and their relationship

I. (A) Ultimate Holding Company

Tata Sons Limited

II. (B) Holding Company

Tata Consultancy Services Limited

Notes forming part of the financial statements

III. Investing Party

Governor, Government of Maharashtra

IV. Fellow Subsidiaries with whom the Company has transactions

Tata Teleservices (Maharashtra) Ltd.

The TATA Power Company

V. Key Managerial Personnel

Mrs. Shanti Nair, Chief Operating Officer

Note: Related parties have been identified by the Management.

B Transactions during the year ended and Balances as at March 31, 2024

Transactions with Related Parties

(₹ in lakhs)

	Year ended March 31, 2024			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Revenue from operations	-	5.47	-	-
Purchases of goods and services (including reimbursements) (Refer note below) *	38.52	-	17.94	-
Dividend paid	518.15	182.05	-	-

Note: * The key manangement personnel of the Company is on deputation and have drawn remuneration of ₹ 38.52 lakhs from Tata Consultancy Services Limited during the year ended March 31, 2024. Services charges are payable by the Company to Tata Consultancy Services Limited.

Transactions with Related Parties

(₹ in lakhs)

	Year ended March 31, 2023			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Revenue from operations	-	24.65	-	-
Purchases of goods and services (including reimbursements) (Refer note below) *	44.40	-	28.42	-
Amount spend for CSR	-	-	38.10	-
Dividend paid	108.81	38.23	-	-

Note: * The key manangement personnel of the Company is on deputation and have drawn remuneration of ₹ 44.40 lakhs from Tata Consultancy Services Limited during the year ended March 31, 2023. Services charges are payable by the Company to Tata Consultancy Services Limited.

Notes forming part of the financial statements

Balances with Related Parties

(₹ in lakhs)

	Year ended March 31, 2024			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Trade Receivables	**16.72**	**861.73**	**-**	**-**
Trade Payables	**7.97**	**3.65**	**2.37**	**-**
Guarantees given	**-**	**5.00**	**1.00**	**-**
Security deposit	**-**	**2.00**	**-**	**-**

Balances with Related Parties

(₹ in lakhs)

	Year ended March 31, 2023			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Trade Receivables	16.72	862.46	-	-
Trade Payables	13.55	6.17	6.79	-
Guarantees given	-	2.00	-	-
Security deposit	-	5.23	1.00	-

Notes forming part of the financial statements

22. ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.39	2.33	2.58%	
Return on Equity (in %)	Profit for the year less preferance dividend (if any)	Average total equity	7.55%	8.43%	(10.44%)	Return on equity is lower due to decreased in profit for the year due to decreased in exceptional Income on account of Provision written back as compared to FY 23
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables - billed	0.38%	2.41%	(84.23%)	Variance is due to reduction in revenue from operations by ₹60 lakhs.
Trade payables turnover ratio (in times)	Cost of equipment and software licenses + Other expenses	Average trade payables	10%	8.00%	25.00%	Variance is due to reduction in other expenses and payables are lower than the FY 23.
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities	0.15%	1.00%	(85%)	Variance is due to reduction in revenue as compared to working capital.
Net profit ratio (in %)	Profit for the year	Total Income	64.29%	62.64%	2.63%	
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Tangible net worth + Total debt + Deferred tax liabilities	10.10%	11.30%	(10.62%)	Variance is due to decreased in profit as compared to capital employed.
Return on investment (in %)	Income generated from invested funds	Average invested funds	7.80%	5.65%	38.05%	

Notes forming part of the financial statements

23. On 1st April 2020, the Company had transferred its projects to Maharashtra Information Technology Corporation Limited (MahaIT) and continued to assist Maha IT in fulfilling its service responsibilities till 9th Nov 2023 and ceased operations thereafter. As on 31st March 2024, the Company has a positive net worth comprising primarily of cash and cash equivalents of ₹ 8,485.11 lakhs and trade receivables of ₹ 3,208.77 lakhs. The Company has not identified events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Consequently, going concern assumption continues to be appropriate basis of preparation of the financial statements.

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

25. DIVIDENDS

Dividends paid during the year ended March 31, 2024 include an amount of ₹ 27.43 per equity share for the year ended March 31, 2023. Dividends paid during the year ended March 31, 2023 include an amount of ₹ 5.76 per equity share towards dividend for the year ended March 31, 2022.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Subsequent to March 31, 2024, the Board of Directors of the Company have proposed a final dividend of ₹ 25.18 per share in respect of the year ending March 31, 2024. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 642.77 lakhs.

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For KBJ & Associates
Chartered Accountants
Firm's registration no: 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889
Mumbai, May 24, 2024

Tej Paul Bhatla
Director
Din No: 08491426

Shanti Nair
Chief Operating Officer

Lakshminarayanan G.S.
Director
DIN No: 07982712

TCS e-Serve International Limited

FINANCIAL STATEMENTS

For the year ended

March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TCS E-SERVE INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TCS e-Serve International Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for the Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Refer income tax liabilities disclosed in the balance sheet along with Note 15 to the financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 24 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 24 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

ii. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll and certain non-editable fields/tables of the accounting software used for maintaining general ledger.

iii. The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting softwares relating to revenue, trade receivables and general ledger for the period 1 April 2023 to 13 November 2023 and relating to property, plant and equipment for the period 1 April 2023 to 14 December 2023.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Rekha Shenoy
Partner
Membership No.: 124219
ICAI UDIN:24124219BKFMSY2674

Place: Mumbai
Date: 03 May 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of TCS e-Serve International Limited for the year ended 31 March 2024

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

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

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

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

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

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

(ii) (a) The Company is a service company, primarily rendering business process outsourcing services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records, the Company has made investments in other parties and granted unsecured loans to other parties during the year, in respect of which the requisite information is as below. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured, to companies, firms or limited liability partnerships. The Company has not provided any guarantee or security or granted any advances in nature of loans, secured or unsecured, to other parties nor it has granted any secured loans to other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other parties as below:

Particulars	Guarantees	Security	Loans (INR lakhs)	Advances in nature of loans
Aggregate amount during the year Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	376	-
Balance outstanding as at balance sheet date Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others*	-	-	377	-

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investment made and terms and conditions of the loans given during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free loans given, the repayment of principal has been stipulated and the repayments or receipts have been regular. In case of interest-bearing loans given, the schedule of repayment of principal and payment of interest has been stipulated, and the repayments or receipts have been regular. Further, the Company has not given any advances in the nature of loans to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. Further, the Company has not given any advances in the nature of loans to any party during the year.

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though, there have been slight delays in a few cases of Provident Fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Name of the statute	**Nature of the dues**	**Amount (Rs. in Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**	**Remarks, if any**
Income-tax Act, 1961	Demand received u/s 147 of the Income-tax Act, 1961	85	AY 2016-2017	Commissioner of Income-tax (Appeals)	

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

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

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

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

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

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

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

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

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

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

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

(xiii) Pursuant to circular dated July 05, 2017 notified by Ministry of Corporate Affairs (MCA), the Company is exempted from the requirements of constitution of audit committee, accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

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

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

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

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has seven CICs as part of the Group

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

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

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

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

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

Rekha Shenoy
Partner
Membership No.: 124219
ICAI UDIN:24124219BKFMSY2674

Place: Mumbai
Date: 03 May 2024

Annexure B to the Independent Auditor's Report on the financial statements of TCS e-Serve International Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of TCS e-Serve International Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Rekha Shenoy
Partner
Membership No.: 124219
ICAI UDIN:24124219BKFMSY2674

Place: Mumbai
Date: 03 May 2024

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8(a)	**2,099**	3,642
(b) Capital work-in-progress	8(a)	**528**	182
(c) Right-of-use assets	7	**7,424**	9,405
(d) Intangible assets	8(b)	**257**	986
(e) Financial assets			
(i) Investments	6(a)	**8**	8
(ii) Other financial assets	6(e)	**1,052**	1,043
(f) Income tax assets (net)		**2,152**	2,636
(g) Deferred tax assets (net)	15	**1,848**	2,236
(h) Other assets	8(c)	**2,457**	3,308
Total non-current assets		**17,825**	23,446
Current assets			
(a) Financial assets			
(i) Investments	6(a)	**26,807**	15,537
(ii) Trade receivables			
Billed	6(b)	**27,739**	54,578
Unbilled		**9,490**	9,396
(iii) Cash and cash equivalents	6(c)	**5,619**	3,418
(iv) Other balances with banks		**-**	-
(v) Loans	6(d)	**451**	72
(vi) Other financial assets	6(e)	**21**	247
(b) Other assets	8(c)	**3,534**	3,360
Total current assets		**73,661**	86,608
TOTAL ASSETS		**91,486**	110,054
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	6(l)	**1,000**	1,000
(b) Other equity	9	**46,258**	23,588
Total equity		**47,258**	24,588
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**6,449**	8,343
(b) Employee benefit obligations	12	**248**	139
Total non-current liabilities		**6,697**	8,482
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**2,263**	2,187
(ii) Trade payables		**-**	-
1. Dues of small enterprises and micro enterprises	6(f)	**77**	-
2. Dues of creditors other than small enterprises and micro enterprises	6(f)	**23,221**	49,381
(iii) Other financial liabilities	6(g)	**3,937**	18,178
(b) Unearned and deferred revenue	10	**585**	6
(c) Other liabilities	8(d)	**1,055**	1,463
(d) Employee benefit obligations	12	**3,641**	5,628
(e) Income tax liabilities (net)		**2,752**	141
Total current liabilities		**37,531**	76,984
TOTAL EQUITY AND LIABILITIES		**91,486**	110,053
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Rekha Shenoy
Partner
Membership number : 124219
Mumbai,May 3, 2024

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : United States of America
May 3, 2024

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United States of America
May 3, 2024

Statement of Profit and Loss

(₹ in lakhs)

		Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	Revenue from operations	10	**185,844**	202,334
II.	Other income (net)	11	**2,366**	3,587
III.	**TOTAL INCOME**		**188,210**	205,921
IV.	**Expenses:**			
	(a) Employee benefit expenses	12	**123,684**	149,638
	(b) Finance costs	14	**754**	576
	(c) Depreciation and amortisation expense	7 & 8(a),(b)	**4,716**	4,431
	(d) Other expenses	13(a)	**28,464**	38,530
	TOTAL EXPENSES		**157,618**	193,175
V.	**PROFIT BEFORE TAX (III-IV)**		**30,592**	12,746
VI.	**Tax expense:**			
	(a) Current tax	15	**7,470**	1,504
	(b) Deferred tax	15	**404**	1,827
	TOTAL TAX EXPENSE		**7,874**	3,331
VII.	**PROFIT FOR THE YEAR**		**22,718**	9,415
VIII.	**OTHER COMPREHENSIVE LOSS**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of defined employee benefit plans		**(64)**	(12)
	(ii) Income-tax on items that will not be reclassified subsequently to profit or loss		**16**	3
	(iii) Items that will be reclassified subsequently to profit or loss			
	Net change in fair values of investments other than equity shares carried at fair value through OCI *		**-**	-
	(iv) Income tax on items that will be reclassified subsequently to profit or loss *		**-**	-
	TOTAL OTHER COMPREHENSIVE LOSS		**(48)**	(9)
IX.	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**22,670**	9,406
	* value is less than ₹50,000.			
X.	**Earnings per equity share :- Basic and diluted (₹)**	16	**2,272**	941
	Weighted average number of equity shares		**1,000,000**	1,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Rekha Shenoy
Partner
Membership number : 124219
Mumbai,May 3, 2024

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : United States of America
May 3, 2024

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United States of America
May 3, 2024

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Change in Equity share capital during the year	Balance as at March 31, 2024
1,000	**-**	**1,000**	**-**	**1,000**

(₹ in lakhs)

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Change in Equity share capital during the year	Balance as at March 31, 2023
1,000	-	1,000	-	1,000

B. OTHER EQUITY

(₹ in lakhs)

	Total other equity
	Retained earnings
Balance as at April 1, 2023	**23,588**
Profit for the year	**22,718**
Other comprehensive loss	**(48)**
Total comprehensive Income	**22,670**
Balance as at March 31, 2024	**46,258**
Balance as at April 1, 2022	14,182
Profit for the year	9,415
Other comprehensive loss	(9)
Total comprehensive Income	9,406
Balance as at March 31, 2023	23,588

Loss of ₹ 48 lakhs and ₹ 9 lakhs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2024 and 2023, respectively.

Nature and purpose of reserves

(a) Retained earnings

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Rekha Shenoy
Partner
Membership number : 124219
Mumbai,May 3, 2024

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : United States of America
May 3, 2024

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United States of America
May 3, 2024

Statement of Cash Flows

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	**22,717**	9,415
Adjustments for:		
Depreciation and amortisation expense	**4,715**	4,431
Tax expense	**7,875**	3,331
Net gain on investment carried at fair value through profit or loss	**(896)**	(243)
Interest income	**(406)**	(63)
Net gain on disposal of property, plant and equipment	**(8)**	(6)
Finance costs	**754**	576
Bad debts and advances written off, provision for advances (net)	**21**	74
Unrealised foreign exchange loss	**9**	91
Unrealised gain on investments carried at fair value through profit or loss	**(689)**	(376)
Operating profit before working capital changes	**34,092**	17,230
Net change in:		
Trade receivables		
Billed	**26,840**	(3,528)
UnBilled	**(94)**	(4,578)
Other financial assets	**218**	(278)
Other assets	**677**	1,734
Loans	**(400)**	(76)
Trade payables	**(26,083)**	235
Other financial liabilities	**(14,364)**	598
Unearned and deferred revenues	**579**	(472)
Employee benefit obligations	**(1,940)**	501
Other liabilities and provisions	**(407)**	(499)
Cash generated from operations	**19,118**	10,867
Taxes paid (net of refunds)	**(4,380)**	(2,175)
Net cash generated from operating activities	**14,738**	8,692
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for purchase of property, plant and equipment	**(620)**	(1,448)
Payment for purchase of intangibles	**-**	(13)
Proceeds from disposal of property, plant and equipment	**10**	69
Purchase of investments	**(34,732)**	(25,018)
Proceeds from disposal / redemption of investments	**25,047**	19,092
Payment including advances for acquiring right of use asset	**(22)**	
Interest received	**406**	63
Net cash used in investing activities	**(9,911)**	(7,255)

Statement of Cash Flows (continued)

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	**(1,872)**	(1,278)
Interest paid	**(754)**	(576)
Net cash used in financing activities	**(2,626)**	(1,854)
Net change in cash and cash equivalents	**2,201**	(417)
Cash and cash equivalents, as at the beginning of the year	**3,418**	3,835
Cash and cash equivalents, as at the end of the year	**5,619**	3,418
Components of cash and cash equivalents		
Balances with banks		
-In current accounts	**5,229**	3,418
-In deposit accounts	**390**	-
	5,619	3,418

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Refer note 13(b) for amount spent during the years ended March 31, 2024 and 2023 relating to CSR activities.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Rekha Shenoy
Partner
Membership number : 124219
Mumbai,May 3, 2024

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : United States of America
May 3, 2024

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United States of America
May 3, 2024

Notes forming part of the Financial Statements

1 CORPORATE INFORMATION

TCS e-Serve International Limited (herein referred to as "the Company") is primarily engaged in the business of providing Business Process Outsourcing Services for its customers in banking, financial services and insurance domain. The Company's operations include delivering core business processing services, and support services for both data and voice processes.

The Company is incorporated and domiciled in India. The address of its registered Office is 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021. Tata Consultancy Services Limited ("TCS Limited") and Tata Sons Private Limited are the holding company and the ultimate holding company, respectively.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 3, 2024.

2 STATEMENT OF COMPLIANCE

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

3 BASIS OF PREPARATION

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

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

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

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

4 USE OF ESTIMATES AND JUDGEMENTS

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

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

Notes forming part of the Financial Statements

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its financial statements:

a. Revenue Recognition

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

The Company exercises judgement for identification of performance obligations, determination of transaction price, ascribing the transaction price to each distinct performance obligation and in determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the revenue note (Refer note 10).

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (Refer note 8(a)).

c. Fair value measurement of financial instruments

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

d. Provision for income tax and deferred tax assets

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

e. Provisions and contingent liabilities

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

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

f. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note (Refer note 12).

g. Leases

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

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a

Notes forming part of the Financial Statements

lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

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

h. Allowance for doubtful trade receivable (Refer note 6).

5 RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

6 FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

Financial liabilities

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

Notes forming part of the Financial Statements

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

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

  The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. While determining the appropriate hedge ratio, the Company takes into consideration the prevailing macro-economic conditions, the availability and liquidity of the hedging instruments, tolerance levels for hedge ineffectiveness and the costs of hedging.

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

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

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

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

- **Instruments not in hedging relationship**

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

Impairment of financial assets (other than at fair value)

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

Notes forming part of the Financial Statements

(a) Investments

Investments consist of the following:

Investments- non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	**8**	8
	8	8

Investments - current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through profit or Loss		
Mutual fund units (quoted)	**26,807**	15,537
	26,807	15,537

Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Aggregate value of quoted investments	**26,815**	15,545
Aggregate market value of quoted investments	**26,815**	15,545

(b) Trade receivables - Billed

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

Trade receivables - Billed - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**27,739**	54,578
	27,739	54,578

Note : Above balances of trade receivables - billed include balances with related parties (Refer note 21).

Notes forming part of the Financial Statements

Ageing for trade receivables - billed - current outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
(i) Undisputed trade receivables - considered good	**18,502**	**8,638**	**599**	**-**	**-**	**-**	**27,739**
(ii) Undisputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Undisputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(v) Disputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(vi) Disputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	18,502	**8,638**	**599**	**-**	**-**	**-**	**27,739**
Trade receivables - unbilled							**9,490**
							37,229

Ageing for trade receivables - billed - current outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
(i) Undisputed trade receivables - considered good	24,878	-	29,700	-	-	-	54,578
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	24,878	-	29,700	-	-	-	54,578
Trade receivables - unbilled							9,396
							63,974

Notes forming part of the Financial Statements

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- In current accounts	**5,229**	3,418
- In deposit accounts	**390**	-
	5,619	3,418

TCS e-Serve International Limited has unsecured working capital facilities agreement with Citibank N.A. aggregating to USD 22,000,000 (March 31, 2023 : USD 22,000,000) for fund and non fund base facility. During the year, the company has not utilized this facility.

(d) Loans

Loans (unsecured) consist of the following:

Loans - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Loans and advances to employees	**451**	72
Credit impaired		
Loans and advances to employees	**46**	26
Less: Allowance on loans and advances to employees	**(46)**	(26)
	451	72

(e) Other financial assets

Other financial assets consist of the following:

Other financial assets - Non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Considered good - Unsecured		
Security deposits - Premises	**107**	99
Security deposits with related party	**337**	337
Security deposits with others	**608**	607
	1,052	1,043

Notes forming part of the Financial Statements

Other financial assets - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Considered good - Unsecured		
Fair value of foreign exchange derivative assets	**-**	128
Other current financial assets	**21**	119
	21	247

(f) Trade payables

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Dues of creditors other than small enterprises and micro enterprises*	**23,221**	49,381
Dues to small enterprises and micro enterprises	**77**	-
	23,298	49,381

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

1. Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2024 and March 31, 2023 is as under:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Dues remaining unpaid to any supplier		
Principal	**77**	-
Interest on the above	**-**	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-
Amount of interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	**-**	-

Notes forming part of the Financial Statements

2. Trade payables

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
(i) MSME*	**77**	**-**	**-**	**-**	**-**	**77**
(ii) Others	**2,187**	**14,064**	**4,412**	**57**	**215**	**20,935**
(iii) Disputed dues - MSME*	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues - Others	**-**	**-**	**-**	**-**	**-**	**-**
	2,264	**14,064**	**4,412**	**57**	**215**	**21,012**
Accrued expenses						**2,286**
						23,298

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

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
(i) MSME*	-	-	-	-	-	-
(ii) Others	466	24,896	15,433	537	100	41,432
(iii) Disputed dues - MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	466	24,896	15,433	537	100	41,432
Accrued expenses						7,949
						49,381

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

(g) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Other liability with related party	**-**	10,353
Capital creditors	**223**	100
Liabilities towards customer contracts	**34**	1,540
Accrued payroll	**3,577**	6,132
Fair value of foreign exchange derivative liabilities	**102**	33
Others	**1**	20
	3,937	18,178

Notes forming part of the Financial Statements

(h) Financial instruments by category

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

(₹ in lakhs)

	Fair value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost	Derivative instruments not in hedging relationship	Total carrying value
Financial assets:					
Cash and cash equivalents	**-**	**-**	**5,619**	**-**	**5,619**
Investments (other than in subsidiary)	**26,807**	**8**	**-**	**-**	**26,815**
Trade receivables					
Billed	**-**	**-**	**27,739**	**-**	**27,739**
Unbilled	**-**	**-**	**9,490**	**-**	**9,490**
Loans	**-**	**-**	**451**	**-**	**451**
Other financial assets	**-**	**-**	**1,073**	**-**	**1,073**
Total	**26,807**	**8**	**44,372**	**-**	**71,187**
Financial liabilities:					
Trade payables	**-**	**-**	**23,298**	**-**	**23,298**
Lease liabilities	**-**	**-**	**8,712**	**-**	**8,712**
Other financial liabilities	**-**	**-**	**3,835**	**102**	**3,937**
Total	**-**	**-**	**35,845**	**102**	**35,947**

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

(₹ in lakhs)

	Fair value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost	Derivative instruments not in hedging relationship	Total carrying value
Financial assets:					
Cash and cash equivalents	-	-	3,418	-	3,418
Investments (other than in subsidiary)	15,537	8	-	-	15,545
Trade receivables					
Billed	-	-	54,578	-	54,578
Unbilled	-	-	9,396	-	9,396
Loans	-	-	72	-	72
Other financial assets	-	-	1,162	128	1,290
Total	15,537	8	68,626	128	84,299
Financial liabilities:					
Trade and other payables	-	-	49,381	-	49,381
Lease liabilities	-	-	10,530	-	10,530
Other financial liabilities	-	-	18,145	33	18,178
Total	-	-	78,056	33	78,089

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2024 and 2023, approximate the fair value due to their nature. Carrying amounts of other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the years presented. Fair value measurement of lease liabilities is not required.

Notes forming part of the Financial Statements

(i) Fair value hierarchy:

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

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs 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):

(₹ in lakhs)

As of March 31, 2024:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	**26,807**	**-**	**-**	**26,807**
Government bonds and securities	**8**	**-**	**-**	**8**
	26,815	**-**	**-**	**26,815**
Financial liability:				
Fair value of foreign exchange derivative liabilities	**-**	**102**	**-**	**102**
	-	**102**	**-**	**102**

(₹ in lakhs)

As of March 31, 2023:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	15,537	-	-	15,537
Government bonds and securities	8	-	-	8
Fair value of foreign exchange derivative assets	-	128	-	128
	15,545	128	-	15,673
Financial liability:				
Fair value of foreign exchange derivative liabilities	-	33	-	33
Total	-	33	-	33

(j) Derivative financial instruments and hedging activity

The Company's revenue is denominated in foreign currency predominantly US Dollar. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward. As at March 31, 2024 and 2023, the notional amount of outstanding contracts aggregated to ₹ 29,184 lakhs and ₹ 1,39,795 lakhs, respectively and the respective fair value of these contracts have a net loss of ₹ 102 lakhs and gain of ₹ 96 lakhs respectively.

Exchange loss of ₹ 689 lakhs and ₹ 291 lakhs on foreign exchange forward contracts that do not qualify for hedge accounting have been recognised in the statement of profit and loss for the years ended March 31, 2024 and 2023, respectively.

Notes forming part of the Financial Statements

(k) Financial risk management:

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors.

Market Risk

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

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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

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

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note 6(j).

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2024.

(₹ in lakhs)

	PHP	MXN	USD	AUD
Net financial assets	**388**	**382**	**12,250**	**1**
Net financial liabilities	**(289)**	**(654)**	**(21,561)**	**-**

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹ 948 lakhs for the year ended March 31, 2024.

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

(₹ in lakhs)

	PHP	MXN	USD	AUD
Net financial assets	13	26	23,436	302
Net financial liabilities	(194)	(472)	(58,930)	(698)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹ 3,652 lakhs for the year ended March 31, 2023.

Notes forming part of the Financial Statements

- **Interest rate risk**

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

Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, investments, cash and cash equivalents, derivative financial instruments and other financial assets.

None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assests represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 71,237 lakhs and ₹ 84,460 lakhs as of March 31,2024 and March 31,2023 respectively being the total of the carrying amount of balances with banks, trade receivables, contract assests, other financial assets and investments excluding equity.

  Single customer contributing to more than 10% of outstanding trade receivable as of March 31, 2024 and March 31,2023 is as follows.

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	Trade receivables	Percentage	Trade receivables	Percentage
Customer A	**15,231**	**41%**	25,472	40%
Customer C	**7,033**	**19%**	26,344	41%

- **Geographic concentration of credit risk**

  The Company also has a geographic concentration of trade receivables (Gross and net of allowances) and contract assets as given below:

  Geographical concentration of credit risk is allocated based on the location of the customers.

	As at March 31, 2024		As at March 31, 2023	
Geography	Gross%	Net%	Gross%	Net%
Americas	**100%**	**100%**	80%	80%
India	**-**	**-**	18%	18%
Asia Pacific	**-**	**-**	2%	2%

The allowance for lifetime expected credit loss on trade receivables was Nil in both the years.

Liquidity risk

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

The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

Notes forming part of the Financial Statements

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

(₹ in lakhs)

March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**23,298**	**-**	**-**	**-**	**23,298**
Lease liabilities	**2,533**	**1,983**	**3,317**	**2,760**	**10,593**
Other financial liabilities	**3,835**	**-**	**-**	**-**	**3,835**
	29,666	**1,983**	**3,317**	**2,760**	**37,726**
Derivative financial liabilities	**102**	**-**	**-**	**-**	**102**
Total	**29,768**	**1,983**	**3,317**	**2,760**	**37,828**

(₹ in lakhs)

March 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	49,381	-	-	-	49,381
Lease liabilities	2,598	2,510	5,260	2,760	13,128
Other financial liabilities	18,145	-	-	-	18,145
	70,124	2,510	5,260	2,760	80,654
Derivative financial liabilities:	33	-	-	-	33
Total	70,157	2,510	5,260	2,760	80,687

(l) Equity instruments:

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

(₹ in lakhs)

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised :				
Equity share capital 2,500,000 equity shares of ₹ 100 each (March 31, 2023 : 2,500,000 equity shares of ₹ 100 each)	**2,500,000**	**2,500**	2,500,000	2,500
	2,500,000	**2,500**	2,500,000	2,500
Issued, subscribed and paid up:				
Equity share capital 1,000,000 equity shares of ₹ 100 each (March 31, 2023 : 1,000,000 equity shares of ₹ 100 each)	**1,000,000**	**1,000**	1,000,000	1,000
	1,000,000	**1,000**	1,000,000	1,000

Note:

- 1,000,000 (March 31, 2023 : 1,000,000) equity shares of ₹ 100/- each are held by Tata Consultancy Services Limited, the holding company and its nominees. Tata Sons Private Limited is the ultimate holding company.

Notes forming part of the Financial Statements

The Company does not have an employee stock option plan and no shares are reserved for issue under any such plan or for any contractual commitments.

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

i. Reconciliation of number of shares

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Opening balance	**1,000,000**	**1,000**	1,000,000	1,000
Changes during the year	**-**	**-**	-	-
Closing balance	**1,000,000**	**1,000**	1,000,000	1,000

ii. Rights, preferences and restrictions attached to

The Company has one class of equity shares having a par value of ₹ 100 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at March 31, 2024	As at March 31, 2023
Equity shares		
Tata Consultancy Sevices Limited, the holding company	**1,000,000**	1,000,000
% of shareholding	**100%**	100%

iv. Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of shares	% of total shares	
Tata Consultancy Services Limited	**9,99,994**	**99.9994.%**	**No change**
Tata Consultancy Services Limited jointly with its nominees	**6**	**0.0006.%**	**No change**
Total	**10,00,000**	**100,%**	

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of shares	% of total shares	
Tata Consultancy Services Limited	9,99,994	99.9994.%	No change
Tata Consultancy Services Limited jointly with its nominees	6	0.0006.%	No change
Total	10,00,000	100	

Notes forming part of the Financial Statements

7 LEASES

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

Company as a lessee

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

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

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

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

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

(₹ in lakhs)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Leasehold buildings	**83**	**7,424**	5,079	9,405
	83	**7,424**	5,079	9,405

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Leasehold buildings	**2,049**	1,465
	2,049	1,465

Interest on lease liabilities is ₹726 lakhs and ₹ 554 lakhs for the years ended March 31, 2024 and 2023, respectively.

The Company incurred ₹ 403 lakhs and ₹ 61 lakhs for the years ended March 31, 2024 and 2023, respectively towards expenses relating to short¬term leases and leases of low-value assets.

The total cash outflow for leases is ₹ 3001 lakhs and ₹ 1,893 lakhs for the years ended March 31, 2024 and 2023, respectively including cash outflow for short term and low value leases.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

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

8 NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

(a) Property, plant and equipment

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

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except in respect of certain categories of assets, where the useful life of the assets has been assessed based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years*
Furniture and fixtures	5 years*
Office equipment	2-5 years*
Electrical installations	4-10 years*

* The Company believes that the technically evaluated useful lives, different from Schedule II of the Companies Act, 2013, best represent the period over which these assets are expected to be used.

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

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

Notes forming part of the Financial Statements

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

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Leasehold improvements	Computer equipment	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2023	**727**	**8,850**	**906**	**87**	**102**	**10,672**
Additions	**-**	**372**	**25**	**-**	**-**	**397**
Disposals / adjustments	**-**	**(98)**	**-**	**(2)**	**-**	**(100)**
Cost as at March 31, 2024	**727**	**9,124**	**931**	**85**	**102**	**10,969**
Accumulated depreciation as at April 1, 2023	**(308)**	**(6,015)**	**(593)**	**(36)**	**(78)**	**(7,030)**
Depreciation for the year	**(85)**	**(1,647)**	**(177)**	**(8)**	**(21)**	**(1,938)**
Eliminated on disposals of assets	**-**	**96**	**-**	**2**	**-**	**98**
Accumulated depreciation as at March 31, 2024	**(393)**	**(7,566)**	**(770)**	**(42)**	**(99)**	**(8,870)**
Net carrying amount as at March 31, 2024	**334**	**1,558**	**161**	**43**	**3**	**2,099**
Capital work-in-progress*						**528**
						2,627

* ₹ 397 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2024.

(₹ in lakhs)

Description	Leasehold improvements	Computer equipment	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2022	727	7,645	1,033	87	102	9,594
Additions	-	1,357	43	-	-	1,400
Disposals / adjustments	-	(152)	(170)	-	-	(322)
Cost as at March 31, 2023	727	8,850	906	87	102	10,672
Accumulated depreciation as at April 1, 2022	(223)	(4,179)	(589)	(28)	(57)	(5,076)
Depreciation for the year	(85)	(1,925)	(174)	(8)	(21)	(2,213)
Eliminated on disposals of assets	-	89	170	-	-	259
Accumulated depreciation as at March 31, 2023	(308)	(6,015)	(593)	(36)	(78)	(7,030)
Net carrying amount as at March 31, 2023	419	2,835	313	51	24	3,642
Capital work-in-progress*						182
						3,824

* ₹ 1,400 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2023.

Notes forming part of the Financial Statements

Capital work-in-progress

- **Capital work-in-progress ageing**

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

(₹ in lakhs)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	**528**	**-**	**-**	**-**	**528**
	528	**-**	**-**	**-**	**528**

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

(₹ in lakhs)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	182	-	-	-	182
	182	-	-	-	182

(b) Intangible assets

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

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

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

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

Intangible assets consist of the following:

(₹ in lakhs)

Description	Rights under licencing agreement and software licences	Total
Cost as at April 1, 2023	**3,015**	**3,015**
Additions	**-**	**-**
Disposals	**-**	**-**
Cost as at March 31, 2024	**3,015**	**3,015**
Accumulated amortisation as at April 1, 2023	**(2,029)**	**(2,029)**
Amortisation for the year	**(729)**	**(729)**
Eliminated on disposals of assets	**-**	**-**
Accumulated amortisation as at March 31, 2024	**(2,758)**	**(2,758)**
Net carrying amount as at March 31, 2024	**257**	**257**

Notes forming part of the Financial Statements

(₹ in lakhs)

Description	Rights under licencing agreement and software licences	Total
Cost as at April 1, 2022	3,002	3,002
Additions	13	13
Disposals / adjustments	-	-
Cost as at March 31, 2023	3,015	3,015
Accumulated depreciation as at April 1, 2022	(1,276)	(1,276)
Amortisation for the year	(753)	(753)
Eliminated on disposals of assets	-	-
Accumulated depreciation as at March 31, 2023	(2,029)	(2,029)
Net carrying amount as at March 31, 2023	986	986

The estimated amortisation for the years subsequent to Mar 31,2024 is as follows:

(₹ in lakhs)

Year ending March 31,	Amortisation expense
2025	**247**
2026	**11**
	258

(c) Other assets

Other assets consist of the following:

Other non-current assets

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Considered good - Unsecured		
Indirect tax recoverable	**2,350**	3,069
Contract fulfillment costs	**107**	239
	2,457	3,308

Other current assets

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Considered good - Unsecured		
Prepaid expenses	**107**	86
Indirect tax recoverable	**1,605**	1,446
Advance to suppliers	**126**	7
Contract fulfillment costs	**1,645**	1,646
Contract assets	**51**	162
Others	**-**	13
	3,534	3,360

Contract fulfillment costs of ₹ 1,820 lakhs and ₹ 2,939 lakhs for the years ended March 31, 2024 and 2023, respectively, have been amortised in the statement of profit and loss. Refer note 10 for the changes in contract asset.

Notes forming part of the Financial Statements

(d) Other liabilities

Other liabilities consist of the following:

Other current liabilities

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Indirect tax payable and other statutory liabilities	**1,027**	1,293
Operating lease liabilities	**24**	-
Advance received from customer	**-**	167
Others	**4**	3
	1,055	1,463

9 OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	**23,588**	14,182
Profit for the year	**22,718**	9,415
Remeasurement of defined employee benefit plans	**(48)**	(9)
	46,258	23,588
	46,258	23,588

10 REVENUE RECOGNITION

The Company earns revenue primarily from providing Business Process Outsourcing Services for its customers in banking, financial services and insurance domain.

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system/software is delivered to the customer. In cases where implementation and/or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .

Notes forming part of the Financial Statements

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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

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

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

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

Revenue from intercompany is recognised based on transaction price which is at arm's length.

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

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

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

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

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

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

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

Notes forming part of the Financial Statements

Revenue disaggregation by nature of services is as follows :

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services	**185,844**	202,334
Total	**185,844**	**202,334**

For details of disaggregation of revenues from contracts with customers by industry verticals and geography refer Note(18).

Revenue disaggregation by industry vertical is as follows :

(₹ in lakhs)

Industry Vertical	Year ended March 31, 2024	Year ended March 31, 2023
Banking, Financial Services and Insurance	**177,351**	194,023
Life Sciences and Healthcare	**1,221**	2,280
Manufacturing	**1,465**	1,184
Communication, Media and Technology	**1,578**	1,150
Retail and Consumer Business	**1,238**	1,019
Others	**2,991**	2,678
	185,844	202,334

Revenue disaggregation by Geography is as follows :

(₹ in lakhs)

Geography	Year ended March 31, 2024	Year ended March 31, 2023
Americas		
North Americas	**178,925**	196,091
Europe		
Continental Europe	**1,277**	1,173
United Kingdom	**1,685**	1,106
Asia Pacific	**3,000**	3,191
India	**829**	715
Middle East and Africa	**128**	58
	185,844	202,334

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

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

Notes forming part of the Financial Statements

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 ₹ 6,520 lakhs out of which 62.18% is expected to be recognized as revenue within the next one year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**162**	694
Invoices raised that were included in the contract assets balance at the beginning of the year	**(162)**	(349)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**51**	(237)
Translation exchange difference*	**-**	54
Balance at the end of the year	**51**	162

* value is less than ₹50,000.

Changes in unearned and deferred revenue are as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**6**	478
Revenue recognised that was included in the contract liability balance at the beginning of the year.	**(6)**	(149)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**597**	(407)
Translation exchange difference	**(12)**	84
Balance at the end of the year	**585**	6

Reconciliation of revenue recognised with the contracted price is as follows :

(₹ in lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per Contract price	**192,597**	209,798
(-) Volume / Cash Discount	**5,582**	7,755
(-) Service Credit	**1,171**	(291)
Revenue recognised	**185,844**	202,334

The reduction towards variable consideration comprises of volume discount, service level credits, etc.

Notes forming part of the Financial Statements

11 OTHER INCOME

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

Other income consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	**405**	62
Net gain on investment carried at fair value through profit and loss	**896**	243
Unrealised gain on investments carried at fair value through profit and loss	**689**	376
Net gain on disposal of property, plant and equipment	**8**	6
Net foreign exchange gain	**368**	2,898
Rent income	**-**	2
	2,366	3,587
Interest income consist of the following:		
Interest income on bank deposits	**300**	28
Interest on income tax refund	**99**	28
Interest income on financial assets at amortised cost	**6**	6

12 EMPLOYEE BENEFITS

The Company has both defined contribution and defined benefit plans. The plans are financed by the Company and in case of some defined contribution plans, by the Company along with its employees.

(i) Defined benefit plans

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

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The company provides benefits such as gratuity and pension to its employees which are treated as defined benefit plans.

(ii) Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. The company provides benefits such as superannuation, provident fund and foreign defined contribution plans to its employees which are treated as defined contribution plans.

(iii) Short-term employee benefits

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

Notes forming part of the Financial Statements

(iv) Compensated absences

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

Employee benefit expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	**101,968**	125,070
Contributions to provident and other funds	**9,460**	11,611
Staff welfare expenses	**12,256**	12,957
	123,684	149,638

Employee benefit obligations - Non-current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Gratuity liability	**248**	139
	248	139

Employee benefit obligations - Current

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Compensated absences	**2,816**	4,812
Foreign retirement benefits	**99**	50
Gratuity liability	**726**	766
	3,641	5,628

Defined Benefit Plan

Gratuity

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

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations.

Notes forming part of the Financial Statements

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

Defined benefit retirement plan :

(₹ in lakhs)

	As at March 31, 2024 Domestic Plan Funded	As at March 31, 2024 Foreign Plan Unfunded	Total	As at March 31, 2023 Domestic Plan Funded	As at March 31, 2023 Foreign Plan Unfunded	Total
Change in benefit obligations:						
Benefit obligations, beginning of the year	**1,902**	**50**	**1,952**	1,408	16	1,424
Service cost	**374**	**32**	**406**	311	8	319
Interest cost	**141**	**4**	**145**	102	1	103
Liability Transferred In/ Acquisitions	**23**	**-**	**23**	302	-	302
(Liability Transferred Out/ Divestments)	**(85)**	**-**	**(85)**	(39)	-	(39)
Remeasurement of the net defined benefit liability	**21**	**12**	**33**	(31)	23	(8)
Benefits paid	**(165)**	**(4)**	**(169)**	(151)	(4)	(155)
Translation exchange difference	**-**	**5**	**5**	-	6	6
Benefit obligations end of the year	**2,211**	**99**	**2,310**	1,902	50	1,952

(₹ in lakhs)

	As at March 31, 2024 Domestic Plan Funded	As at March 31, 2024 Foreign Plan Unfunded	Total	As at March 31, 2023 Domestic Plan Funded	As at March 31, 2023 Foreign Plan Unfunded	Total
Change in plan assets:						
Fair value of plan assets, beginning of the year	**997**	**-**	**997**	496	-	496
Interest Income	**74**	**-**	**74**	36	-	36
Employer's contribution	**425**	**-**	**425**	374	-	374
Assets Transferred In/Acquisitions	**-**	**-**	**-**	302	-	302
(Assets Transferred Out/ Divestments)	**(62)**	**-**	**(62)**	(39)	-	(39)
Benefits paid	**(165)**	**-**	**(165)**	(151)	-	(151)
Remeasurement - Return on plan assets excluding amount included in						
Interest income	**(32)**	**-**	**(32)**	(21)	-	(21)
Fair value of plan assets, end of the year	**1,237**	**-**	**1,237**	997	-	997

Notes forming part of the Financial Statements

(₹ in lakhs)

	As at March 31, 2024 Domestic Plan Funded	As at March 31, 2024 Foreign Plan Unfunded	Total	As at March 31, 2023 Domestic Plan Funded	As at March 31, 2023 Foreign Plan Unfunded	Total
Funded status						
Deficit of plan assets over obligations	**(974)**	**(99)**	**(1,073)**	(905)	(50)	(955)
Surplus of plan assets over obligations	**-**	**-**	**-**	-	-	-
	(974)	**(99)**	**(1,073)**	(905)	(50)	(955)

(₹ in lakhs)

	As at March 31, 2024 Domestic Plan Funded	As at March 31, 2024 Foreign Plan Unfunded	Total	As at March 31, 2023 Domestic Plan Funded	As at March 31, 2023 Foreign Plan Unfunded	Total
Category of assets						
Bank balances	**1,237**	**-**	**1,237**	997	-	997
	1,237	**-**	**1,237**	997	-	997

Net periodic gratuity cost, included in employee costs cosists of following:

(₹ in lakhs)

	As at March 31, 2024 Domestic Plan Funded	As at March 31, 2024 Foreign Plan Unfunded	Total	As at March 31, 2023 Domestic Plan Funded	As at March 31, 2023 Foreign Plan Unfunded	Total
Service cost	**374**	**32**	**406**	311	8	319
Net interest on net defined benefit liability	**67**	**4**	**71**	66	1	67
Net periodic gratuity / pension cost	**441**	**36**	**477**	377	9	386
Actual return on plan assets	**42**	**-**	**42**	15	-	15

Notes forming part of the Financial Statements

Remeasurement of net defined benefit (asset) / liability:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Actuarial gains arising from changes in demographic assumptions	**(1)**	(11)
Actuarial losses and (gains) arising from changes in financial assumptions	**40**	(40)
Actuarial (gains) and losses arising from changes in experience adjustments	**(7)**	39
Remeasurement of the net defined benefit liability	**32**	(12)
Remeasurement - return on plan assets excluding amount included in interest income	**(32)**	(21)
	-	(33)

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

	As at March 31, 2024 Domestic Funded	As at March 31, 2024 Foreign Unfunded	As at March 31, 2023 Domestic Funded	As at March 31, 2023 Foreign Unfunded
Discount rate	**7.19%**	**6.26%-9.40%**	7.42%	6.65%-9.40%
Rate of increase in compensation levels of covered employees	**6.00%**	**4.64%-5.00%**	6.00%	4.50%-4.64%
Rate of return on plan assets	**7.19%**	**6.26%-9.40%**	7.42%	6.65%-9.40%
Weighted average duration of defined benefit obligations	**9 years**	**18 years**	12 years	16 -19 years

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as of March 31, 2024. The Company is expected to contribute ₹ 726 lakhs to defined benefit plan obligations funds for the year ending March 31, 2025.

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.

Notes forming part of the Financial Statements

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**(87)**	(92)
Decrease of 0.50%	**94**	101

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

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Increase of 0.50%	**93**	101
Decrease of 0.50%	**(87)**	(93)

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

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

The defined benefit obligations shall mature after year ended March 31, 2024 as follows:

(₹ in lakhs)

Year ending March 31,	Domestic Plan Funded	Foreign Plan Funded
2025	**210**	**3**
2026	**200**	**4**
2027	**198**	**4**
2028	**211**	**4**
2029	**195**	**4**
2030 to 2034	**899**	**140**

Defined contribution plans

Provident fund

Contribution towards provident fund is made to regulatory authorities and the Company does not have any legal or informal obligation to pay additional funds.

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

The Company contributed ₹ 1,202 lakhs and ₹ 1,010 lakhs to the provident fund for the year ended March 31, 2024 and March 31, 2023, respectively.

Foreign defined contribution plan

The Company contributed ₹ 1,328 lakhs and ₹ 1,699 lakhs for the years ended March 31, 2024 and 2023, respectively, towards foreign defined contribution plans.

Notes forming part of the Financial Statements

13 COST RECOGNITION

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

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for expected credit losses and doubtful advances(net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as Printing and Stationary, recruitment and training, etc.

(a) Other expenses

Other operating expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Fees to external consultants	**17,990**	25,249
Project expenses	**2,021**	4,519
Facility running expenses	**3,613**	2,170
Cost of equipment and software licences	**3**	-
Corporate expenses	**1,027**	690
Travel expenses	**1,514**	741
Communication expenses	**1,258**	2,277
Bad debts and advances written off, provision for advances (net)	**21**	74
Miscellaneous expenses	**1,017**	2,810
	28,464	38,530

(b) Corporate Social Responsibility (CSR) expenditure

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
1 Amount required to be spent by the company during the year	**188**	30
2 Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**198**	30
3 Shortfall at the end of the year	**-**	-
4 Total of previous years shortfall	**-**	-
5 Reason for shortfall	**NA**	NA
6 Nature of CSR activities	**Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage**	
7 Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard:		
Contribution to TCS Foundation in relation to CSR expenditure	**198**	30

Notes forming part of the Financial Statements

14 FINANCE COSTS

Finance costs consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilites	**726**	554
Interest expenses on delayed payment of statutory dues	**28**	22
	754	576

15 INCOME-TAXES

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

Current income taxes

Current income tax expense comprises taxes on income from operations in India and overseas. Income tax payable in India is determined in accordance with the provisions of the Income tax Act, 1961.

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

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction, provided the Company has a legally enforceable right to set off the recognised amounts and intends to settle the asset and liability on a net basis.

Deferred income taxes

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

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

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

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Notes forming part of the Financial Statements

The Income-tax expense consist of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax expense		
Current tax expense for current year	**7,486**	1,515
Current tax (benefit)/expense pertaining to prior years	**(16)**	(11)
	7,470	1,504
Deferred tax expense		
Deferred tax (benefit)/expense for current year	**404**	1,770
Deferred tax (benefit)/expense pertaining to prior years	**-**	57
	404	1,827
	7,874	3,331

The reconciliation of estimated income-tax expense at Indian statutory income tax rate to the income tax expense reported in the statement of profit and loss is as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before income taxes	**30,592**	12,746
India statutory Income tax rate	**25.17%**	25.17%
Expected Income tax expense	**7,700**	3,208
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax pertaining to prior years	**(16)**	46
Permanent disallowance	**50**	8
Overseas Federal Tax	**6**	4
Others	**134**	65
	7,874	3,331

Deferred tax assets and liabilities are as follows:

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (net)	**1,848**	2,236
	1,848	2,236

Notes forming part of the Financial Statements

Significant components of net deferrred tax assests and liabilities for the year ended March 31, 2024 consist of following:

(₹ in lakhs)

Deferred tax assets (net)	Opening balance	Recognised/ reversed through P&L	Recognised in/ reclassified from comprehensive income	Closing balance
Property, plant and equipment and intangible assets	601	245	-	846
Provision for employee benefits	1,449	(511)	16	954
Lease liability and ROU asset	283	41	-	324
Unrealised gain on securities carried at fair value through profit and loss	(101)	(173)	-	(274)
Others	4	(6)	-	(2)
	2,236	(404)	16	1,848

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2024	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	846	-	846
Provision for employee benefits	954	-	954
DTL on ROU asset	(1,868)	-	(1,868)
DTA on Lease liability	2,193	-	2,193
Unrealised gain on securities carried at fair value through profit and loss	-	274	(274)
Others	(2)	-	(2)
Total deferred tax assets / (liabilities)	2,122	274	1,848

Significant components of net deferrred tax assests and liabilities for the year ended March 31, 2023 consist of following:

(₹ in lakhs)

Deferred tax assets (net)	Opening balance	Recognised/ reversed through P&L	Recognised in/ reclassified from comprehensive income	Closing balance
Property, plant and equipment and intangible assets	189	412	-	601
Provision for employee benefits	1,286	160	3	1,449
Lease liabilties & ROU asset	213	70	-	283
Operating loss carry forward	2,374	(2,374)	-	-
Unrealised gain on securities carried at fair value through profit and loss	(6)	(95)	-	(101)
Others	4	-	-	4
	4,060	(1,827)	3	2,236

Notes forming part of the Financial Statements

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	601	-	601
Provision for employee benefits	1,449	-	1,449
DTA on Lease liability	2,650	-	2,650
DTL on ROU asset	(2,367)		(2,367)
Unrealised gain on securities carried at fair value through profit and loss	-	101	(101)
Others	4	-	4
Total deferred tax assets / (liabilities)	2,336	101	2,236

Contingent liabilities on direct tax matters

The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. The Company has recognised contingent liability in respect of tax demands received from direct tax authorities in India of ₹ 319 lakhs and ₹ 319 lakhs as at March 31, 2024 and 2023, respectively. These demand orders are being contested by the Company based on the management evaluation and advise of tax consultants.

16 EARNINGS PER SHARE

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Profit for the year (₹ lakhs)	**22,718**	9,415
Amount available for shareholder (₹ lakhs)	**22,718**	9,415
Weighted average number of shares	**1,000,000**	1,000,000
Earning per share basic and diluted (₹)	**2,272**	941
Face value per equity share (₹)	**100**	100

17 AUDITOR'S REMUNERATION

Auditor's remuneration consists of the following:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
For services as statutory auditor	**10**	10
For tax audit	**4**	4
Re-imbursement of out-of-pocket expense	**3**	2
	17	16

Notes forming part of the Financial Statements

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 Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance 2) Others such as Retail and Consumer Business, Manufacturing, Telecom, Media and entertainment, Hi- tech.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

The assets and liabilities of the Company are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments.

Summarised segment information for the year ended March 31, 2024 is as follows:

Year ended March 31, 2024

(₹ in lakhs)

Particulars	Business segments		
	Banking, Financial Services and Insurance	Others	Total
Revenue	**177,351**	**8,493**	**185,844**
Segment result	**32,042**	**900**	**32,942**
Total Unallocable expenses			**4,716**
Operating profit			**28,226**
Other income (net)			**2,366**
Profit before taxes			**30,592**
Tax expense			**7,874**
Profit for the year			**22,718**
Depreciation and amortisation expense (unallocable)			**(4,716)**

Notes forming part of the Financial Statements

Summarised segment information for the year ended March 31, 2023 is as follows:

Year ended March 31, 2023

(₹ in lakhs)

Particulars	Business segments		
	Banking, Financial Services and Insurance	Others	Total
Revenue	194,023	8,311	202,334
Segment result	12,222	1,368	13,590
Total Unallocable expenses			4,431
Operating profit			9,159
Other income (net)			3,587
Profit before taxes			12,746
Tax expense			3,331
Profit for the year			9,415
Depreciation and amortisation expense (unallocable)			(4,431)

Geographical non-current assets (property, plant and equipment, Right-of-use assets, intangible assets, advance income tax and other non¬current assets) are allocated based on the location of the assets.

(₹ in lakhs)

	As at March 31, 2024	As at March 31, 2023
Geography		
India	**11,544**	11,813
Americas		
North Americas	**2,287**	4,425
Latin America	**791**	995
Asia_Pacific	**433**	-
Total	**15,055**	17,233

Notes forming part of the Financial Statements

Geographical revenue is allocated based on the locations of the customers. Revenue disaggregation by Geography is as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Geography		
Americas		
North Americas	**178,925**	196,091
Others	**6,919**	6,243
Total	**185,844**	202,334

Information about major customers

Customers contributing 10% or more of Company's total revenue are as follows:

(₹ in lakhs)

	Year ended March 31, 2024	Percentage	Year ended March 31, 2023	Percentage
Customer A	**79,445**	**43%**	107,979	53%
Customer B	**-***	**-**	18,997	9%
Customer C	**20,839**	**11%**	-*	-

* the amount is less than 10%, hence not disclosed.

19 COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has contractually committed (net of advances) ₹ 28 lakhs and ₹ 145 lakhs as at March 31, 2024 and March 31, 2023, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer note 15.

20 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment 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.

Notes forming part of the Financial Statements

21 RELATED PARTY TRANSACTIONS

Names of related parties and nature of relationship:

Enterprises that directly, or indirectly through one or more intermediaries, control or are under common control with the Company:

(a) Ultimate holding company

Name of the Enterprise

Tata Sons Private Limited

(b) Holding Company

Name of the Enterprise

Tata Consultancy Services Limited (TCS)

(c) Trust

Name of the Enterprise

TCS e-Serve International Ltd Employee Welfare Benefit Trust

(d) Subsidiaries and associates of ultimate holding company with whom company has transaction

Name of the Enterprise

Tata Teleservices (Maharashtra) Limited

Tata Teleservices Limited

Tata Communications Limited

Tata Communications (America) Inc.

(e) Fellow Subsidiaries with whom the Company has transactions

Name of the Enterprise

Tata America International Corporation

Tata Consultancy Services de Mexico S.A. De C.V.

Tata Consultancy Services (Philippines) Inc.

TCS Switzerland Ltd.

TCS Foundation

(f) Key managerial personnel -

Mr. Ramakrishna Mohan Veeturi (Chief Executive Officer and Managing Director)

Mr. Krishnaswamy M Gopikumar (Chief Financial Officer, Director and Company Secretary)

Notes forming part of the Financial Statements

The key management personnel of the Company are on deputation from and draw remuneration (excluding living allowance) from TCS. Service charges are payable by the Company to TCS.

Transactions with related parties are as follows:

(₹ in lakhs)

Nature of transactions	Name of Related Party	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	**Tata Consultancy Services Limited**	**52,912**	44,155
	Subsidiaries of Tata Consultancy Services Limited	**300**	324
	TCS Switzerland Ltd.	**300**	324
Reimbursement under contract	**Tata Consultancy Services Limited**	**26,249**	54,176
Purchases of goods and services (including reimbursements)	**Subsidiaries and associates of Tata Sons Private Limited**	**515**	1,191
	Tata Teleservices (Maharashtra) Limited	**3**	1
	Tata Teleservices Limited	**4**	3
	Tata Communications Limited	**485**	1,169
	Tata Communications (America) Inc.	**23**	18
	Tata Consultancy Services Limited	**20,096**	26,194
	Subsidiary of Tata Consultancy Services Limited	**185**	380
	Tata America International Corporation	**168**	560
	Tata Consultancy Services (Philippines) Inc.	**17**	(180)
Brand equity contribution	**Tata Sons Private Limited**	**269**	265
	Tata Sons Private Limited	**269**	265
Facility expenses	**Tata Consultancy Services Limited**	**2,292**	1,528
	Subsidiary of Tata Consultancy Services Limited	**45**	63
	Tata Consultancy Services de Mexico S.A. De C.V.	**-**	61
	Tata Consultancy Services (Philippines) Inc.	**45**	2
Lease rental	**Tata Consultancy Services Limited**	**1,946**	1,237
	Subsidiary of Tata Consultancy Services Limited	**509**	91
	Tata America International Corporation	**326**	82
	Tata Consultancy Services (Philippines) Inc.	**37**	9
	Tata Consultancy Services de Mexico S.A. De C.V.	**146**	-
Security deposits - Premises	**Tata Consultancy Services Limited**	**-**	135
Purchase of property, plant and equipment	**Tata Consultancy Services Limited**	**138**	44
Sale of property, plant and equipment	**Tata Consultancy Services Limited**	**-**	69

Notes forming part of the Financial Statements

(₹ in lakhs)

Nature of transactions	Name of Related Party	Year ended March 31, 2024	Year ended March 31, 2023
Settlement of liabilities of the entity by related party	**Tata Consultancy Services Limited**	**2,667**	-
Transfer in of employee benefit obligations	**Tata Consultancy Services Limited**	**38**	552
Transfer out of employee benefit obligations	**Tata Consultancy Services Limited**	**121**	56
CSR Contribution	**Subsidiary of Tata Consultancy Services Limited**	**-**	30
	TCS Foundation	**-**	30

(₹ in lakhs)

Balances receivable with related parties	Name of Related Party	As at March 31, 2024	As at March 31, 2023
Trade receivables and contract assets	**Tata Consultancy Services Limited**	**7,894**	30,146
	Subsidiaries of Tata Consultancy Services Limited	**16**	161
	TCS Switzerland Ltd.	**26**	26
	Tata Consultancy Services (Philippines) Inc.	**(10)**	135
Loans, other financial assets and other assets	**Tata Consultancy Services Limited**	**347**	444
	Subsidiaries of Tata Consultancy Services Limited	**15**	13
	Tata Consultancy Services de Mexico S.A. De C.V.	**15**	13
	Subsidiaries and associates of Tata Sons Private Limited		
	Tata Communications Limited	**4**	-
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**Tata Sons Private Limited, its subsidiaries and associates**	**323**	385
	Tata Sons Private Limited	**269**	265
	Tata Teleservices (Maharashtra) Limited *	**1**	-
	Tata Teleservices Limited	**1**	1
	Tata Communications Limited	**50**	116
	Tata Communications (America) Inc.	**2**	3
	Tata Consultancy Services Limited	**18,424**	50,065
	Subsidiary of Tata Consultancy Services Limited	**573**	165
	Tata America International Corporation	**214**	77
	Tata Consultancy Services de Mexico S.A. De C.V.	**249**	77
	Tata Consultancy Services (Philippines) Inc.	**110**	11

Notes forming part of the Financial Statements

(₹ in lakhs)

Balances receivable with related parties	Name of Related Party	As at March 31, 2024	As at March 31, 2023
Lease liability	**Tata Consultancy Services Limited**	**6,769**	8,140
	Subsidiary of Tata Consultancy Services Limited	**198**	252
	Tata America International Corporation	**44**	117
	Tata Consultancy Services (Philippines) Inc.	**154**	135

* value is less than ₹50,000.

Compensation to key managerial personnel *

(₹ in lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
Short term benefits	**46**	48
	46	48

* The Chief Executive Officer and Managing Director and Chief Financial Officer, Director and Company Secretary of the Company are on deputation and draw remuneration from Tata Consultancy Services Limited. Service charges are payable by the Company to Tata Consultancy Services Limited which has been disclosed above.

22 The sitting fees and commission paid to non-executive directors is ₹ NIL and ₹ Nil lakhs as at March 31, 2024 and 2023, respectively.

Notes forming part of the Financial Statements

23 ADDITIONAL REGULATORY INFORMATION

- **Ratios**

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason For Variance
Current ratio (in times)	Total current assets	Total current liabilities	**1.96**	1.13	74%	Ratio has improved as overall current liabilities have reduced on account of payment of trade payables.
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	**0.18**	0.43	-57%	Ratio has improved as the total equity has improved on account of profits recorded.
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operatonal expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	**10.14**	7.53	35%	Improvement in ratio is on account of improved profits for the year.
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	**63.24%**	47.35%	34%	Improvement in ratio is on account of improved profits for the year.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	**3.67**	3.38	9%	NA
Trade payables turnover ratio (in times)	Cost of equipment and software licences + Other expenses	Average trade payables	**0.78**	0.78	0%	NA
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	**8.12**	38.05	-79%	Ratio has improved on account of improvement in current ratio.
Net profit ratio (in %)	Profit for the year	Revenue from operations	**12.22%**	4.65%	163%	Ratio has improved on account of higher profits for the year.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	**56.01%**	37.93%	48%	Ratio has improved on account of higher profits for the year.
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	**4.68%**	1.75%	168%	Ratio has improved as the funds invested have improved on account of higher receipts from cutomers.

Notes forming part of the Financial Statements

24 No funds have been advanced / loaned / invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

25 SUBSEQUENT EVENTS:

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Subsequent to March 31, 2024, the Board of Directors of the Company have not proposed any dividend.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Rekha Shenoy
Partner
Membership number : 124219
Mumbai,May 3, 2024

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : United States of America
May 3, 2024

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United States of America
May 3, 2024

TCS Foundation

FINANCIAL STATEMENTS

For the year ended
March 31, 2024

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TCS FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TCS Foundation (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 March 2024, and the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its surplus of income over expenditure, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, surplus/(deficit) of income over expenditure, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, since the Order is not applicable to the Company, being a company licensed to operate under Section 8 of the Companies Act, 2013, as specified in paragraph 1(2)(iii) of the said Order.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

    c) The balance sheet, the statement of income and expenditure, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2024 to 10 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company does not have any pending litigations which would impact its financial position.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the note 32 of the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 32 of the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like or on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

f) The reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for certain non-editable fields/tables of the accounting software used for maintaining general ledger.

ii. The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting softwares relating to revenue and general ledger for the period 1 April 2023 to 13 November 2023 and relating to property, plant and equipment for the period 1 April 2023 to 14 December 2023.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 24130778BKHNSV5259

Mumbai
30 April 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TCS FOUNDATION FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of TCS Foundation ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 24130778BKHNSV5259

Mumbai
30 April 2024

Balance Sheet

(₹ crore)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	9	**-**	0.08
(b) Right-of-use assets	17	**-**	0.62
(c) Financial assets			
(i) Loans	10	**-**	110.00
(ii) Other financial assets	11(i)	**1,557.13**	419.25
(d) Income tax assets (net)		**19.26**	6.65
Total non-current assets		**1,576.39**	536.60
Current assets			
(a) Financial assets			
(i) Investments	12	**150.24**	32.77
(ii) Cash and cash equivalents	13	**0.40**	1.09
(iii) Other balances with banks	14	**517.00**	-
(iv) Loans	10	**110.00**	803.06
(v) Other financial assets	11(ii)	**40.79**	481.19
(b) Other assets	15	**6.45**	0.62
Total current assets		**824.88**	1,318.73
TOTAL ASSETS		**2,401.27**	1,855.33
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	16	**1.00**	1.00
(b) Other equity	18	**1,305.58**	1,302.98
Total Equity		**1,306.58**	1,303.98
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**-**	0.48
(ii) Trade payables			
1. Dues of small enterprises and micro enterprises	19	**-**	-
2. Dues of creditors other than small enterprises and micro enterprises	20	**30.10**	6.25
(b) Other liabilities	21	**1,064.59**	544.62
Total current liabilities		**1,094.69**	551.35
TOTAL EQUITY AND LIABILITIES		**2,401.27**	1,855.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-34

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778

Mumbai, April 30, 2024

For and on behalf of the Board

N. Chandrasekaran
Chairman

Roopa Purushothaman
Director

Mumbai, April 30, 2024

Statement of Income and Expenditure

(₹ crore)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income	22	**0.30**	0.73
Other income (net)	23	**138.95**	81.90
TOTAL INCOME		**139.25**	82.63
Expenditure:			
(a) Grants	24	**1.96**	71.47
(b) Project expenses	24	**133.63**	109.91
(c) Depreciation expense		**0.71**	0.63
(d) Other operating expenses	25	**0.33**	0.27
(e) Finance costs	26	**0.02**	2.23
TOTAL EXPENDITURE		**136.65**	184.51
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE BEFORE TAX FOR THE YEAR		**2.60**	(101.88)
Tax expense			
Current tax	27	**-**	61.13
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE AFTER TAX FOR THE YEAR		**2.60**	(163.01)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-34

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778

Mumbai, April 30, 2024

For and on behalf of the Board

N. Chandrasekaran
Chairman

Roopa Purushothaman
Director

Mumbai, April 30, 2024

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1.00	-	1.00

(₹ crore)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
1.00	**-**	**1.00**

B. OTHER EQUITY

(₹ crore)

	Reserve and Surplus	Total Other Equity
	Retained earnings	
Balance as at April 1, 2022	1,465.99	1,465.99
Deficit of income over expenditure	(163.01)	(163.01)
Other comprehensive income	-	-
Total comprehensive expenditure	(163.01)	(163.01)
Balance as at March 31, 2023	1,302.98	1,302.98
Balance as at April 1, 2023	**1,302.98**	**1,302.98**
Surplus of income over expenditure	**2.60**	**2.60**
Other comprehensive income	**-**	**-**
Total comprehensive income	**2.60**	**2.60**
Balance as at March 31, 2024	**1,305.58**	**1,305.58**

Nature and purpose of reserves:

Retained earnings

This reserve represents accumulated surplus of income over expenditure of the Company as on the balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1- 34

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778

Mumbai, April 30, 2024

For and on behalf of the Board

N. Chandrasekaran
Chairman

Roopa Purushothaman
Director

Mumbai, April 30, 2024

Statement of Cash Flows

(₹ crore)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) of income over expenditure after tax for the year		**2.60**	(163.01)
Adjustments for:			
Net gain on disposal / fair valuation of investments		**(12.82)**	(3.72)
Depreciation expense		**0.71**	0.63
Interest Income		**(126.12)**	(78.17)
Tax expense		**0.00**	61.13
Finance costs		**0.02**	2.23
Surplus/(Deficit) of Operating income over expenditure before working capital changes		**(135.61)**	(180.91)
Net change in			
Other assets		**(5.83)**	1.54
Other financial assets		**(0.03)**	(0.01)
Trade payables		**23.85**	(0.59)
Other liabilities		**519.97**	543.06
Cash generated from operations		**402.35**	363.09
Taxes paid (net of refunds)		**(12.61)**	(60.73)
Net cash generated from operating activities		**389.74**	302.36
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank deposits placed		**(1,595.00)**	(417.00)
Purchase of investments		**(220.00)**	(51.00)
Proceeds from bank deposits		**425.00**	-
Proceeds from disposal / redemption of investments		**115.35**	106.92
Payment for purchase of property, plant and equipment		**(0.02)**	(0.08)
Inter-corporate deposits placed		**0.00**	(629.20)
Proceeds from inter-corporate deposits		**803.06**	644.04
Interest received		**81.68**	44.89
Net cash used in investing activities		**(389.93)**	(301.43)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(0.48)**	(0.60)
Interest paid		**(0.02)**	(0.07)
Net cash used in financing activities		**(0.50)**	(0.67)
Net change in cash and cash equivalents		**(0.69)**	0.26
Cash and cash equivalents at the beginning of the year		**1.09**	0.83
Cash and cash equivalents at the end of the year	13	**0.40**	1.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-34

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778

Mumbai, April 30, 2024

For and on behalf of the Board

N. Chandrasekaran
Chairman

Roopa Purushothaman
Director

Mumbai, April 30, 2024

Notes forming part of the Financial Statements

1) CORPORATE INFORMATION

TCS Foundation (referred to as "the Company") was incorporated on March 13, 2015 as a company registered under Section 8 of the Companies Act, 2013. The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) as required by Section 135 read with Schedule VII to the Companies Act, 2013 such as eradication of hunger, poverty and malnutrition; promotion of health care especially for the poor; promotion of education; development of skills; promotion of gender equality; empowerment of women; environmental sustainability; protection of national heritage; promotion of sports; promotion of scientific research especially in the area of technology; helping differently-able persons; providing vocational training; providing sanitation facilities; support to rural development projects. The Company is a 100% subsidiary of Tata Consultancy Services Limited ("TCS"), the ultimate holding company is Tata Sons Private Limited.

The Company incurs expenditure by way of grants given towards objects which furthers the cause of the Company and project expenses which represent initiatives / activities undertaken by the Company. The Company is incorporated and domiciled in India. The address of its registered office is 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on April 30, 2024.

2) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

3) BASIS OF PREPARATION

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been prepared in Indian rupee (₹) which is the functional currency of the Company.

The material accounting policy information related to preparation of the financial statements have been discussed in the respective notes.

4) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its financial statements:

Notes forming part of the Financial Statements

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (Refer note 9).

Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

5) RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

6) INCOME

From FY 2022-23 onwards, the Company credits CSR contributions (other than earmarked funds) received, initially to a liability account in the Balance Sheet and recognizes them as income as and when they are utilized, to the extent of the amount spent on multi-year projects. The expenses incurred in the current year are from the CSR contributions of prior financial years, which have already been recognised as income in those years.

Earmarked funds are initially credited to a liability account in the balance sheet and are transferred to Statement of Income and Expenditure in the year in which and to the extent to which the Company complies with the conditions attached to them.

Interest income is recognised using the effective interest method.

7) COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised as grants, project expenses and other operating expenses. Other operating expenses majorly include sub-contracting costs, travel expenses and other expenses. Other expenses is an aggregation of costs which are individually not material such as rates and taxes, bank charges etc.

8) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Notes forming part of the Financial Statements

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

9) 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 as prescribed in Schedule II of the Companies Act, 2013 except in respect of certain categories of assets, where the useful life of the assets has been assessed 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 life is as mentioned below:

Type of asset	Method	Useful life
Office equipment	Straight line	5 years *
Computer equipment	Straight line	4 years *

* The Company believes that the technically evaluated useful lives, different from Schedule II of the Companies Act, 2013, best represent the period over which these assets are expected to be used.

Property, plant and equipment consist of the following:

(₹ crore)

	Computer equipment	Office equipment	Total
Cost as at April 1, 2023	0.09	0.05	0.14
Additions	0.01	0.01	0.02
Cost as at March 31, 2024	0.10	0.06	0.16
Accumulated depreciation as at April 1, 2023	0.02	0.04	0.06
Depreciation	0.08	0.02	0.10
Accumulated depreciation as at March 31, 2024	0.10	0.06	0.16
Net carrying amount as at March 31, 2024	-	-	-

Notes forming part of the Financial Statements

(₹ crore)

	Computer equipment	Office equipment	Total
Cost as at April 1, 2022	0.01	0.05	0.06
Additions	0.08	-	0.08
Cost as at March 31, 2023	0.09	0.05	0.14
Accumulated depreciation as at April 1, 2022	0.01	0.04	0.05
Depreciation	0.01	-	0.01
Accumulated depreciation as at March 31, 2023	0.02	0.04	0.06
Net carrying amount as at March 31, 2023	0.07	0.01	0.08

10) LOANS

Loans (unsecured) consist of the following:

Loans – Non-current (₹ crore)

Name	As at March 31, 2024	As at March 31, 2023
Considered good		
Inter-corporate deposits	**-**	110.00
	-	110.00

Loans – Current (₹ crore)

Name	As at March 31, 2024	As at March 31, 2023
Considered good		
Inter-corporate deposits	**110.00**	803.06
	110.00	803.06

Inter-corporate deposits yield fixed interest rate and are placed with financial institutions, who are authorized to accept and use such inter-corporate deposits as per regulations applicable to them.

11) OTHER FINANCIAL ASSETS

Other financial assets consist of the following:

(i) Non-current financial assets

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Interest receivable	**61.95**	2.10
Long-term bank deposits	**1,495.00**	417.00
Security deposits	**0.18**	0.15
	1,557.13	419.25

Notes forming part of the Financial Statements

(ii) Current financial assets

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Interest receivable	**40.79**	56.19
Short-term bank deposits	**-**	425.00
	40.79	481.19

12) INVESTMENTS

Investments consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Investment carried at fair value through profit and loss		
Mutual funds (quoted)	**150.24**	32.77
	150.24	32.77

Aggregate value of quoted investments is as follows:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Aggregate value of quoted investments	**150.24**	32.77
Aggregate market value of quoted investments	**150.24**	32.77

13) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
(a) In savings accounts	**0.35**	1.02
(b) In current accounts	**0.05**	0.07
	0.40	1.09

14) OTHER BALANCES WITH BANKS

Other bank balances with banks consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Short-term bank deposits	**517.00**	-
	517.00	-

Notes forming part of the Financial Statements

15) OTHER ASSETS

Other assets consist of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Considered good		
Advance to suppliers	**6.45**	0.62
	6.45	0.62

16) SHARE CAPITAL

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each as follows:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Authorised		
40,00,000 equity shares of ₹ 10 each (March 31, 2023: 40,00,000 equity shares of ₹ 10 each)	**4.00**	4.00
	4.00	4.00
Issued, Subscribed and Fully paid-up		
10,00,000 equity shares of ₹ 10 each (March 31, 2023: 10,00,000 equity shares of ₹ 10 each)	**1.00**	1.00
	1.00	1.00

a) Reconciliation of number of shares

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	**10,00,000**	**1.00**	10,00,000	1.00
Closing balance	**10,00,000**	**1.00**	10,00,000	1.00

b) Rights and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹10 each. The shareholders of the Company do not have any right to dividend. As per clause 10 of Memorandum of Association (MoA) of the Company, in the event of winding up or dissolution of the Company, the holder of equity shares will not be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The amount remaining, if any, shall be given or transferred to such other company having similar objects, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to Rehabilitation and Insolvency Fund formed under Section 269 of the Companies Act, 2013.

c) Details of shares held by holding company and shareholders holding more than 5% of the aggregate shares in the Company

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Equity shares		
Tata Consultancy Services Limited*	**10,00,000**	10,00,000
	100.00%	100.00%

*includes 6 equity shares held by individuals of which beneficial ownership is held with TCS.

Notes forming part of the Financial Statements

d) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Shares held by promoter at the end of the year			% change during the year
Promoter name	No. of Shares	% of total shares	
Tata Consultancy Services Limited*	10,00,000	100.00	-
Total	**10,00,000**	**100.00**	**-**

*includes 6 equity shares held by individuals of which beneficial ownership is held with TCS.

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Shares held by promoter at the end of the year			% change during the year
Promoter name	No. of Shares	% of total shares	
Tata Consultancy Services Limited*	10,00,000	100.00	-
Total	**10,00,000**	**100.00**	**-**

*includes 6 equity shares held by individuals of which beneficial ownership is held with TCS.

17) LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right- of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification.

Notes forming part of the Financial Statements

Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(₹ crore)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Leasehold buildings	**-**	-
Total	**-**	-

Depreciation on right-of-use assets is as follows

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation		
Leasehold buildings	**0.61**	0.62
	0.61	0.62

Interest on lease liabilities is ₹ 0.02 crore and ₹ 0.07 crore for the year ended March 31, 2024 and 2023, respectively.

The total cash outflow for leases is ₹ 0.50 crores and ₹ 0.66 crores for the year ended March 31, 2024 and 2023, respectively, including cash outflow for short term and low value leases.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

18) OTHER EQUITY

Other equity consists of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Retained earnings		
(i) Opening balance	**1,302.98**	1,465.99
(ii) Surplus/(Deficit) of income over expenditure	**2.60**	(163.01)
	1,305.58	1,302.98

Notes forming part of the Financial Statements

19) DUES OF SMALL ENTERPRISES AND MICRO ENTERPRISES

Dues of Small and Micro Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2024 and 2023 is as under:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
Dues remaining unpaid to any supplier		
Principal	**2.12**	-
Interest on the above	**-**	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-
Amount of interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	**-**	-

20) TRADE PAYABLES

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
Trade payables						
MSME*	**2.12**	**-**	**-**	**-**	**-**	**2.12**
Others	**7.58**	**12.23**	**2.44**	**0.42**	**0.02**	**22.69**
	9.70	**12.23**	**2.44**	**0.42**	**0.02**	**24.81**
Accrued expenses						**5.29**
						30.10

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Notes forming part of the Financial Statements

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
Trade payables						
MSME*	-	-	-	-	-	-
Others	2.65	2.67	0.57	0.21	0.03	6.13
	2.65	2.67	0.57	0.21	0.03	6.13
Accrued expenses						0.12
						6.25

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

21) OTHER LIABILITIES

Other liabilities consists of the following:

(₹ crore)

	As at March 31, 2024	As at March 31, 2023
(a) Statutory liabilities	**0.77**	0.50
(b) Unutilised amounts from earmarked funds received (Refer note below)		
Opening balance	**544.12**	1.40
Add: Received during the year (refer note 30)	**520.00**	543.45
Less: Transferred from Earmarked fund	**(0.30)**	(0.73)
	1,063.82	544.12
	1,064.59	544.62

Note:

The amount unutilised from Earmarked funds represent amounts received from donors for specific projects undertaken by the Company which have remained unutilised as at the Balance Sheet date.

22) INCOME

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Donations	**-**	-
(b) Transfer from earmarked fund	**0.30**	0.73
	0.30	0.73

Notes forming part of the Financial Statements

23) OTHER INCOME (NET)

Other income (net) consists of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Interest income	**126.12**	78.17
(b) Net gain on investments carried at fair value through profit and loss	**12.82**	3.72
(c) Other income	**0.01**	0.01
	138.95	81.90
Interest income comprises:		
Interest on savings bank / bank deposits	**103.27**	22.29
Interest on inter-corporate deposits	**22.85**	55.19
Interest on tax refunds	**-**	0.69
	126.12	78.17

24) Grants represent expenses towards Corporate Social Responsibility projects which are executed in collaboration with other charitable organisations.

Project expenses represent expenses towards Corporate Social Responsibility projects which are executed by the Company.

25) OTHER OPERATING EXPENSES

Other operating expense consist of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Sub-contracting costs (Refer note 1 below)	**0.16**	0.16
(b) Payment to auditors (Refer note 2 below)	**0.05**	0.05
(c) Travel expenses	**-**	-
(d) Other expenses	**0.12**	0.06
	0.33	0.27
Note 1: Cost of personnel on deputation from TCS.		
Note 2:		
As auditors - statutory audit (inclusive of GST)		
Audit fees	**0.04**	0.04
Out-of-pocket expenses	**-***	-*

* represents amount below ₹ 1 lakh

Notes forming part of the Financial Statements

26) FINANCE COSTS

Finance costs consist of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	**0.02**	0.07
Interest on tax matters	**-**	2.16
	0.02	2.23

27) INCOME TAXES

The Company is registered under section 12AA of the Income tax Act, 1961 which entitles it to claim an exemption from income tax, provided certain conditions laid down in Income tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfil these conditions. The Company has also obtained a certificate under Section 80 G of the Income tax Act, 1961.

The Income Tax Expense consists of the following:

(₹ crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense for current year	**-**	61.13
Current tax benefit pertaining to prior year	**-**	-
	-	61.13

28) FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 8 to the financial statements.

a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2024 is as follows:

(₹ crore)

	Fair value through profit and loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	**-**	**0.40**	**0.40**
Bank deposits	**-**	**517.00**	**517.00**
Investments	**150.24**	**-**	**150.24**
Loans*	**-**	**110.00**	**110.00**
Other financial assets	**-**	**1,597.92**	**1,597.92**
Total	**150.24**	**2,225.32**	**2,375.56**
Financial liabilities:			
Trade payables	**-**	**30.10**	**30.10**
Lease liabilities	**-**	**-**	**-**
Total	**-**	**30.10**	**30.10**

*Loans include inter-corporate deposits.

Notes forming part of the Financial Statements

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

(₹ crore)

	Fair value through profit and loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	1.09	1.09
Bank deposits	-	-	-
Investments	32.77	-	32.77
Loans*	-	913.06	913.06
Other financial assets	-	900.44	900.44
Total	32.77	1,814.59	1,847.36
Financial liabilities:			
Trade payables	-	6.25	6.25
Lease liabilities	-	0.48	0.48
Total	-	6.73	6.73

*Loans include inter-corporate deposits.

Carrying amounts of cash and cash equivalents, loans receivables and trade payables as at March 31, 2024 and March 31, 2023 approximate the fair value. Fair value measurement of lease liabilities is not required.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

• Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets measured at fair value on a recurring basis:

(₹ crore)

As of March 31, 2024:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual funds	**150.24**	**-**	**-**	**150.24**
Total	**150.24**	**-**	**-**	**150.24**

(₹ crore)

As of March 31, 2023:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual funds	32.77	-	-	32.77
Total	32.77	-	-	32.77

There are no financial liabilities measured at fair value at the end of each reporting period.

b) Financial risk management:

The Company is exposed primarily to market risk, interest rate risk, credit risk and liquidity risks which may adversely impact the fair value of its financial instruments. The Company's Parent Company has a risk management policy

Notes forming part of the Financial Statements

which covers risks associated with the financial assets and liabilities of the Company. The risk management policy is approved by the Parent Company's Board of Directors. The focus of the risk management committee of the Parent Company is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company. Investments are made as per the provisions enumerated in the Income Tax Act, 1961 and Risk management practices are followed similar to those followed in Parent Company.

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest rates, liquidity and other market changes.

ii. Interest rate risk

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

iii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

Financial instruments that are subject to credit risk consist of loans receivables, investments, cash and cash equivalents and other financial assets. Bank deposits include an amount of ₹ 2,012 crore held with one bank having high credit rating which is individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2024. None of the other financial instruments of the Company result in material concentration of credit risk.

iv. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

(₹ crore)

March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Financial liabilities:					
Trade payables	**30.10**	**-**	**-**	**-**	**30.10**
Lease liabilities	**-**	**-**	**-**	**-**	**-**
Total	**30.10**	**-**	**-**	**-**	**30.10**

(₹ crore)

March 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Financial liabilities:					
Trade payables	6.25	-	-	-	6.25
Lease liabilities	0.50	-	-	-	0.50
Total	6.75	-	-	-	6.75

v. Currency risk

The Company is not exposed to significant currency risk as the revenue and expenditure are primarily denominated in Indian Rupees.

Notes forming part of the Financial Statements

29) SEGMENT REPORTING

The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) in India, which in the context of Ind AS 108 Operating Segments is considered as the only reportable segment. The Company does not have any geographical segments.

30) COMMITMENTS AND CONTINGENCIES

Capital commitments

There are no contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2024 (Nil as at March 31, 2023).

Contingencies

There are no contingent liabilities as at March 31, 2024 (Nil as at March 31, 2023).

31) RELATED PARTY TRANSACTIONS

TCS Foundation's principal related parties consist of its holding company Tata Consultancy Services Limited and its subsidiaries. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Related parties and their relationship

I) Ultimate Holding Company

Tata Sons Private Limited

II) Holding Company

Tata Consultancy Services Limited

III) Fellow subsidiaries with whom the Company has transactions

TCS e-Serve International Limited

APTOnline Limited (Formerly APOnline Limited)

IV) Associates / Joint ventures of Tata Sons Private Limited and their subsidiaries

TATA Class Edge (A Division of TATA Industries Ltd)

Voltas Limited

The Indian Hotels Company Limited

Piem Hotels Limited

Transactions with related parties are as follows:

(₹ crore)

Particulars	Year ended March 31, 2024			
	Holding Company	Fellow subsidiaries	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Donations	-	-	-	-
Other than earmarked funds received	**520.00**	-	-	**520.00**
Earmarked funds received	-	-	-	-
Purchase of services and facilities (including sub-contracting cost)	**4.14**	-	**0.06**	**4.20**

Notes forming part of the Financial Statements

(₹ crore)

Particulars	Year ended March 31, 2023			
	Holding Company	Fellow subsidiaries	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Donations	-	-	-	-
Other than earmarked funds received	543.15	0.30	-	543.45
Earmarked funds received	-	-	-	-
Purchase of services and facilities (including sub-contracting cost)	1.26	-	0.03	1.29

Balances payable to related parties are as follows:

(₹ crore)

Particulars	As at March 31, 2024			
	Holding Company	Fellow subsidiaries	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade payables	**0.42**	**-**	**0.02**	**0.44**

(₹ crore)

Particulars	Year ended March 31, 2023			
	Holding Company	Fellow subsidiaries	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade payables	0.13	-	-	0.13

32) No funds have been advanced/loaned/invested (from borrowed funds or from share premium or from any other sources / kind of funds) by the Company to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the Financial Statements

33) ADDITIONAL REGULATORY INFORMATION

Ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	**0.75**	2.39	(68.62)	New deposits and renewal of previous year deposits which were current in nature, were placed with a longer tenure during the year. Also there is an increase in current liabilities on account of an accounting change from FY23 as mentioned in note 6.
Return on investment (in %)	Income generated from invested funds	Average invested funds	**6.84%**	5.03%	1.81	

Other ratios related to revenue, profit and equity are not applicable to TCS Foundation as it is a section 8 company.

34) Earnings per share (EPS) is not applicable to TCS Foundation as it is a section 8 company and hence not disclosed.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778

Mumbai, April 30, 2024

For and on behalf of the Board

N. Chandrasekaran
Chairman

Roopa Purushothaman
Director

Mumbai, April 30, 2024

TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD

(Registration Number: 2007/030546/07)

ANNUAL FINANCIAL STATEMENTS

For the year ended

December 31, 2023

Audited in compliance with section 30 of the Companies Act of South Africa.

Prepared under the supervision of Gilroy Fernandes

For the year ended December 31, 2023

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Directors' Statement of Responsibility

The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the company's assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review.

The financial statements have been prepared on the going concern basis since the directors believe that the company has adequate resources in place to continue in operation for the foreseeable future.

Directors' approval of the annual financial statements

The annual financial statements and directors report were approved by the Directors on March 20, 2024 and are signed on their behalf by:

Lakshminarayanan Gomatam Seshadri

Authorised Director

Henry Langa Dube

Authorised Director

Ujjwal Mathur

Authorised Director

Adil Tantra

Authorised Director

Directors' Report

The directors have pleasure in presenting their report on the activities of the Company for the year ended December 31, 2023. This financial report covers the period 1st January 2023 to 31st December 2023. Comparative figures are for the 12 months to 31st December 2022.

Nature of business

The Company acts as an investment holding company. Its subsidiary provides IT consulting services.

General review of operations

The financial position of the Company and the results of its operations for the year under review are set out in the attached financial statements and in the opinion of the directors require no further comment. Profit after tax for the Company amounted to ZAR 77,710,938 for December 2023 (December 2022: ZAR 56,081,415).

Dividends

A dividend of ZAR 77,700,000 was paid during the year ended December 31, 2023 (December 2022: ZAR 56,140,000)

Shareholder

The current shareholder of TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD is:

	As at December 31, 2023	As at December 31, 2022
Tata Consultancy Services Limited	**100%**	100%

Directors and secretary

The directors of the company during the year under review and up to the date of this report are:

Henry Langa Dube (Appointed on July 22, 2019)

Lakshminarayanan Gomatam Seshadri* (Appointed on July 22, 2019)

Ujjwal Mathur* (Appointed on July 22, 2019)

Adil Noshir Tantra* (Appointed on July 22, 2019)

*Indian

Registered office and postal address

The registered office and postal address of the company are:

Registered Address: 39, Ferguson Road, Illovo, 2196

Postal address: P.O. Box 706, Melrose Arch, 2076

Independent Auditor's Report

KPMG Inc
KPMG Crescent
85 Empire Road, Parktown, 2193,
Private Bag 9, Parkview, 2122, South Africa
Telephone +27 (0)11 647 7111
Fax +27 (0)11 647 8000
Docex 472 Johannesburg
Web http://www.kpmg.co.za

To the shareholder of TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD

Opinion

We have audited the financial statements of TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD (the Company) set out on pages 1 to 13, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tata Consultancy Services (Africa) Pty Ltd as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "TATA CONSULTANCY SERVICES (AFRICA) PTY LTD Annual Financial Statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.
Registered Auditor

Per DW Matthews
Chartered Accountant (SA)
Registered Auditor
Director
20 March 2024

Statement of Financial Position

(Amount in ZAR)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	7 (a)	**8,177,508**	6,009,413
Other financial assets	7 (d)	**19,772**	11,371
Income taxes assets (net)		**6,901**	7,907
Total current assets		**8,204,181**	6,028,691
Non-current assets			
Investments	7 (b)	**106,700,000**	106,700,000
Total non-current assets		**106,700,000**	106,700,000
TOTAL ASSETS		**114,904,181**	112,728,691
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7 (c)	**129,123**	120,572
Other current liabilities	9 (a)	**7,770,001**	5,614,000
TOTAL LIABILITIES		**7,899,124**	5,734,572
Equity			
Share capital	7 (h)	**14,000,000**	14,000,000
Retained earnings		**93,005,057**	92,994,119
TOTAL EQUITY		**107,005,057**	106,994,119
TOTAL LIABILITIES AND EQUITY		**114,904,181**	112,728,691

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2023 and year ended December 31, 2022

(Amount in ZAR)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Dividend received		**77,760,004**	56,160,003
Operating expenses			
Other operating expenses	10	**136,004**	110,820
Total operating expenses		**136,004**	110,820
Operating profit		**77,624,000**	56,049,183
Other income			
Interest income	11	**119,017**	44,733
Profit before taxes		**77,743,017**	56,093,916
Income tax expense	12	**32,079**	12,501
Profit for the year		**77,710,938**	56,081,415
Other comprehensive Income (OCI)		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**77,710,938**	56,081,415

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Changes in Equity
For the year ended December 31, 2023 and year ended December 31, 2022

(Amount in ZAR)

	Share capital	Retained earnings	Total equity
Balance as at January 1,2022	14,000,000	93,052,704	107,052,704
Total comprehensive income for the year	-	56,081,415	56,081,415
Dividend paid (Per share : 4)	-	(56,140,000)	(56,140,000)
Balance as at December 31, 2022	**14,000,000**	**92,994,119**	**106,994,119**
Total comprehensive income for the year	**-**	**77,710,938**	**77,710,938**
Dividend paid (Per share : 5.55)	**-**	**(77,700,000)**	**(77,700,000)**
Balance as at December 31, 2023	**14,000,000**	**93,005,057**	**107,005,057**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Cash Flows
For the year ended December 31, 2023 and year ended December 31, 2022

(Amount in ZAR)

	Note	For year ended December 31, 2023	For year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**77,710,938**	56,081,415
Adjustment for			
Income tax expense	12	**32,079**	12,501
Operating Profit before working capital changes		**77,743,017**	56,093,916
Other financial assets		**(8,401)**	(10,405)
Other current liabilities		**2,156,001**	(1,666,000)
Trade and other payables		**8,551**	37,380
Cash generated from operations		**79,899,168**	54,454,891
Taxes paid		**(31,072)**	(7,820)
Net cash generated from operating activities		**79,868,096**	54,447,071
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(77,700,000)**	(56,140,000)
Net cash used in financing activities		**(77,700,000)**	(56,140,000)
Net change in cash and cash equivalents		**2,168,095**	(1,692,929)
Cash and cash equivalents, at the beginning of the year	7 (a)	**6,009,413**	7,702,342
Cash and cash equivalents, at the end of the year		**8,177,508**	6,009,413

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes forming part of the financial statements for the year ended December 31, 2023

1. CORPORATE INFORMATION

TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD (the "Company") is registered under Companies Act of South Africa having registration number 2007/030546/07

The Company acts as an investment holding Company. Its subsidiary provides IT consulting services.

The address of the Company's registered office is 39 Ferguson road, Illovo, 2196

The financial statement were approved and authorised for issue on March 20, 2024

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Companies Act of South Africa. The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non¬cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD is Rands ("ZAR"). Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its consolidated financial statements:

a. Revenue recognition

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using effective interest method.

b. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Notes forming part of the financial statements for the year ended December 31, 2023

5. NATURE AND PURPOSE OF RESERVES

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16 Lease	Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1] Effective for annual periods beginning on or after January 1, 2024.

[2] Effective for annual periods beginning on or after January 1, 2025.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the financial statements for the year ended December 31, 2023

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Trade and other payable

Liabilities are recognised for the amounts to be paid in the future for goods or services received, whether billed by supplier or not.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a Company of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition of financial assets

(i) Financial asset

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the

Notes forming part of the financial statements for the year ended December 31, 2023

risks and rewards of the ownership of financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

(ii) Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises financial liability when its terms are modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of financial liability the difference between the carrying amount extinguished and the consideration paid (including any non cash asset transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has legally enforceable right to setoff the amount and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

a. Cash and cash equivalents

(Amount in ZAR)

	As at December 31, 2023	As at December 31, 2022
Balances with bank		
In current account	**57,508**	45,413
In deposit account	**8,120,000**	5,964,000
Total	**8,177,508**	6,009,413

b. Investment

Investment consist of the following:

(Amount in ZAR)

	As at December 31, 2023	As at December 31, 2022
Investment non-current		
Investment in subsidiary*	**106,700,000**	106,700,000
Total	**106,700,000**	106,700,000

*Investment in subsidiary is stated at cost less accumulated impairment losses in the Company's financial statements.

Considering the fact that TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD is a profitable company despite the pandemic situation, management believes there is no trigger for impairment.

c. Trade payables

(Amount in ZAR)

	As at December 31, 2023	As at December 31, 2022
Accrued expenses	**129,123**	120,572
Total	**129,123**	120,572

Notes forming part of the financial statements for the year ended December 31, 2023

d. Other financial assets

(Amount in ZAR)

	As at December 31, 2023	As at December 31, 2022
Accrued interest	**19,772**	11,371
Total	**19,772**	11,371

e. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

(Amount in ZAR)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**8,177,508**	**8,177,508**
Other financial assets	**19,772**	**19,772**
Total	**8,197,280**	**8,197,280**
Financial liabilities		
Trade payables	**129,123**	**129,123**
Total	**129,123**	**129,123**

The carrying value of financial instruments by categories as at December, 2022 is as follows:

(Amount in ZAR)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	6,009,413	6,009,413
Other financial assets	11,371	11,371
Total	6,020,784	6,020,784
Financial liabilities		
Trade payables	120,572	120,572
Total	120,572	120,572

Carrying amounts of cash and cash equivalents, other financial assets and trade payables as at December 31, 2023 and December 31, 2022 approximate the fair value.

f. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes forming part of the financial statements for the year ended December 31, 2023

g. Financial risk management

The Company is exposed primarily to fluctuations in credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

- **Foreign currency**

  The Company is not exposed to foreign currency exchange rate risk.

- **Interest rate risk**

  The Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ZAR 8,197,280 and ZAR 6,020,784 as of December 31, 2023 and December 31, 2022, respectively being the total of the carrying amount of balances with bank, bank deposit and other financial assets. Balance with bank are held with banks with high credit ratings.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in ZAR)

	Due in 1st year	Due in 2nd to 5th year	Total
December 31, 2023			
Financial liabilities			
Trade payables	129,123	-	129,123
Total	129,123	-	129,123

Notes forming part of the financial statements for the year ended December 31, 2023

(Amount in ZAR)

	Due in 1st year	Due in 2nd to 5th year	Total
December 31, 2022			
Financial liabilities			
Trade payables	120,572	-	120,572
Total	120,572	-	120,572

h. Equity instruments

(Amount in ZAR)

Authorised, issued, subscribed and paid up Share Capital	As at December 31, 2023	As at December 31, 2022
Authorised:		
20,000,000 ordinary shares of ZAR 1 each	**20,000,000**	20,000,000
Issued, Subscribed & Fully paid up :		
14,000,000 ordinary shares of ZAR 1 each	**14,000,000**	14,000,000

Share holding	Percentage	Percentage
Tata Consultancy Services Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases

Notes forming part of the financial statements for the year ended December 31, 2023

with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

9. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Other liabilities

Other liabilities consist of the following:

(Amount in ZAR)

	As at December 31, 2023	As at December 31, 2022
Other liabilities - current		
Indirect Tax Payable	**7,770,001**	5,614,000
Total	**7,770,001**	5,614,000

10. COST RECOGNITION

The costs of the Company are broadly categorised into other operating expenses which mainly include fees to external consultants and other expenses. Other expenses comprise of bank charges and payment to auditors.

The Company decided to present an analysis of expenses recognized in the Profit or Loss using a classification based on their nature instead of by their function as classification of expenses by nature is considered to provide more reliable and relevant information to users than their classification by function. Information on the nature of expenses is useful in predicting future cash flows. Classification by nature is simple and does not require allocations and involves lesser management judgement. The Company intends to follow this approach on a consistent basis.

(Amount in ZAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Other operating expenses		
Fees to external consultants	**111,679**	86,684
Other expenses	**24,325**	24,136
Total	**136,004**	110,820

Notes forming part of the financial statements for the year ended December 31, 2023

11. OTHER INCOME

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

(Amount in ZAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income		
Interest income - Bank	**118,853**	44,733
Interest income - Income tax refunds	**164**	-
Total	**119,017**	44,733

12. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The income tax expense consists of the following:

(Amount in ZAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax		
Current tax expense	**32,079**	12,501
Total	**32,079**	12,501

Notes forming part of the financial statements for the year ended December 31, 2023

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(Amount in ZAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax expenses		
Income before taxes	**77,743,017**	56,093,916
Statutory tax rate	**27.00%**	28.00%
Expected income tax expense	**20,990,615**	15,706,296
Less: Income exempt from tax	**(20,995,201)**	(15,724,801)
Operating losses carry forwards	**-**	-
Tax pertaining to prior years:	**-**	-
Current tax	**-**	-
Disallowable expenses		
Expense on exempted dividend	**36,665**	31,006
Total tax expense	**32,079**	12,501

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

13. RELATED PARTY TRANSACTIONS

TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD principal related parties consist of its holding company Tata Consultancy Services Limited and it's subsidiary TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD The Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

(Amount in ZAR)

Particulars	With Tata Consultancy Services Limited, Holding Company	TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD, Subsidiary Company	Total
For the year ended December 31, 2023			
Dividend paid	**77,700,000**	**-**	**77,700,000**
Dividend received	**-**	**77,760,004**	**77,760,004**
For the year ended December 31, 2022			
Dividend paid	56,140,000	-	56,140,000
Dividend received	-	56,160,003	56,160,003

Notes forming part of the financial statements for the year ended December 31, 2023

14. COMPENSATION TO KEY MANAGERIAL PERSONNEL

Mr. Henry Langa Dube (Director)

(Amount in ZAR)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Basic	**2,089,488**	1,926,393
Bonus	**330,246**	239,414
Other contribution	**525,862**	470,863
Total	**2,945,596**	2,636,670

Note: The remuneration earned by Mr. Henry Langa Dube is across entities of South African geography wherein he act as director and does not only pertain to TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD

15. GOING CONCERN

The directors have, at the time of approving financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

16. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

17. CONSOLIDATION

The following set of financial statements represents the financial statements of the entity. The exemption under IAS27.16(1) has been applied and consolidated financial statements were not prepared. The consolidated financial statements of the parent company are available on demand.

Tata Consultancy Services Asia Pacific Pte Ltd

Registration Number: 200308003M

Annual Financial Statements
For the year ended on 31 March 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2024.

In our opinion:

(a) the financial statements set out on pages 8.6 to 8.40 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Girish Ramachandran

Krishnan Ramanujam

Lakshminarayanan G S

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ('the Act'), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	**Holdings at beginning of the year**	**Holdings at end of the year**
Tata Consultancy Services Limited		
- *Immediate holding company*		
Ordinary shares		
Girish Ramachandran	11,000	5,000
Krishnan Ramanujam	5,000	5,000
Lakshminarayanan G S	1,000	1,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued ordinary shares of the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept appointment.

On behalf of the Board of Directors

....	....
Girish Ramachandran	**Lakshminarayanan G S**
Director	*Director*

7 May 2024

INDEPENDENT AUDITORS' REPORT

MEMBER OF THE COMPANY

TATA CONSULTANCY SERVICES ASIA PACIFIC PTE LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tata Consultancy Services Asia Pacific Pte Ltd ('the Company'), which comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 8.6 to 8.40.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

Public Accountants and

Chartered Accountants

Singapore

7 May 2024

Statement of financial position
As at 31 March 2024

(Amount in: US$)

	Note	2024	2023
ASSETS			
Investments in subsidiaries	4	**109,932,755**	109,932,755
Other investments	5	**3,300,000**	3,300,000
Equipment	6 (A)	**1,090,408**	1,495,902
Intangible asset	6 (B)	**50,468**	147,480
Right-of-use assets	21	**752,744**	2,481,239
Others assets	9	**200,764**	18,815
Non-current assets		**115,327,139**	117,376,191
Cash and cash equivalents	7	**17,358,447**	46,787,860
Trade and other receivables	8	**85,203,685**	85,690,921
Other assets	9	**9,292,844**	6,862,235
Current assets		**111,854,976**	139,341,016
TOTAL ASSETS		**227,182,115**	256,717,207
EQUITY			
Share capital	10	**4,400,000**	4,400,000
Fair value reserves		**2,400,000**	2,400,000
Retained earnings		**120,785,071**	118,058,936
Total equity		**127,585,071**	124,858,936
LIABILITIES			
Accruals	12	**521,954**	515,120
Lease liabilities	13	**-**	800,429
Non-current liabilities		**521,954**	1,315,549
Trade and other payables	11	**73,668,464**	73,367,061
Accruals	12	**21,000,599**	51,783,069
Lease liabilities	13	**787,367**	1,730,311
Income tax payable		**3,618,660**	3,662,281
Current liabilities		**99,075,090**	130,542,722
Total liabilities		**99,597,044**	131,858,271
TOTAL EQUITY AND LIABILITIES		**227,182,115**	256,717,207

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 March 2024

(Amount in: US$)

	Note	2024	2023
Revenue	14	**340,079,275**	340,266,987
Cost of sales		**(288,835,931)**	(292,143,248)
GROSS PROFIT		**51,243,344**	48,123,739
Other income	15	**24,140,849**	25,781,441
Administrative expense		**(39,324,006)**	(35,075,747)
RESULTS FROM OPERATING ACTIVITIES		**36,060,187**	38,829,433
Finance income		**890,112**	341,995
Finance costs		**(72,121)**	(131,465)
NET FINANCE INCOME		**817,991**	210,530
PROFIT BEFORE TAX		**36,878,178**	39,039,963
Tax expense	16	**(4,152,043)**	(4,649,258)
PROFIT FOR THE YEAR	17	**32,726,135**	34,390,705
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity investments at FVOCI		**-**	-
OTHER COMPREHENSIVE INCOME, NET OF TAX		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**32,726,135**	34,390,705

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 March 2024

(Amount in: US$)

	Share capital	Retained earnings	Fair value reserve	Total
At 1 April 2022	4,400,000	113,668,231	2,400,000	120,468,231
Total comprehensive income for the year				
Profit for the year	–	34,390,705	–	34,390,705
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	34,390,705	–	34,390,705
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividend paid	–	(30,000,000)	–	(30,000,000)
Total transactions with owners	–	(30,000,000)	–	(30,000,000)
At 31 March 2023	4,400,000	118,058,936	2,400,000	124,858,936
At 1 April 2023	**4,400,000**	**118,058,936**	**2,400,000**	**124,858,936**
Total comprehensive income for the year				
Profit for the year	**–**	**32,726,135**	**–**	**32,726,135**
Other comprehensive income for the year	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**32,726,135**	**–**	**32,726,135**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividend paid	**–**	**(30,000,000)**	**–**	**(30,000,000)**
Total transactions with owners	**–**	**(30,000,000)**	**–**	**(30,000,000)**
At 31 March 2024	**4,400,000**	**120,785,071**	**2,400,000**	**127,585,071**

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 March 2024

(Amount in: US$)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**36,878,178**	39,039,963
Adjustments for:			
Depreciation of plant and equipment and intangible asset	6	**1,007,990**	971,243
Depreciation of right-of-use assets	21	**1,728,495**	1,695,945
Reversal of allowance for doubtful debts		**(46,654)**	(40,145)
Unrealised exchange loss on lease liabilities		**(36,050)**	(8,623)
Finance cost		**72,121**	131,465
Dividend income	15	**(23,952,999)**	(24,972,592)
Interest income		**(890,112)**	(341,995)
		14,760,969	16,475,261
Changes in working capital:			
Trade and other receivables		**538,457**	(17,170,694)
Other assets		**(2,612,558)**	(1,257,674)
Trade and other payables		**284,837**	13,092,482
Accruals		**(775,636)**	1,609,473
Cash generated from operations		**12,196,069**	12,748,848
Tax paid		**(4,195,664)**	(3,320,285)
Net cash flows from operating activities		**8,000,405**	9,428,563
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received	15	**23,952,999**	24,972,592
Interest received		**885,545**	319,329
Purchase of equipment and intangible asset	6	**(505,484)**	(521,697)
Net cash flows from investing activities		**24,333,060**	24,770,224
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	18	**(60,000,000)**	–
Repayment of principal payment for lease liabilities	13	**(1,707,323)**	(1,597,289)
Payment of interest charges	13	**(55,555)**	(108,992)
Net cash flows used in financing activities		**(61,762,878)**	(1,706,281)
Net (decrease)/increase in cash and cash equivalents		**(29,429,413)**	32,492,506
Cash and cash equivalents at 1 April		**46,787,860**	14,295,354
Cash and cash equivalents at 31 March	7	**17,358,447**	46,787,860

The accompanying notes form an integral part of these financial statements.

Notes forming part of the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 7 May 2024.

1 DOMICILE AND ACTIVITIES

Tata Consultancy Services Asia Pacific Pte Ltd ('the Company') is incorporated in the Singapore. The address of the Company's registered office is 60 Anson Road, #18-01/02 Mapletree Anson, Singapore 079914.

The principal activities of the Company are to provide IT consulting, software solutions and services and products in the Asia Pacific region.

The results of the Company include its South Korean branch results. The principal activities of the branch are to provide IT consulting, software solutions and products.

The Company's immediate holding corporation is Tata Consultancy Services Limited, incorporated in India. The ultimate holding corporation is Tata Sons Limited, also incorporated in India.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ('FRS'). The changes to material accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed.

2.3 Functional and presentation currency

These financial statements are presented in United States dollars ('US$'), which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3.9 – Revenue recognition.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The management has overall responsibility for all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are recognised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is recognized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Notes forming part of the Financial Statements

Further information about the assumptions made in measuring fair values is included in note 22 of the financial statements.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Global minimum top-up tax

The Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules* provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ('OECD') and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 March 2024 in jurisdiction to implement in which the Company operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Company's financial statements.

Material accounting policy information

The Company adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in material accounting policies.

3.1 Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are stated at cost less impairment losses.

These financial statements are the separate financial statements of the Company. In accordance with FRS 110 *Consolidated Financial Statements,* the Company is exempted from the preparation of consolidated financial statements as the Company is itself a wholly-owned subsidiary of Tata Consultancy Services Limited. Publicly available consolidated financial statements are prepared by Tata Consultancy Services Limited, whose registered office is at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021, India.

Notes forming part of the Financial Statements

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in finance costs/income.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost and FVOCI – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Notes forming part of the Financial Statements

The business model of the Company is as follows:

Held to collect

The Company holds financial assets which arise from its IT consulting business, software solutions and services and products in the Asia Pacific region. The objective of the business model for this financial instruments is to collect the amounts due from the Company's receivables.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs.They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Notes forming part of the Financial Statements

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Company updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applies the policies on accounting for modifications to the additional changes.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

3.4 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in FRS 115).

Notes forming part of the Financial Statements

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

Notes forming part of the Financial Statements

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.5 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Notes forming part of the Financial Statements

Employee leave entitlement

Employee entitlement to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

3.6 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.7 Revenue

Goods and services sold

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system/software is delivered to the customer. In cases where implementation and/or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Notes forming part of the Financial Statements

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing to customers follow different schedules based upon the nature and type of goods and services being transferred. The billing schedules agreed with customers could include periodic performance based payments and/ or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with FRS 115, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Company has applied the practical expedient provided by FRS 115, whereby the Company does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Notes forming part of the Financial Statements

3.8 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary difference related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.9 New accounting standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to FRS are not expected to have a significant impact on the Company's financial statements.

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current* and *Non-current Liabilities with Covenants*
- Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 21: *Lack of Exchangeability*

Notes forming part of the Financial Statements

4. INVESTMENTS IN SUBSIDIARIES

(Amount in: US$)

	2024	2023
Unquoted equity shares, at cost	**109,932,755**	109,932,755

The subsidiaries of the Company are as set out below:

Name of subsidiary	Country of incorporation and operations	Proportion of ownership interest and voting power held		Principal activities
		2024	2023	
		%	%	
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	**100**	100	Provide IT consulting software solutions, services and products
Tata Consultancy Services (China) Co., Ltd [D]	People's Republic of China	**100**	100	Provide IT consulting software solutions, services and products
PT Tata Consultancy Services Indonesia	Indonesia	**100**	100	Provide IT consulting software solutions, services and products
Tata Consultancy Services (Thailand) Limited[A]	Thailand	**99.99**	99.99	Provide IT consulting software solutions, services and products
Tata Consultancy Services (Philippines) Inc. [B]	Philippines	**100**	100	Provide IT consulting software solutions, services and products
Tata Consultancy Services Japan Limited [C]	Japan	**66**	66	Provide IT consulting software solutions, services and products

(A) In financial year 2022, the Company has paid US$3,228,291 for acquisition for Minority shares and since the registration of the SPA is under process in FY2022, the same had been disclosed in "Other Asset" as Advance for Investments.

In financial year 2023, registration of SPA was completed and same has been recogisned as investment from advance for investments.

Notes forming part of the Financial Statements

5. OTHER INVESTMENTS

(Amount in: US$)

	2024	2023
Non-current assets		
Unquoted equity shares, at fair value –designated at FVOCI	**3,300,000**	3,300,000

The Company designated the investment in Philippines Dealing System Holding Corporation as equity investments as at FVOCI because this equity investment represents investment that the Company intends to hold for the long term for strategic purposes. As at 31 March 2024, the fair value of the equity investment is US$ 3,300,000 (2023: US$3,300,000). During the financial year, the Company recognised dividend income of US$426,768 (2023: US$507,388) in profit or loss (note 15).

Credit and market risks, and fair value measurement

Information about the Company's exposures to credit and market risks, and fair value measurement, is included in note 22.

6. A) EQUIPMENT

(Amount in: US$)

	Computers	Office equipment	Furniture and fittings	Leasehold improvements	Capital work in progress	Total
Cost						
At 1 April 2022	4,826,295	1,273,955	1,146,626	2,162,963	62,929	9,472,768
Additions	513,209	8,066	–	–	–	521,275
Transfers	62,896	–	–	–	(62,896)	–
At 31 March 2023	**5,402,400**	**1,282,021**	**1,146,626**	**2,162,963**	**33**	**9,994,043**
Additions	**332,772**	**54,668**	**48,304**	**69,740**	**–**	**505,484**
At 31 March 2024	**5,735,172**	**1,336,689**	**1,194,930**	**2,232,703**	**33**	**10,499,527**
Accumulated depreciation						
At 1 April 2022	3,211,131	1,185,124	1,101,722	2,125,933	–	7,623,910
Depreciation	789,842	49,563	32,312	2,514	–	874,231
At 31 March 2023	**4,000,973**	**1,234,687**	**1,134,034**	**2,128,447**	**–**	**8,498,141**
Depreciation	**835,970**	**31,529**	**10,613**	**32,866**	**–**	**910,978**
At 31 March 2024	**4,836,943**	**1,266,216**	**1,144,647**	**2,161,313**	**–**	**9,409,119**
Carrying amount						
At 1 April 2022	1,615,164	88,831	44,904	37,030	62,929	1,848,858
At 31 March 2023	1,401,427	47,334	12,592	34,516	33	1,495,902
At 31 March 2024	**898,229**	**70,473**	**50,283**	**71,390**	**33**	**1,090,408**

Notes forming part of the Financial Statements

B) INTANGIBLE ASSET

(Amount in: US$)

	Software licenses
Cost	
At 1 April 2022	388,047
Additions	422
At 31 March 2023/31 March 2024	**388,469**
Accumulated depreciation	
At 1 April 2022	143,977
Depreciation	97,012
At 31 March 2023	**240,989**
Depreciation	**97,012**
At 31 March 2024	**338,001**
Carrying amount	
At 1 April 2022	244,070
At 31 March 2023	147,480
At 31 March 2024	**50,468**

7. CASH AND CASH EQUIVALENTS

(Amount in: US$)

	2024	2023
Cash at banks	**9,860,093**	5,571,206
Bank deposits (Original Maturity within three months)	**7,481,700**	41,200,000
Cash on hand	**16,654**	16,654
Cash and cash equivalents in the statement of cash flows	**17,358,447**	46,787,860

Bank desposits earn interest rate at an interest rate of 3.29% to 4.82% (2023: 3.40% to 4.40%) per annum.

The Company's exposure to credit and market risks is included in note 22.

Notes forming part of the Financial Statements

8. TRADE AND OTHER RECEIVABLES

(Amount in: US$)

	2024	2023
Trade receivables (third parties)	**43,928,421**	44,043,275
Allowance for doubtful debts	**(90,165)**	(134,583)
	43,838,256	43,908,692
Amounts due from (trade):		
- immediate holding company	**19,103,824**	16,992,628
- subsidiaries	**2,425,599**	3,133,859
- related corporations	**426,898**	419,377
	21,956,321	20,545,864
Unbilled revenue and advance billings from:		
- immediate holding company	**596,466**	538,760
- subsidiaries	**47,103**	–
- related corporations	**–**	145,244
Unbilled revenues (third parties)	**9,226,521**	11,740,743
	9,870,090	12,424,747
Other receivables (trade):		
- immediate holding company	**8,869,153**	8,403,275
- subsidiaries	**94,165**	30,877
- related corporations	**37,237**	31,323
- third parties	**538,463**	346,143
	9,539,018	8,811,618
	85,203,685	85,690,921

Trade receivables are non-interest bearing and are generally on 30 days' terms.

Amounts due from the immediate holding company, subsidiaries and related corporations are unsecured, interest-free and are to be settled in cash. There is no allowance of doubtful debts arising from these outstanding balances.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in note 22.

Notes forming part of the Financial Statements

9. OTHER ASSETS

(Amount in: US$)

	2024	2023
Prepayments	**61,303**	45,237
Deposits	**147,024**	107,427
Contract assets		
- immediate holding company	**1,308,948**	874,639
- subsidiaries	**30,469**	98,708
- related corporations	**128,991**	59,145
- third parties	**7,496,540**	5,245,588
	8,964,948	6,278,080
Contract fulfilment cost	**320,333**	450,306
	9,493,608	6,881,050
Represented by:		
Current	**9,292,844**	6,862,235
Non-current	**200,764**	18,815
	9,493,608	6,881,050

10. SHARE CAPITAL

(Amount in: US$)

	No. of shares	No. of shares	Amount	Amount
	2024	2023	**2024**	2023
Fully paid ordinary shares, with no par value:				
At 1 April and 31 March	**7,582,820**	7,582,820	**4,400,000**	4,400,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of share capital and retained earnings.

Management reviews the capital structure on a semi-annual basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of management, the Company will balance its overall capital structure through the payment of dividends and new share issues.

There were no changes in the Company's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes forming part of the Financial Statements

11. TRADE AND OTHER PAYABLES

(Amount in: US$)

	2024	2023
Amounts due to (trade):		
- immediate holding company	**55,298,399**	58,960,577
- subsidiaries	**1,573,459**	1,327,922
- related corporations	**1,414,592**	670,329
- third parties	**4,922,793**	2,001,946
	63,209,243	62,960,774
Unearned and deferred revenue		
- immediate holding company	**332,716**	879,921
- subsidiaries	**152,715**	95,255
- related corporations	**18,553**	14,657
- third parties	**9,955,237**	9,416,454
	10,459,221	10,406,287
	73,668,464	73,367,061

The average credit period on purchases of services is 30 days (2023: 30 days). Interest is not charged on the overdue balances.

Amounts due to the ultimate holding company, immediate holding company, subsidiaries and related corporations are unsecured, interest-free, repayable on demand and are to be settled in cash.

Market and liquidity risk

The Company's exposure to liquidity and currency risks for trade and other payables are disclosed in note 22.

Notes forming part of the Financial Statements

12. ACCRUALS

(Amount in: US$)

	2024	2023
Employee benefits	**9,257,422**	9,327,096
Volume discount payable		
- immediate holding company (trade)	**292,614**	157,243
- subsidiaries (trade)	**8,614**	17,273
- related corporations (trade)	**118,014**	107,833
- third parties	**167,360**	1,046,900
	586,602	1,329,249
Dividend payable to immediate holding company (refer note 18)	**–**	30,000,000
Other accruals		
- ultimate holding Company	**784,979**	794,677
- immediate holding company	**(72,259)**	(203,923)
- related corporations (trade)	**19,736**	19,890
- third parties	**10,946,073**	11,031,200
	11,678,529	11,641,844
	21,522,553	52,298,189
Represented by:		
Current	**21,000,599**	51,783,069
Non-current	**521,954**	515,120
	21,522,553	52,298,189

Market and liquidity risk

The Company's exposure to liquidity and currency risks for accruals are disclosed in note 22.

13. LEASE LIABILITIES

(Amount in: US$)

	2024	2023
Non-current liabilities		
Lease liabilities	**–**	800,429
Current liabilities		
Lease liabilities	**787,367**	1,730,311
Total lease liabilities	**787,367**	2,530,740

Notes forming part of the Financial Statements

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

(Amount in: US$)

				2024		2023	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Lease liabilities	SGD	3.52%	2024	**730,026**	**721,742**	2,437,543	2,376,064
Lease liabilities	KRW	3.45%	2024	**66,335**	**65,625**	158,543	154,597

Reconciliation of movements of liabilities to cash flows arising from financing activities:

(Amount in: US$)

	Lease liabilities
Balance at At 1 April 2022	4,181,735
Changes in financing cash flows	
Repayment of lease liabilities	(1,597,289)
Interest paid	(108,992)
Total changes from financing cash flows	(1,706,281)
Other changes	
Addition	52,484
Lease modification	(97,567)
Interest expense	108,992
Exchange differences	(8,623)
Total other changes	55,286
Balance at 31 March 2023	2,530,740

(Amount in: US$)

	Lease liabilities
Balance at 1 April 2023	**2,530,740**
Changes in financing cash flows	
Repayment of lease liabilities	**(1,707,323)**
Interest paid	**(55,555)**
Total changes from financing cash flows	**(1,762,878)**
Other changes	
Interest expense	**55,555**
Exchange differences	**(36,050)**
Total other changes	**19,505**
Balance at 31 March 2024	**787,367**

Notes forming part of the Financial Statements

14. REVENUE

(a) Disaggregation of revenue from contracts with customers

(Amount in: US$)

	2024	2023
Rendering of services	**339,570,955**	339,096,279
- Banking, financial services and insurance	**228,191,361**	241,198,004
- Manufacturing process	**13,791,872**	12,277,569
- Retail distribution	**5,266,100**	3,719,569
- Telemedia and entertainment	**1,220,146**	2,533,759
- Energy utilities	**4,244,710**	6,700,490
- High technology	**12,551,016**	10,613,205
- Lifesciences	**11,394,781**	10,016,797
- Travel, transport and hospitality	**58,058,859**	48,531,062
- Others	**4,852,110**	3,505,824
Sales of goods	**508,320**	1,170,708
	340,079,275	340,266,987
Primary geographical markets		
- Asia Pacific	**318,913,363**	322,121,930
- Americas	**15,149,612**	12,407,459
- UK	**1,675,860**	1,957,803
- Europe	**4,266,281**	3,217,386
- India	**44,013**	554,399
- Middle East	**30,146**	8,010
	340,079,275	340,266,987
Timing of revenue recognition		
- Products and services transferred over time	**339,570,955**	339,096,279
- Products transferred at a point in time	**508,320**	1,170,708
	340,079,275	340,266,987

Notes forming part of the Financial Statements

(b) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts and where not only act of invoicing is pending. The contract assets are transferred to trade receivables when the rights become unconditional.This usually occurs when the Company invoices the customer.

Contract liabilities primarily relate to unearned and deferred revenue, which are recognised when there are billings in excess of revenues.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows.

(Amount in: US$)

	2024	2023
Contract assets:		
Balance at the beginning of the year	**6,278,080**	4,848,676
Increase due to revenue recognised during the year, excluding amounts billed during the year	**8,332,236**	6,083,534
Invoices raised that were included in the contract assets balance at the beginning of the year	**(5,595,164)**	(4,670,124)
Translation exchange difference	**(50,204)**	15,994
Balance at the end of the year	**8,964,948**	6,278,080
Contract liabilities:		
Balance at the beginning of the year	**(10,406,287)**	(11,461,723)
Revenue recognised that was included in the contract liability balance at the beginning of the year	**10,176,206**	11,366,309
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**(10,263,914)**	(10,198,890)
Translation exchange difference	**34,774**	(111,983)
Balance at the end of the year	**(10,459,221)**	(10,406,287)

(c) Transaction price allocated to the remaining performance obligations

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in FRS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is US$194,500,000 (2023: US$175,000,000), of which, 65% (2023: 76%) is expected to be recognised as revenue within the next 1 year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Notes forming part of the Financial Statements

15. OTHER INCOME

(Amount in: US$)

	Note	2024	2023
Dividend income from:			
- subsidiaries	20	**23,526,231**	24,465,204
- financial asset at FVOCI	5	**426,768**	507,388
Foreign exchange gain, net		**–**	121,651
Government grant		**–**	686,995
Other income		**187,850**	203
		24,140,849	25,781,441

In financial year 2023, government grant income relates mainly to Jobs Growth Incentive and Wage Credit Scheme.

16. TAX EXPENSE

(Amount in: US$)

	2024	2023
Current tax expense		
Current year	**2,326,343**	2,426,842
Witholding tax expenses	**1,825,700**	2,222,416
	4,152,043	4,649,258
Reconciliation of effective tax rate		
Profit before tax	**36,878,178**	39,039,963
Tax calculated using Singapore tax rate of 17% (2023: 17%)	**6,269,290**	6,636,794
Non-deductible items	**129,063**	35,389
Tax exempt income	**(4,072,010)**	(4,245,341)
Witholding tax expenses	**1,825,700**	2,222,416
	4,152,043	4,649,258

17. PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

(Amount in: US$)

	2024	2023
Employee benefits expense (including directors' remuneration)	**114,200,873**	105,652,962
Contributions to defined contribution plans (excluded from employee benefits expenses)	**5,333,015**	5,126,956
Reversal of allowance for impairment of trade receivables	**(46,654)**	(40,145)
Depreciation and amortisation on equipment, ROU asset and intangible asset	**2,736,485**	2,667,188
Foreign exchange loss/(gain), net	**359,075**	(121,651)

Notes forming part of the Financial Statements

Administrative expense includes the following significant expenses:

(Amount in: US$)

	2024	2023
Directors' remuneration	**722,862**	666,802
Employee benefits expense (including directors' remuneration)	**26,464,918**	24,696,924
Contributions to defined contribution plans (excluded from employee benefits expenses)	**1,471,695**	1,355,525
Depreciation and amortisation on equipment, ROU asset and intangible asset	**2,507,046**	1,819,570

18. DIVIDENDS

(Amount in: US$)

	2024	2023
Tax exempt interim dividends declared of 2024: US$ 3.96 (2023: US$3.96) per share	**30,000,000**	30,000,000

Reconciliation of movements of liabilities to cash flows arising from financing activities:

(Amount in: US$)

	2024	2023
Accurals - Immediate holding company		
Dividends payable at 1 April	**30,000,000**	–
Dividends declared	**30,000,000**	30,000,000
Dividends paid*	**(60,000,000)**	–
Dividends payable at 31 March	**–**	30,000,000*

* Dividend declared in financial year 2023 was paid on 3 April 2023 and dividend declared in financial year 2024 was paid on 25 October 2023 and 20 March 2024.

19. GUARANTEES AND COMMITMENTS

(a) Guarantees

(Amount in: US$)

	2024	2023
Guarantees to customers in respect to services performed	**1,612,824**	2,806,570
Guarantees to vendors in respect of services performed for the Company	**2,479,712**	562,211

(b) Capital commitments

The Company has contractually committed US$89,647 as at 31 March 2024 (2023: US$84,831) for purchase of plant and equipment.

20. RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities.

Notes forming part of the Financial Statements

Key management personnel compensation

The remuneration of directors during the year were as follows:

(Amount in: US$)

	2024	2023
Short-term benefits	**713,341**	660,124
Post-employment benefits – contribution to Central Provident Fund	**9,521**	6,678

The key management personnel are identified as the directors of the Company.

Other related party transactions

Significant intercompany transactions, other than those disclosed elsewhere in the notes to financial statements are as follows:

(Amount in: US$)

	2024	2023
Ultimate holding company		
Royalty expense	**(784,980)**	(794,677)
Associate of ultimate holding company		
Rendering of services	**72,000**	72,000
Communication expenses	**(112,608)**	(54,523)
Immediate holding company		
Rendering of services	**19,962,053**	16,836,993
Purchases of services	**(189,678,861)**	(199,293,304)
Dividend expense	**(30,000,000)**	(30,000,000)
Subsidiaries		
Rendering of services	**2,567,207**	2,897,545
Purchases of services	**(3,695,785)**	(2,382,004)
Dividend received	**23,526,231**	24,465,204
Related companies		
Rendering of services	**3,970,371**	2,989,548
Purchases of services	**(3,754,954)**	(3,749,578)

21. LEASES

Leases as lessee (FRS 116)

The Company leases 3 offices in commercial building. The lease typically runs for a period of 4 years. Lease payments are renegotiated every 4 years to reflect market rentals. The Company is restricted from entering into any sub-lease arrangements.

The Company leases employee's accommodation with contract term of one year, which is short-term in nature except for one lease which is more than a year. The Company has elected not to recognise right-of-use asset and lease liability for this lease except for the lease which is for more than a year.

Information about leases for which the Company is a lessee is presented below.

Notes forming part of the Financial Statements

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are:

(Amount in: US$)

	Leasehold building	
	2024	**2023**
Balance at 1 April	**2,481,239**	4,222,267
Addition to right-of-use assets	**-**	52,484
Deletions to right-of-use assets	**-**	(97,567)
Depreciation charge for the year	**(1,728,495)**	(1,695,945)
Balance at 31 March	**752,744**	2,481,239

Amounts recognised in profit or loss

(Amount in: US$)

	2024	**2023**
Leases under FRS 116		
Interest on lease liabilities	**55,555**	108,992
Expenses relating to short-term leases	**4,456**	1,875

Amounts recognised in statement of cash flows

(Amount in: US$)

	2024	**2023**
Total cash outflow for leases(including cash outflow for short term leases and leases for low value assets)	**1,767,334**	1,708,156

22. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes forming part of the Financial Statements

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

Impairment losses on financial assets trade receivables recognised in profit or loss were as follows:

(Amount in: US$)

	2024	2023
Reversal of impairment loss on trade receivables	**(46,654)**	(40,145)

Trade receivables

Exposure to credit risk

The exposure to credit risk for trade receivables, unbilled revenue and contract assets at the reporting date by geographic region was as follows:

(Amount in: US$)

	Carrying amount	
	2024	**2023**
Asia Pacific	**65,993,720**	61,173,204
Europe	**544,723**	590,529
India	**11,836,979**	11,874,003
Americas	**5,875,042**	2,854,968
Middle East	**25,156**	2,941
UK	**353,995**	383,658
	84,629,615	76,879,303

At the end of the reporting period, significant concentration of credit risk of the Company's trade receivables balance of US$19,103,824 and US$2,425,599 (2023: US$16,992,628 and US$3,133,859) are due from the immediate holding company and subsidiaries, respectively.

Notes forming part of the Financial Statements

Expected credit loss assessment

Loss rates are calculated based on actual credit loss experience over the past three years and adjusted for using Company's review on the current conditions and economic conditions over the expected lives of the receivables only if these factors have a significant impact to the credit loss.

The following table provides information about the exposure to credit risk and ECLs for the trade receivables (third parties and related parties), unbilled revenue and contract assets as at 31 March:

(Amount in: US$)

	Weighted average loss rate %	Gross carrying amount	Expected credit loss allowance	Credit impaired	Credit impaired amounts
31 March 2024					
Current (not past due)	**–**	**51,738,831**	**–**	**No**	**–**
Past due 1 – 30 days	**–**	**12,149,768**	**–**	**No**	**–**
Past due 31 – 60 days	**–**	**7,384,140**	**–**	**No**	**–**
Past due 61 – 90 days	**–**	**4,137,374**	**–**	**No**	**–**
Past due 91 – 180 days	**–**	**2,965,658**	**–**	**No**	**–**
Past due 181 – 365 days	**–**	**3,092,975**	**–**	**No**	**–**
Past due more than 365 days	**3%**	**3,251,034**	**(90,165)**	**Yes**	**90,165**
		84,719,780	**(90,165)**		**90,165**
31 March 2023					
Current (not past due)	–	48,297,204	–	No	–
Past due 1 – 30 days	–	24,482,935	–	No	–
Past due 31 – 60 days	–	1,393,631	–	No	–
Past due 61 – 90 days	–	1,263,520	–	No	–
Past due 91 – 180 days	–	1,124,453	–	No	–
Past due 181 – 365 days	–	365,721	–	No	–
Past due more than 365 days	156%	86,422	(134,583)	Yes	134,583
		77,013,886	(134,583)		134,583

- **Measurement of expected credit loss allowance for trade and other receivables (including contract assets and deposits)**

  Management regularly reviews the recoverability and aging of the trade and other receivables (including contract assets and deposits) in arriving at estimates of expected credit loss ('ECL') for trade and other receivables (including contract assets and deposits). Management considers the credit history and financial position of the customer before assessing the need for any allowance to be made. The carrying amount and credit risk (including ECL assessment and key assumptions in determining the weighted-average loss rate) of trade and other receivables (including contract assets and deposits) is disclosed in note 8, note 9 and note 22 to the financial statements respectively.

Notes forming part of the Financial Statements

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables as follows:

(Amount in: US$)

	2024	2023
At 1 April	**(134,583)**	(169,626)
Impairment loss written-back	**46,654**	40,145
Exchange difference	**(2,236)**	(5,102)
At 31 March	**(90,165)**	(134,583)

Cash and cash equivalents

The Company held cash and cash equivalents of US$17,358,447 at 31 March 2024 (2023: US$46,787,860). The cash and cash equivalents are held with reputable bank and financial institution counterparties of high credit standings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the low credit risk of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Contract assets and other receivables

The Company uses a similar approach for assessment of ECLs for these receivables to those used for trade receivables. Impairment on these balances applied depends on whether there has been a significant increase in credit risk. No aging analysis of these balances are presented as the majority of outstanding balance as at 31 March 2024 and 31 March 2023 are current. The amount of the allowance on these balances is insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table summarises the Company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments premised on the earlier of the contractual date or when the Company is expected to pay.

Notes forming part of the Financial Statements

(Amount in: US$)

	Carrying amount	Cash flows		
		Contractual cash flows	Within one year	Between one and five years
31 March 2024				
Non-derivatives financial liabilities				
Trade and other payables*	**63,353,996**	**63,353,996**	**63,353,996**	**–**
Accruals^	**6,171,773**	**6,171,773**	**5,649,819**	**521,954**
Leases liabilities	**787,367**	**787,367**	**787,367**	**–**
	70,313,136	**70,313,136**	**69,791,182**	**521,954**
31 March 2023				
Non-derivatives financial liabilities				
Trade and other payables*	63,105,835	63,105,835	63,105,835	–
Accruals^	37,935,991	37,935,991	37,420,871	515,120
Leases liabilities	2,350,740	2,596,086	1,786,512	809,574
	103,392,566	103,637,912	102,313,218	1,324,694

* Excludes unearned and deferred revenue and indirect taxes

^ Excludes employee benefits and volume discount payable

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the Company in the current reporting period or in future years. The Company does not have any significant interest-bearing liabilities or interest earning assets.

Currency risk

The Company operates regionally and therefore, transacts in various foreign currencies and therefore is exposed to foreign exchange risks. Exposure to currency risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

Notes forming part of the Financial Statements

Exposure to currency risk

The Company's exposures to foreign currencies are as follows:

(Amount in: US$)

	Liabilities		Assets	
	2024	2023	**2024**	2023
Singapore dollar	**31,749,652**	24,173,828	**35,058,977**	29,145,697
Euro	**3,897,631**	3,611,313	**7,156,330**	4,538,416
Japanese yen	**3,408**	–	**61,361**	17,949
Korean won	**3,091,514**	3,401,740	**3,971,080**	4,854,556
Chinese renminbi	**–**	8,009	**–**	185,155
Great Britain pound	**64,625**	60,858	**167,279**	216,509
Hong Kong dollar	**–**	(83,131)	**¬–**	(5,856)
Indian rupee	**396,978**	78,686	**–**	(464,152)
New Taiwan dollar	**–**	–	**–**	(633,935)
Thai Baht	**134,081**	135,122	**–**	–
Malaysian Ringgit	**30**	1,209	**–**	8,762
Indonesia Rupiah	**–**	–	**174,841**	27,854
Swiss Franc	**147,801**	(9,159)	**261,368**	127,699
New Zealand Dollar	**–**	(105)	**386,725**	27,869
UAE Riyal/Dirham	**–**	–	**8,482**	–
Australian Dollar	**75,860**	91,493	**903,316**	592,228

Sensitivity analysis for foreign currency risk

A 10% strengthening/weakening of US$ against the following currencies at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes forming part of the Financial Statements

(Amount in: US$)

	Strengthen		Weaken	
	2024	**2023**	**2024**	**2023**
Singapore dollar	**330,933**	497,187	**(330,933)**	(497,187)
Euro	**325,870**	92,710	**(325,870)**	(92,710)
Japanese yen	**5,795**	1,795	**(5,795)**	(1,795)
Korean won	**87,957**	1,45,282	**(87,957)**	(145,282)
Chinese renminbi	**-**	17,715	**-**	(17,715)
Great Britain pound	**10,265**	15,565	**(10,265)**	(15,565)
Hong Kong dollar	**-**	7,728	**-**	(7,728)
Indian rupee	**(39,698)**	(54,284)	**39,698**	54,284
New Taiwan dollar	**-**	(63,393)	**-**	63,393
Thai Baht	**(13,408)**	(13,512)	**13,408**	13,512
Malaysian Ringgit	**(3)**	755	**3**	(755)
Indonesia Rupiah	**17,484**	2,785	**(17,484)**	(2,785)
Swiss Franc	**11,357**	13,686	**(11,357)**	(13,686)
New Zealand Dollar	**38,672**	2,797	**(38,672)**	(2,797)
UAE Riyal/Dirham	**848**	–	**(848)**	–
Australian Dollar	**82,746**	50,073	**(82,746)**	(50,073)

Determination of fair values

The carrying amounts of financial assets and financial liabilities approximate their fair values because of the relative short-term maturity of these financial instruments.

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

Financial assets	**Assets US$**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value**
	2024	**2023**				
Unquoted equity shares, at fair value - designated at FVOCI	**3,300,000**	3,300,000	Level 3	Market Comparison Technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the Company, adjusted for the effect of the non marketability of the equity investments and the expected EBITDA of the Company	Adjusted market multiple (2024: 9.1x ; 2023: 7.2x)	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower)

Notes forming part of the Financial Statements

(ii) Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

(Amount in: US$)

	2024	2023
Unquoted equity shares designated at FVOCI		
Balance at the beginning of the year	**3,300,000**	3,300,000
Net change in fair value of unquoted equity shares designated at FVOCI	**–**	–
Balance at the end of the year	**3,300,000**	3,300,000

Sensitivity analysis

For the fair values of unquoted equity shares designated at FVOCI reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

(Amount in: US$)

	Other comprehensive income	
	Increase	Decrease
31 March 2024		
EBITDA Multiple (0.5x movement)	**137,000**	(137,000)
Normalised EBITDA (10% movement)	**274,000**	(274,000)
31 March 2023		
EBITDA Multiple (0.5x movement)	**113,000**	(113,000)
Normalised EBITDA (10% movement)	**215,000**	(215,000)

TCS FNS PTY LIMITED AND ITS CONTROLLED ENTITY

ABN 45 116 714 482

General Purpose Financial Report Simplified Disclosure Requirements

For the year ended March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Directors Report

The directors present their report together with the consolidated financial statements of the Group comprising of TCS FNS Pty Limited and its subsidiary for the financial year ended March 31, 2024 and the auditor's report theron.

1. Directors

The names of the directors in office at any time during or since the end of the year are:

Neville Joseph Roach	Appointed October 20, 2005
Natarajan Ganapathy Subramaniam	Appointed April 11, 2008
Girish Ramachandran Payangatiri	Appointed November 09, 2015
Venkateshwaran Srinivasan	Appointed June 12, 2017
Madhav Anchan	Appointed August 09, 2019

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Principal activities

The principal activities of the Group during the financial year is holding the investments in its wholly owned subsidiary and the development and sale of specialist banking software and the provision of implementation and project management services. No significant change in the nature of these activities occurred during the year.

3. Review of operations

The profit of the Group for the financial year after providing for income tax amounted to AUD$ 5,413,889 (2023 profit of AUD$ 6,697,442).

The Group has continued its focus on its core competency of product development with further growth of its core banking product to capture greater market share of the Banking sector.

4. Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

5. Dividends

AUD$ 9,500,000 dividend was paid to Tata Consultancy Services Limited (Parent Company) during the financial year. (2023: AUD$ 8,000,000).

6. Events subsequent to reporting date

There have been no matters which have arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

7. Likely developments

Information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

8. Shares under options

No options over issued shares or interests in the Group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

9. Indemnity and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

10. Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

11. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the financial year ended March 31, 2024.

Neville J Roach
Director

Date: 01 May, 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of

TCS FNS Pty Ltd and its controlled entity

I declare that, to the best of my knowledge and belief, in relation to the audit of TCS FNS Pty Ltd and its controlled entity for the financial year ended 31 March 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Adam Bird
Partner
Sydney

1 May 2024

Statements of Profit or Loss and Other Comprehensive Income

(Amounts in AUD)

Continuing operations	Notes	Group		Parent	
		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue	5	**10,947,024**	10,893,510	**-**	-
Other income	5	**216,634**	11,129	**9,500,000**	8,000,000
Expenses					
Selling, general and administrative expenses		**(2,369,161)**	(1,986,216)	**-**	-
Foreign exchange (loss)	6	**(25,563)**	(205,636)	**-**	-
Finance costs	7	**(1,662)**	(1,949)	**(54)**	(50)
Profit before tax		**8,767,272**	8,710,838	**9,499,946**	7,999,950
Income tax expense	8	**(3,353,383)**	(3,022,228)	**-**	-
Profit from continuing operations		**5,413,889**	5,688,610	**9,499,946**	7,999,950
Discontinued Operation (Disposal of a foreign subsidiary)					
Profit (loss) from discontinued operation, net of tax	4	**-**	(850,068)	**-**	-
Profit on sale of investment in Discontinued Operation		**-**	1,858,900	**-**	-
Profit for the year		**5,413,889**	6,697,442	**9,499,946**	7,999,950
Other comprehensive income					
Other comprehensive income/(loss) for the year, net of tax					
Total comprehensive income for the year		**5,413,889**	6,697,442	**9,499,946**	7,999,950

SEE ACCOMPANYING NOTES (1 TO 22) FORMING PART OF THE FINANCIAL STATEMENTS.

Statements of Financial Position

(Amounts in AUD)

	Notes	Group		Parent	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current assets					
Cash and cash equivalents	10	**8,468,967**	9,290,762	**2,796**	2,850
Trade and other receivables	11	**8,341,637**	11,167,718	**414,421**	923,059
Other current financial assets-Loans to related parties		**-**	-	**6,027,421**	6,027,421
Current tax asset		**-**	115,212	**-**	-
Other current assets	12	**181,786**	251,026	**-**	-
Total current assets		**16,992,390**	20,824,718	**6,444,638**	6,953,330
Non-current assets					
Deferred tax assets (net)	15	**2,141,413**	2,550,154	**-**	-
Investment in subsidiary	19	**-**	-	**300,000**	300,000
Total non-current assets		**2,141,413**	2,550,154	**300,000**	300,000
Total Assets		**19,133,803**	23,374,872	**6,744,638**	7,253,330
Current liabilities					
Trade and other payables	14	**723,318**	976,857	**-**	-
Income tax payable (net)		**98,581**	-	**414,421**	923,059
Total current liabilities		**821,899**	976,857	**414,421**	923,059
Non-current liabilities					
Total non-current liabilities		**-**	-	**-**	-
Total liabilities		**821,899**	976,858	**414,421**	923,059
Net Assets		**18,311,904**	22,398,015	**6,330,217**	6,330,271
Equity					
Share capital	16	**37,258,815**	37,258,815	**37,258,815**	37,258,815
Accumulated losses		**(18,946,911)**	(14,860,800)	**(7,212,819)**	(7,212,819)
Reserves		**-**	-	**(200)**	(146)
Common control reserve		**-**	-	**(23,715,579)**	(23,715,579)
Total Equity		**18,311,904**	22,398,015	**6,330,217**	6,330,271

SEE ACCOMPANYING NOTES (1 TO 22) FORMING PART OF THE FINANCIAL STATEMENTS.

Statement of Changes in Equity

(Amounts in AUD)

Consolidated Group	Share capital	Accumulated losses	Foreign currency translation reserve	Total
Balance as at March 31, 2022	37,258,815	(13,558,242)	184,461	23,885,034
Profit for the year	-	6,697,442	-	6,697,442
Dividend paid	-	(8,000,000)	-	(8,000,000)
Total comprehensive loss for the year	-	-	(184,461)	(184,461)
Balance as at March 31, 2023	**37,258,815**	**(14,860,800)**	**-**	**22,398,015**
Profit for the year	**-**	**5,413,889**	**-**	**5,413,889**
Dividend paid	**-**	**(9,500,000)**	**-**	**(9,500,000)**
Balance as at March 31, 2024	**37,258,815**	**(18,946,911)**	**-**	**18,311,904**

(Amounts in AUD)

Parent Entity	Share capital	Profits reserve	Accumulated losses	Common control reserve	Total
Balance as at March 31, 2022	37,258,815	(96)	(7,212,819)	(23,715,579)	6,330,321
Profit for the year	-	7,999,950	-	-	7,999,950
Dividend paid	-	(8,000,000)	-	-	(8,000,000)
Balance as at March 31, 2023	**37,258,815**	**(146)**	**(7,212,819)**	**(23,715,579)**	**6,330,271**
Profit for the year	**-**	**9,499,946**	**-**	**-**	**9,499,946**
Dividend paid	**-**	**(9,500,000)**	**-**	**-**	**(9,500,000)**
Balance as at March 31, 2024	**37,258,815**	**(200)**	**(7,212,819)**	**(23,715,579)**	**6,330,217**

SEE ACCOMPANYING NOTES (1 TO 22) FORMING PART OF THE FINANCIAL STATEMENTS.

Statements of Cash Flows

(Amounts in AUD)

	Group		Parent	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities				
Cash received from customers	**13,773,105**	11,450,304	**-**	-
Cash paid to suppliers, employees and others	**(2,923,767)**	(2,917,716)	**(54)**	(50)
Income tax paid	**(2,387,767)**	(2,566,955)	**-**	-
Net cashflow from discontinued business	**-**	(259,766)	**-**	-
Net cash generated from operating activities	**8,461,571**	5,705,867	**(54)**	(50)
Cash flows from investing activities				
Proceeds from Disposal of discontinued operation	**-**	7,387,066	**-**	-
Net Cashflow from discontinued business	**-**	157,613	**-**	-
Net cash generated from investing activities	**-**	7,544,679	**-**	-
Cash flows from financing activities				
Interest received	**216,634**	11,079	**-**	-
Dividends paid	**(9,500,000)**	(8,000,000)	**-**	-
Net cashflow from discontinued business	**-**	(106,007)	**-**	-
Net cash used in financing activities	**(9,283,366)**	(8,094,928)	**-**	-
Effect of movements in exchange rates on cash held	**-**	27,260	**-**	-
Net increase/(decrease) in cash & cash equivalents	**(821,795)**	5,155,618	**(54)**	(50)
Cash & cash equivalents at the beginning of the year	**9,290,762**	4,107,884	**2,850**	2,900
Cash and cash equivalents at the end of year	**8,468,967**	9,290,762	**2,796**	2,850

SEE ACCOMPANYING NOTES (1 TO 22) FORMING PART OF THE FINANCIAL STATEMENTS.

Notes forming part of the Financial Statements

1. REPORTING ENTITY

TCS FNS Pty Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia. Tata Sons Private Limited is the ultimate parent of the company. The registered office and principal place of business of the Company is TCS FNS Pty Ltd, Level 6, 76 Berry Street, North Sydney NSW 2060. As at March 31, 2024, Tata Consultancy Services Limited, the immediate parent entity owned 100% of the Company's equity share capital.

2. BASIS OF PREPARATION

These consolidated financial statements are general purpose financial statements for distribution to the shareholder and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

The statement of cash flows have been prepared under direct method, disclosing major classes of gross cash receipts and payments related to operating activities.The Accounting Standards require cash flows from interest, Proceeds from sale of Investment and dividends received and paid to be disclosed separately.

The Group has presented its cash flows that analyses all cash flows in total - i.e. including both continuing and discontinued operations.

3. MATERIAL ACCOUNTING POLICIES

The Group also adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023 but they do not have a material effect on the Group's financial statements.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

a. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under AASB 137 Provisions, Contingent Liabilities and Contingent

Notes forming part of the Financial Statements

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Tax consolidation

The Company, as the head entity in the tax consolidated group and its wholly-owned Australian controlled entities continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilites (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilites arising under the tax funding agreement with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the Group.

The entities in the Tax Consolidated Group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities within the Tax Consolidated Group in the case of a default by the Company.

Notes forming part of the Financial Statements

The entities in the Tax Consolidated Group have also entered into a Tax Funding Agreement under which the wholly-owned entities of that group fully compensate the Company for any current tax payable assumed and are compensated by the Company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Company under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

c. Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

Plant and equipment

Items of plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The useful life for each class of depreciable assets is:

Class of fixed asset	**Useful life**
Furniture and fittings	5-7 years
Plant and equipment	2.5 to 7 years
Motor vehicles	5 years
Leasehold improvements	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

d. Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, less accumulated amortisation and accumulated impairment, if any. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis.

e. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of the financial asset or financial liability.

Notes forming part of the Financial Statements

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 model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The 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 Company are recognised at the proceeds received net of any direct issue costs.

f. Impairment

Financial assets (other than at fair value)

The Group assesses at each reporting date whether a financial asset or a group of financial assets is impaired. AASB 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 rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable

Notes forming part of the Financial Statements

amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

g. Foreign currency transactions and balances

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non¬monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

A financial liability designated as A hedge of the net investment in A foreign operation to the extent that the hedge is effective and qualifying cash flow hedges to the extent that the hedges are effective.

h. Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

i. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

j. 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.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

k. Revenue

The Group earns revenue primarily from sale of computer software for banking and to market and license the software worldwide and to provide maintenance services.

Notes forming part of the Financial Statements

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 an 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 the percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues includes the 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 at 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 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 a customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of an enforceable right to payment for performance to date and any alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contracts is recognised using the percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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Notes forming part of the Financial Statements

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is an unconditional right to receive cash, and only the passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing to customers follow different schedules based upon the nature and type of goods and services being transferred. The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within a contractually agreed credit period.

In accordance with AASB 137, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group any reviews modifications to a 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 that the transaction price is revised for an existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

l. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue from fixed-price contracts is recognized using the percentage of completion method. The Company applies judgment to estimate the future cost until completion of the contracts and it uses judgment to determine the progress towards complete satisfaction of the performance obligation.

Key estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions and events specific to the Company that may be indicative of impairment triggers.

4. DISCONTINUED OPERATION (DISPOSAL OF A FOREIGN SUBSIDIARY)

TCS Financial Solutions Australia Pty Ltd has sold 100% of the share capital in TCS Financial Solutions (Beijing) Co., Ltd., to Tata Consultancy Services (China) Co., Ltd. The profits of TCS Financial Solutions (Beijing) Co., Ltd., till the date of transfer of ownership (i.e 16 March 2023) is considered in the consolidated profit and loss account of TCS FNS Pty Limited and Controlled Entities under the heading Profits From Discontinued Operation (Disposal of a foreign subsidiary) for the year ended March 31,2023.

Notes forming part of the Financial Statements

5 REVENUE

(Amounts in AUD)

	Note	Group		Parent	
		For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities					
Consultancy revenue		**2,178,748**	1,680,422	**-**	-
License fees		**8,768,276**	9,213,088	**-**	-
Total revenue		**10,947,024**	10,893,510	**-**	-
Non operating activities					
Interest received		**216,634**	11,129	**-**	-
Dividend		**-**	-	**9,500,000**	8,000,000
Total other income		**216,634**	11,129	**9,500,000**	8,000,000

Revenue disaggregation by industry vertical is as follows:

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Industry vertical					
Banking, financial services and insurance		**10,947,024**	10,893,510	**-**	-
Total		**10,947,024**	10,893,510	**-**	-

Revenue disaggregation by geography is as follows:

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Geography					
Asia Pacific		**2,216,539**	1,722,298	**-**	-
India		**8,730,485**	9,171,212	**-**	-
Total		**10,947,024**	10,893,510	**-**	-

Geographical revenue is allocated based on the location of the customers.

Revenue disaggregation by timing of revenue recognition is as follows:

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recongnised at a point in time		**8,802,677**	9,213,088	**-**	-
Revenue recongnised over time		**2,144,347**	1,680,422	**-**	-
		10,947,024	10,893,510	**-**	-

Notes forming part of the Financial Statements

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in AASB 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 recognized corresponds to the value transferred to the customer typically involving time and materials, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is AUD$ 1,944,773 out of which AUD$ 1,057,308(54.37%) is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

6 RESULT FOR THE YEAR

(Amounts in AUD)

	Group		Parent	
The result for the year is after charging / (crediting) the following items:	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Net foreign currency loss / (gain)	**(25,563)**	(205,636)	**-**	-

7 FINANCE COSTS

(Amounts in AUD)

	Group		Parent	
	For the year ended March 31, 2024	**For the year ended March 31, 2023**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Bank charges	**1,662**	1,949	**54**	50
Total finance cost	**1,662**	1,949	**54**	50

8 INCOME TAX (EXPENSE) /BENEFIT

(Amounts in AUD)

	For the year ended March 31, 2024	**For the year ended March 31, 2023**	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Current tax expense	**(2,221,375)**	(2,444,238)	**-**	-
Tax expense related to prior years	**(723,268)**	(328,270)	**-**	-
Deferred tax expense	**(408,740)**	(249,720)	**-**	-
Total	**(3,353,383)**	(3,022,228)	**-**	-
Reconciliation of effective tax rate				
Profit before tax	**8,767,272**	8,710,838	**9,499,946**	7,999,950
Current tax provision	**(2,630,182)**	(2,613,251)	**2,849,984**	2,399,985
Current tax of prior period	**(723,268)**	(328,270)	**-**	-
Permanent differences	**67**	(80,707)	**(2,849,984)**	(2,399,985)
Total	**(3,353,383)**	(3,022,228)	**-**	-

Notes forming part of the Financial Statements

9 AUDITOR'S REMUNERATION

(Amounts in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Remuneration of the auditor of TCS FNS Pty Limited				
- For audit of the financial statements	**36,281**	35,438	**-**	-
Total	**36,281**	35,438	**-**	-

10 CASH AND CASH EQUIVALENTS

(Amounts in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Balances with banks	**1,968,967**	1,990,762	**2,796**	2,850
Deposit with banks	**6,500,000**	7,300,000	**-**	-
Total	**8,468,967**	9,290,762	**2,796**	2,850

11 TRADE AND OTHER RECEIVABLES

(Amounts in AUD)

	Group		Parent	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade receivables*	**4,328,153**	7,014,001	**414,421**	923,059
Allowance for impairment of receivables	**-**	(18,568)	**-**	-
Other receivables	**26,727**	300	**-**	-
	4,354,880	6,995,733	**414,421**	923,059
Unbilled receivables*	**3,986,757**	4,171,985	**-**	-
Total	**8,341,637**	11,167,718	**414,421**	923,059

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

* Trade receivables and unbilled receivables include balance with related party of AUD$ 7,619,725 as at March 31, 2024 (AUD$ 10,521,266 as at March 31, 2023) (Refer note 21)

Allowance for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

Notes forming part of the Financial Statements

12 OTHER ASSETS

(Amounts in AUD)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current assets				
Prepayments	**119,321**	188,979	**-**	-
Contract assets	**26,000**	62,044	**-**	-
Other current assets	**36,465**	3	**-**	-
Total	**181,786**	251,026	**-**	-

Movement in contract assets is given below (Group) :

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	**62,044**	6,190,903
+ Revenue recognised during the year	**13,695**	50,866
- Invoices raised during the year for discontinued operation	**-**	(6,109,921)
- Invoices raised during the year	**(49,137)**	(89,990)
+/- Translation	**(602)**	20,186
Balance at end of the year	**26,000**	62,044

13 PROPERTY, PLANT AND EQUIPMENT

(Amounts in AUD)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Plant and equipment				
At cost	**347,334**	347,334	**-**	-
Accumulated depreciation	**(347,334)**	(347,334)	**-**	-
Total	**-**	-	**-**	-
Reconciliation of the carrying amount				
Net carrying amount on 01 April	**-**	41,120	**-**	-
Additions	**-**	-	**-**	-
Depreciation Expense	**-**	-	**-**	-
Net transferred on sale of Subsidiary	**-**	(41,120)	**-**	-
Closing balance	**-**	-	**-**	-

Notes forming part of the Financial Statements

14 TRADE AND OTHER PAYABLES

(Amounts in AUD)

	Group		Parent	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current				
Trade creditors*	**436,755**	400,702	**-**	-
Accrued expenses*	**162,931**	155,666	**-**	-
Unearned and deferred revenue	**123,632**	420,489	**-**	-
Total	**723,318**	976,857	**-**	-

Movement in unearned and deferred revenue is given below (Group):

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	**420,489**	322,415
- Revenue recognised during the year	**(420,236)**	(167,475)
- Revenue recognised during the year for discontinued operation	**-**	(154,940)
+ Invoices raised during the year	**123,718**	421,326
+/- Translation	**(339)**	(837)
Balance at end of the year	**123,632**	420,489

All amounts are short term and carrying value is considered to be a reasonable approximate of fair value.

* Trade creditors and accrued expenses include balance with related party of AUD$ 450,924 as at March 31, 2024 (AUD$ 460,847 as at March 31, 2023) (Refer note .21).

15 DEFERRED TAX ASSETS

(Amounts in AUD)

	Group		Parent	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Non-current				
Deferred tax asset (net)	**2,141,413**	2,550,154	**-**	-
Total	**2,141,413**	2,550,154	**-**	-

Notes forming part of the Financial Statements

Movement in deferred tax balance, net (Group)

(Amounts in AUD)

March 31, 2024	Opening	Recognised in profit & loss	Closing
Intangible	**2,385,674**	**(315,840)**	**2,069,834**
Doubtful debts	**5,570**	**(5,570)**	**-**
Unearned and deferred revenue	**126,146**	**(89,057)**	**37,089**
Other temporary differences	**32,764**	**1,727**	**34,491**
Total	**2,550,154**	**(408,740)**	**2,141,413**

(Amounts in AUD)

March 31, 2023	Opening	Recognised in profit & loss	Closing
Intangible	2,701,514	(315,840)	2,385,674
Doubtful debts	7,889	(2,319)	5,570
Unearned and deferred revenue	50,241	75,905	126,146
Other temporary differences	40,230	(7,466)	32,764
Total	2,799,874	(249,720)	2,550,154

16 SHARE CAPITAL

(Amounts in AUD)

	Group		Parent	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
37,258,815 of face value of 1 AUD$ per share (2023: 37,258,815) fully paid ordinary shares	**37,258,815**	37,258,815	**37,258,815**	37,258,815
Total	**37,258,815**	37,258,815	**37,258,815**	37,258,815

a. Ordinary shares

(Amounts in AUD)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At the beginning of reporting period	**37,258,815**	37,258,815	**37,258,815**	37,258,815
Total	**37,258,815**	37,258,815	**37,258,815**	37,258,815

At reporting date

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Capital management

The Group's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Group determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Group is not subject to any externally imposed capital requirements.

Notes forming part of the Financial Statements

The Company as at March 31, 2024, as with March 31, 2023 has no external commercial short or long term borrowings and accordingly does not have any externally imposed capital requirements and as such no circumstances of non- compliance have occurred.

17 RESERVES

a. Profit reserve

The profits reserve represents profits of entities within the Group transferred to a separate reserve to preserve their profit character. Such profits are available to enable payment of franked dividends in future years. Dividends amounting to AUD$ 9,500,000 (2023:AUD$ 8,000,000) were declared and distributed from the profits reserve during the year.

On 05 September 2023 the Board has declared Dividend of AUD$ 9,500,000 which was paid on 06 September 2023.

b. Dividend

(Amounts in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Final dividend	**9,500,000**	8,000,000

18 CONTINGENT LIABILITIES

The Company had no contingent liabilities or assets as at March 31, 2024 (Nil; March 31, 2023).

19 INVESTMENT IN SUBSIDIARY

(Amounts in AUD)

	As at March 31, 2024	As at March 31, 2024
Non - current	**300,000**	300,000
Investments in controlled entities at cost	**300,000**	300,000

Subsidiary

The subsidiary included in the financial statements of TCS FNS Pty Limited are listed in the following table.

Name	Country of incorporation	% Equity Interest	
		As at March 31, 2024	As at March 31, 2024
TCS Financial Solutions Australia Pty Ltd	Australia	**100**	100

20. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of March, 2024 which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Notes forming part of the Financial Statements

21. RELATED PARTY TRANSACTIONS

Group

Consolidated group principal related parties consist of its ultimate holding company Tata Sons Private Limited, holding company Tata Consultancy Services Limited and its subsidiaries, and its key management personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

For the year ended March 31, 2024

(Amounts in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Revenue from sale of services and licenses	**-**	**8,730,486**	**-**	**-**	**8,730,486**
Purchases of goods and services (including reimbursement)	**-**	**1,601,093**	**379,873**	**-**	**1,980,966**
Brand equity contribution	**5,541**	**-**	**-**	**-**	**5,541**
Rent paid	**-**	**18,272**	**-**	**-**	**18,272**
Communication expense	**-**	**3,600**	**-**	**-**	**3,600**
Dividend paid	**-**	**9,500,000**	**-**	**-**	**9,500,000**
Total	**5,541**	**19,853,451**	**379,873**	**-**	**20,238,865**

For the year ended March 31, 2023

(Amounts in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Revenue from sale of services and licenses	-	9,171,213	-	-	9,171,213
Purchases of goods and services (including reimbursement)	-	1,373,175	243,822	3,710	1,620,707
Brand equity contribution	4,306	-	-	-	4,306
Rent paid	-	11,303	-	-	11,303
Communication expense	-	3,600	-	-	3,600
Sale of Investment	-	-	-	7,407,029	7,407,029
Dividend paid	-	8,000,000	-	-	8,000,000
Total	4,306	18,559,291	243,822	7,410,739	26,218,158

Notes forming part of the Financial Statements

Balances with related parties

As at March 31, 2024

(Amounts in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Trade receivables	**-**	**3,632,968**	**-**	**-**	**3,632,968**
Trade payables, accrued expenses Other financial liabilities and Other liabilities	**5,541**	**445,383**	**-**	**-**	**450,924**
Unbilled receivables	**-**	**3,986,757**	**-**	**-**	**3,986,757**
Prepaid expenses	**-**	**111,269**	**-**	**-**	**111,269**
Total	**5,541**	**8,176,377**	**-**	**-**	**8,181,918**

As at March 31, 2023

(Amounts in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Trade receivables	-	6,349,282	-	-	6,349,282
Trade payables, accrued expenses					
Other financial liabilities and Other liabilities	4,306	387,127	65,700	3,714	460,847
Unbilled receivables	-	4,171,984	-	-	4,171,984
Prepaid expenses	-	181,978	-	-	181,978
Total	4,306	11,090,371	65,700	3,714	11,164,091

Parent Entity

TCS FNS Pty Ltd principal related parties consist of its holding company Tata Consultancy Services Ltd and its subsidiaries, its subsidiary TCS Financial Solutions Australia Pty Limited and its key management personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business. Below tables include transactions entered during the year and balances as of March 31, 2024 and 2023.

Notes forming part of the Financial Statements

As at March 31, 2024

(Amounts in AUD)

Particulars	With Tata Consultancy Services Limited, Holding Company	With TCS Financial Solutions Australia Pty Limited	With TCS Financial Solutions Australia Pty Limited, Subsidiary Company	Total
Dividend income	**-**	**9,500,000**	**-**	**9,500,000**
Dividend paid	**9,500,000**	**-**	**-**	**9,500,000**
Trade and other receivables	**-**	**-**	**414,421**	**414,421**
Loans to related parties	**-**	**-**	**6,027,421**	**6,027,421**
Total	**9,500,000**	**9,500,000**	**6,441,842**	**25,441,842**

As at March 31, 2023

(Amounts in AUD)

Particulars	With Tata Consultancy Services Limited, Holding Company	With TCS Financial Solutions Australia Pty Limited	With TCS Financial Solutions Australia Pty Limited, Subsidiary Company	Total
Dividend income	-	8,000,000	-	8,000,000
Dividend paid	8,000,000	-	-	8,000,000
Trade and other receivables	-	-	923,059	923,059
Loans to related parties	-	-	6,027,421	6,027,421
Total	8,000,000	8,000,000	6,950,480	22,950,480

22. DEED OF CROSS GUARANTEE

The Company has entered a deed of cross-guarantee with its wholly owned subsidiary, TCS Financial Solutions Australia Pty Limited.

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*, the Company guarantees to each creditor payment in full of any debt in the event of winding up of the subsidiary under provisions of the Corporations Act, 2001. If a winding up occurs under the provisions of the Act, the Company will only be liable if after six months any creditor has not been paid in full.

The subsidiary has also given similar guarantees if the Company is wound up.

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entity that are parties to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 31 March 2024, are set out on page 6 and page 7, respectively.

Notes forming part of the Financial Statements

Directors' Declaration

1 In the opinion of the directors of TCS FNS Pty Limited ("the Company")

(a) the Company is not publicly accountable.

(b) the financial statements and notes, set out on pages (6 to 23), are in accordance with the Corporations Act 2001, including:

(I) giving a true and fair view of the Group's financial position as at March 31, 2024 and of its performance for the financial year ended on that date; and

(II) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the Corporations Regulations 2001; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the Company and the Group entities identified in the Note will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Signed in accordance with a resolution of the directors

Neville J Roach

Director

Date: 01 May, 2024

Independent Auditor's Report

To the shareholder of
TCS FNS Pty Limited

Opinion

We have audited the ***Financial Report*** of TCS FNS Pty Limited (the Company). We have also audited the **Consolidated Financial Report** of TCS FNS Pty Limited and its controlled entity (the Group).

In our opinion, the accompanying Financial Report of the Group and the Company are in accordance with the C*orporations Act 2001*, including:

- giving a true and fair view of the Group and Company's financial position as at 31 March 2024 and of their financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The Financial Reports of the Group and the Company comprises:

- Statements of financial position as at 31 March 2024;
- Statements of profit or loss and other comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of material accounting policies; and
- Director's Declaration.

The ***Group*** consists of the Company and the entity it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information comprises of financial and non-financial information in TCS FNS Pty Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Director is responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Notes forming part of the Financial Statements

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf This description forms part of our Auditor's Report.

KPMG

Adam Bird
Partner
Sydney
1 May 2024

TATA CONSULTANCY SERVICES BELGIUM

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS AND DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and town) and position within the Company

MATHEW VARGHESE Jipson
Avenue Princesse Paola 37, 1410 Waterloo, Belgium
Mandate: Delegated director, start: 29/07/2021, end: 04/08/2026

GAITONDE Pradeep
C19 Happyhome 21st Martin Road . Bandra West, Mumbai, India
Mandate: Director, start: 14/06/2022, end: 13/06/2025

CHAPALAPALLI Sapthagiri
Am Römerhof 51, 60486 Frankfurt Am Main, Germany
Mandate: Delegated director, start: 29/07/2021, end: 04/08/2026

KPMG Bedrijfsrevisoren BV 0419.122.548
Luchthaven Brussel Nationaal 1, box K, 1930 Zaventem, Belgium
Membership number: B00001
Mandate: Auditor, start: 03/08/2022, end: 06/08/2025

Represented by:

1. **Carton Melissa**

   Luchthaven Brussel Nationaal 1 , box K 1930 Zaventem Belgium
   Membership number : A02426

DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

The managing board declares that not a single audit or correction assignment has been given to a person not authorized to do so by law, pursuant to article 5 of the law of 17 March 2019 concerning the professions of accountant and tax advisor.

The annual accounts / were not* audited or corrected by a certified accountant or by a company auditor who is not the statutory auditor.

If affirmative, should be mentioned hereafter: surname, first names, profession and address of each certified accountant or company auditor and their membership number at their Institute, as well as the nature of their assignment:

A. Bookkeeping of the Company**,

B. Preparing the annual accounts **,

C. Auditing the annual accounts and/or

D. Correcting the annual accounts.

If the tasks mentioned under A or B are executed by accountants or fiscal accountants, the following information can be mentioned hereafter: surname, first names, profession and address of each accountant or fiscal accountant and their membership number at the Institute of Accountants and Tax advisors, as well as the nature of their assignment.

Surname, first names, profession and address	Membership number	Nature of the assignment (A, B, C and/or D)

ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF SHAREHOLDERS

Dear Sirs,

We have the honour to report to you on the activities of the Company during the closed financial year and to submit the annual accounts closed on 31 March 2024 for approval in accordance with the legal and statutory stipulations.

1. REMARKS ON THE ANNUAL ACCOUNTS

1.1. Balance after appropriation

The fixed assets have decreased from EUR 962,488.79 to EUR 564,858.56 for the closed financial year.

The current assets have increased from EUR 117,801,734.02 to EUR 133,156,149.91.

The net assets (equity) have increased from EUR 50,776,474.66 to EUR 64,099,684.17 for the closed financial year.

The payables have increased from EUR 67,628,800.14 to EUR 69,252,975.07.

1.2. Income statement

Operating income	EUR	324,885,993.06
Operating charges (-)	EUR	307,087,230.17

The turnover of this year has increased from EUR 292,157,365.16 to EUR 316,491,768.21 i.e. with 8.33 % as compared to the previous financial year.

The operating charges have increased from EUR 282,536,062.82 to EUR 307,087,230.17, i.e. 8.69 % as compared to the previous financial year.

The financial income has decreased from EUR 1,196,199.46 to EUR 947,314.81.

The financial charges have decreased from EUR 787,151.97 to EUR 564,546.64.

This has resulted in a profit before taxes amounting to EUR 18,181,531.06, as opposed to a profit before taxes amounting to EUR 14,254,755.66 for the previous financial year.

The taxes amount to EUR 4,858,321.55.

The Company has booked a profit of the financial year after taxes of EUR 13,323,209.51 as compared to EUR 10,406,209.03 for the previous financial year.

1.3. Appropriation of the result

We propose the following appropriation to you:

Profit of the financial year to be appropriated	EUR	13,323,209.51
Profit carried forward from the previous financial year	EUR	50,555,316.10
Profit to appropriate	EUR	63,878,525.61
Profit to carry forward	EUR	63,878,525.61

2. MAIN RISKS AND UNCERTAINTIES

With the exception of ordinary enterprise risks, we are of the opinion that there are no specific risks or uncertainties

Further, the company does not have any impact due to the war in Ukraine or due to sanctions on Russia and Belarus as the company neither has any customers nor any dependencies on Russia, Ukraine and Belarus

3. INFORMATION ON THE IMPORTANT EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

There were no significant subsequent events that have occurred after the end of the financial year under review.

4. CIRCUMSTANCES WHICH CAN SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE COMPANY

We do not foresee any circumstances that can influence the development of the Company significantly.

5. RESEARCH AND DEVELOPMENT

During the closed financial year there were no activities carried out in the field of research and development.

6. CONFLICT OF INTEREST IN THE BOARD OF DIRECTORS (ARTICLE 7:96 OF THE CODE OF COMPANIES AND ASSOCIATIONS)

We mention that during the financial year there were no conflicts of interests that fall within the scope of article 7:96 of the Code of companies and associations.

7. ANNOUNCEMENT REGARDING THE USE OF FINANCIAL INSTRUMENTS BY THE COMPANY INSOFAR THAT THESE ARE OF IMPORTANCE FOR THE REVIEW OF ITS ASSETS, LIABILITIES, ITS FINANCIAL SITUATION AND ITS RESULTS

The Company does not use such instruments.

8. BRANCH OFFICES

The Company does not own any branches.

9. CAPITAL MUTATIONS AND ISSUE OF CONVERTABLE BONDS AND WARRANTS AS DECIDED BY THE BOARD OF DIRECTORS IN THE COURSE OF THE FINANCIAL YEAR

The board of directors notifies that there were no capital mutations during the financial year to be reported in conformity with article 7:203 of the Code of companies and associations, nor were there convertible bonds or warrants issued after a decision of the board of directors.

10. ACQUISITION OF OWN SHARES

The board of directors notifies that neither the Company nor a direct subsidiary nor a person acting in own name but for the account of the Company or a direct subsidiary has acquired shares, profit certificates or certificates of the Company.

We hope that you will approve the attached annual accounts and will also grant discharge to the directors and the statutory auditor for the acts carried out during the execution of our mandate during the closed financial year.

02 May 2024,

In the name and on behalf of the board of directors,

Jipson MATHEW VARGHESE

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF TATA CONSULTANCY SERVICES BELGIUM NV ON THE ANNUAL ACCOUNTS AS OF AND FOR THE YEAR ENDED 31 MARCH 2024

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the annual accounts of Tata Consultancy Services Belgium NV ("the Company"), we provide you with our statutory auditor's report. This includes our report on the annual accounts for the year ended 31 March 2024, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 16 May 2022, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 March 2025. We have performed the statutory audit of the annual accounts of Tata Consultancy Services Belgium NV for 8 consecutive financial years.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the Company as of and for the year ended 31 March 2024, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at 31 March 2024, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 133.721.008 and the income statement shows a profit for the year of EUR 13.323.210.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at 31 March 2024 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of directors' responsibilities for the preparation of the annual accounts

The board of directors is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance as to whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these annual accounts.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the annual accounts in Belgium. The scope of the statutory audit of the annual accounts does not extend to providing assurance on the future viability of the Company nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Company. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the annual accounts, of the documents required to be filed in accordance with the legal and regulatory requirements, for maintaining the Company's accounting records in compliance with the applicable legal and regulatory requirements, as well as for the Company's compliance with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the annual accounts, certain documents to be filed in accordance with legal and regulatory requirements as well as compliance with certain requirements of the Companies' and Associations' Code and with the Company's articles of association, and to report on these matters.

Aspects concerning the board of directors' annual report on the annual accounts

Based on specific work performed on the board of directors' annual report on the annual accounts, we are of the opinion that this report is consistent with the annual accounts for the same period and has been prepared in accordance with articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the annual accounts contains material misstatements, that is information incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information regarding the social balance sheet

The social balance sheet, which is to be filed with the National Bank of Belgium in accordance with article 3:12 §1 8° of the Companies' and Associations' Code, includes, with respect to form and content, the information required by law, including the information regarding salaries and training, and does not present any material inconsistencies with the information that we became aware of during the performance of our engagement.

Information about the independence

Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.

Other aspects

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- Except for complying with the legal and statutory provisions related to the deadlines with respect to the provision of the required documents to the statutory auditor and to the shareholders, we do not have to inform you of any other transaction undertaken or decision taken in breach of the Company's articles of association or the Companies' and Associations' Code.

Zaventem, 07 May 2024

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Melissa Carton
Bedrijfsrevisor / Réviseur d'Entreprises

BALANCE SHEET AFTER APPROPRIATION

(EUR)

	Notes	Codes	As at March 31, 2024	As at March 31, 2023
ASSETS				
FORMATION EXPENSES	6.1	20		
FIXED ASSETS		21/28	**564.858,56**	962.488,79
Intangible fixed assets	6.2	21	**43.031,35**	86.272,64
Tangible fixed assets	6.3	22/27	**520.827,21**	875.216,15
Land and buildings		22		
Plant, machinery and equipment		23	**48.952,48**	252.130,80
Furniture and vehicles		24	**471.874,73**	297.029,27
Leasing and other similar rights		25		
Other tangible fixed assets		26		
Assets under construction and advance payments		27		326.056,08
Financial fixed assets	6.4 /6.5.1	28	**1.000,00**	1.000,00
Affiliated Companies	6.15	280/1	**1.000,00**	1.000,00
Participating interests		280	**1.000,00**	1.000,00
Amounts receivable		281		
Other companies linked by participating interests	6.15	282/3		
Participating interests		282		
Amounts receivable		283		
Other financial fixed assets		284/8		
Shares		284		
Amounts receivable and cash guarantees		285/8		
CURRENT ASSETS		29/58	**133.156.149,91**	117.801.734,02
Amounts receivable after more than one year		29		
Trade debtors		290		
Other amounts receivable		291		
Stocks and contracts in progress		3	**12.268.967,36**	7.540.880,37
Stocks		30/36		
Raw materials and consumables		30/31		
Work in progress		32		
Finished goods		33		
Goods purchased for resale		34		
Immovable property intended for sale		35		
Advance payments		36		
Contracts in progress		37	**12.268.967,36**	7.540.880,37
Amounts receivable within one year		40/41	**97.299.854,16**	100.932.362,15
Trade debtors		40	**96.441.011,84**	99.198.871,02
Other amounts receivable		41	**858.842,32**	1.733.491,13
Current investments	6.5.1 /6.6	50/53	**0,26**	0,26
Own shares		50		
Other investments		51/53	**0,26**	0,26
Cash at bank and in hand		54/58	**16.103.981,84**	5.866.006,34
Accruals and deferred income	6.6	490/1	**7.483.346,29**	3.462.484,90
TOTAL ASSETS		20/58	**133.721.008,47**	118.764.222,81

(EUR)

	Notes	Codes	As at March 31, 2024	As at March 31, 2023
EQUITY AND LIABILITIES				
EQUITY		10/15	**64.099.684,17**	50.776.474,66
Contributions	6.7.1	10/11	**188.658,56**	188.658,56
Capital		10	**188.658,56**	188.658,56
Issued capital		100	**325.000,00**	325.000,00
Uncalled capital[6]		101	**136.341,44**	136.341,44
Beyond capital		11		
Share premium account		1100/10		
Other		1109/19		
Revaluation surpluses		12		
Reserves		13	**32.500,00**	32.500,00
Reserves not available		130/1	**32.500,00**	32.500,00
Legal reserve		130	**32.500,00**	32.500,00
Reserves not available statutorily		1311		
Purchase of own shares		1312		
Financial support		1313		
Other		1319		
Untaxed reserves		132		
Available reserves		133		
Accumulated profits (losses) (+)/(-)		14	**63.878.525,61**	50.555.316,10
Capital subsidies		15		
Advance to shareholders on the distribution of net assets[7]		19		
PROVISIONS AND DEFERRED TAXES		16	**368.349,23**	358.948,01
Provisions for liabilities and charges		160/5	**368.349,23**	358.948,01
Pensions and similar obligations		160		
Taxes		161		
Major repairs and maintenance		162		
Environmental obligations		163		
Other liabilities and charges	6.8	164/5	**368.349,23**	358.948,01
Deferred taxes		168		
AMOUNTS PAYABLE		17/49	**69.252.975,07**	67.628.800,14
Amounts payable after more than one year	6.9	17		
Financial debts		170/4		
Subordinated loans		170		
Unsubordinated debentures		171		
Leasing and other similar obligations		172		
Credit institutions		173		
Other loans		174		
Trade debts		175		
Suppliers		1750		
Bills of exchange payable		1751		
Advance payments on contracts in progress		176		
Other amounts payable		178/9		

(EUR)

	Notes	Codes	As at March 31, 2024	As at March 31, 2023
Amounts payable within one year	6.9	42/48	**69.131.720,89**	67.501.107,54
Current portion of amounts payable after more than one year falling due within one year		42		
Financial debts		43		
Credit institutions		430/8		
Other loans		439		
Trade debts		44	**48.520.213,79**	50.148.396,67
Suppliers		440/4	**48.520.213,79**	50.148.396,67
Bills of exchange payable		441		
Advance payments on contracts in progress		46	**4.836.852,38**	4.222.437,93
Taxes, remuneration and social security	6.9	45	**15.773.554,72**	13.129.922,94
Taxes		450/3	**9.226.824,41**	7.813.710,57
Remuneration and social security		454/9	**6.546.730,31**	5.316.212,37
Other amounts payable		47/48	**1.100,00**	350,00
Accruals and deferred income	6.9	492/3	**121.254,18**	127.692,60
TOTAL LIABILITIES		10/49	**133.721.008,47**	118.764.222,81

Statement of Profit and Loss

(EUR)

	Notes	Codes	Year Ended March 31, 2024	Year Ended March 31, 2023
Operating income		70/76A	**324.885.993,06**	296.381.770,99
Turnover	6.10	70	**316.491.768,21**	292.157.365,16
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)		71	**4.728.086,99**	1.178.471,94
Produced fixed assets		72		
Other operating income	6.10	74	**3.662.961,06**	3.045.933,89
Non-recurring operating income	6.12	76A	**3.176,80**	
Operating charges		60/66A	**307.087.230,17**	282.536.062,82
Goods for resale, raw materials and consumables		60	**204.137.415,58**	193.920.864,37
Purchases		600/8	**204.137.415,58**	193.920.864,37
Stocks: decrease (increase) (+)/(-)		609		
Services and other goods		61	**19.157.356,89**	18.435.303,95
Remuneration, social security and pensions (+)/(-)	6.10	62	**82.957.365,30**	68.807.507,52
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets		630	**732.061,77**	1.258.326,16
Amounts written down on stocks, contracts in progress and trade debtors: additions (write-backs) (+)/(-)	6.10	631/4	**4.820,49**	1.443,24
Provisions for liabilities and charges: appropriations (uses and write-backs) (+)/(-)	6.10	635/8	**8.067,49**	(5.002,98)
Other operating charges	6.10	640/8	**86.140,93**	117.620,56
Operating charges reported as assets under restructuring costs (-)		649		
Non-recurring operating charges	6.12	66A	**4.001,72**	
Operating profit (loss) (+)/(-)		9901	**17.798.762,89**	13.845.708,17

Continued

(EUR)

	Notes	Codes	Year Ended March 31, 2024	Year Ended March 31, 2023
Financial income		75/76B	**947.314,81**	1.196.199,46
Recurring financial income		75	**947.314,81**	1.196.199,46
Income from financial fixed assets		750	**1.160,72**	1.071,36
Income from current assets		751	**419.397,44**	155.879,98
Other financial income	6.11	752/9	**526.756,65**	1.039.248,12
Non-recurring financial income	6.12	76B		
FINANCIAL CHARGES	6.11	65/66B	**564.546,64**	787.151,97
Recurring financial charges		65	**564.546,64**	787.151,97
Debt charges		650		
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (write-backs) (+)/(-)		651		
Other financial charges		652/9	**564.546,64**	787.151,97
Non-recurring financial charges	6.12	66B		
PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES (+)/(-)		9903	**18.181.531,06**	14.254.755,66
Transfer from deferred taxes		780		
Transfer to deferred taxes		680		
INCOME TAXES ON THE RESULT (+)/(-)	6.13	67/77	**4.858.321,55**	3.848.546,63
Taxes		670/3	**4.882.728,86**	3.954.643,73
Adjustment of income taxes and write-back of tax provisions		77	**24.407,31**	106.097,10
PROFIT (LOSS) OF THE PERIOD (+)/(-)		9904	**13.323.209,51**	10.406.209,03
Transfer from untaxed reserves		789		
Transfer to untaxed reserves		689		
PROFIT (LOSS) OF THE PERIOD AVAILABLE FOR APPROPRIATION (+)/(-)		9905	**13.323.209,51**	10.406.209,03

Appropriation Account

(EUR)

	Codes	Year Ended March 31, 2024	Year Ended March 31, 2023
Profit (Loss) to be appropriated (+)/(-)	9906	**63.878.525,61**	60.555.316,10
Profit (Loss) of the period available for appropriation (+)/(-)	(9905)	**13.323.209,51**	10.406.209,03
Profit (Loss) of the preceding period brought forward (+)/(-)	14P	**50.555.316,10**	50.149.107,07
Transfers from equity	791/2		
from contributions	791		
from reserves	792		
Appropriations to equity	691/2		
to contributions	691		
to legal reserve	6920		
to other reserves	6921		
Profit (loss) to be carried forward (+)/(-)	(14)	**63.878.525,61**	50.555.316,10
Shareholders' contribution in respect of losses	794		
Profit to be distributed	694/7		10.000.000,00
Compensation for contributions	694		10.000.000,00
Directors or managers	695		
Employees	696		
Other beneficiaries	697		

CONCESSIONS, PATENTS LICENSES, KNOW-HOW, BRANDS AND SIMILAR RIGHTS

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
Acquisition value at the end of the period	8052P	xxxxxxxxxxxxxxx	982.574,90
Movements during the period			
Acquisitions, including produced fixed assets	8022		
Sales and disposals	8032		
Transfers from one heading to another (+)/(-)	8042		
Acquisition value at the end of the period	8052	**982.574,90**	
Amortisations and amounts written down at the end of the period	8122P	xxxxxxxxxxxxxxx	896.302,26
Movements during the period			
Recorded	8072	**43.241,29**	
Written back	8082		
Acquisitions from third parties	8092		
Cancelled owing to sales and disposals	8102		
Transfers from one heading to another (+)/(-)	8112		
Amortisations and amounts written down at the end of the period	8122	**939.543,55**	
NET BOOK VALUE AT THE END OF THE PERIOD	211	**43.031,35**	

PLANT, MACHINERY AND EQUIPMENT

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
Acquisition value at the end of the period	8192P	xxxxxxxxxxxxxxx	3.735.768,95
Movements during the period			
Acquisitions, including produced fixed assets	8162		
Sales and disposals	8172		
Transfers from one heading to another (+)/(-)	8182	**(101.984,55)**	
Acquisition value at the end of the period	8192	**3.633.784,40**	
Revaluation surpluses at the end of the period	8252P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8212		
Acquisitions from third parties	8222		
Cancelled	8232		
Transferred from one heading to another (+)/(-)	8242		
Revaluation surpluses at the end of the period	8252		
Amortisations and amounts written down at the end of the period	8322P	xxxxxxxxxxxxxxx	3.483.638,15
Movements during the period			

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
Recorded	8272	**101.193,77**	
Written back	8282		
Acquisitions from third parties	8292		
Cancelled owing to sales and disposals	8302		
Transferred from one heading to another (+)/(-)	8312		
Amortisations and amounts written down at the end of the period	8322	**3.584.831,92**	
NET BOOK VALUE AT THE END OF THE PERIOD	(23)	**48.952,48**	

FURNITURE AND VEHICLES

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
Acquisition value at the end of the period	8193P	xxxxxxxxxxxxxxx	1.020.338,96
Movements during the period			
Acquisitions, including produced fixed assets	8163	**255.773,55**	
Sales and disposals	8173	**1.357,08**	
Transfers from one heading to another (+)/(-)	8183	**101.984,55**	
Acquisition value at the end of the period	8193	**1.376.739,98**	
Revaluation surpluses at the end of the period	8253P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8213		
Acquisitions from third parties	8223		
Cancelled	8233		
Transfers from one heading to another (+)/(-)	8243		
Revaluation surpluses at the end of the period	8253		
Amortisations and amounts written down at the end of the period	8323P	xxxxxxxxxxxxxxx	723.309,69
Movements during the period			
Recorded	8273	**182.140,21**	
Written back	8283		
Acquisitions from third parties	8293		
Cancelled owing to sales and disposals	8303	**584,65**	
Transfers from one heading to another (+)/(-)	8313		
Amortisations and amounts written down at the end of the period	8323	**904.865,25**	
NET BOOK VALUE AT THE END OF THE PERIOD	(24)	**471.874,73**	

OTHER TANGIBLE FIXED ASSETS

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
Acquisition value at the end of the period	8195P	xxxxxxxxxxxxxxx	
Movements during the period			
Acquisitions, including produced fixed assets	8165	**79.430,41**	
Sales and disposals	8175		
Transfers from one heading to another (+)/(-)	8185	**326.056,08**	
Acquisition value at the end of the period	8195	**405.486,49**	
Revaluation surpluses at the end of the period	8255P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8215		
Acquisitions from third parties	8225		
Cancelled	8235		
Transfers from one heading to another (+)/(-)	8245		
Revaluation surpluses at the end of the period	8255		
Amortisations and amounts written down at the end of the period	8325P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8275	**405.486,49**	
Written back	8285		
Acquisitions from third parties	8295		
Cancelled owing to sales and disposals	8305		
Transfers from one heading to another (+)/(-)	8315		
Amortisations and amounts written down at the end of the period	8325	**405.486,49**	
NET BOOK VALUE AT THE END OF THE PERIOD	(26)	**—**	

ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
Acquisition value at the end of the period	8196P	xxxxxxxxxxxxxxx	326.056,08
Movements during the period			
Acquisitions, including produced fixed assets	8166		
Sales and disposals	8176		
Transfers from one heading to another (+)/(-)	8186	**(326.056,08)**	
Acquisition value at the end of the period	8196		
Revaluation surpluses at the end of the period	8256P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8216		
Acquisitions from third parties	8226		
Cancelled	8236		
Transfers from one heading to another (+)/(-)	8246		

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
Revaluation surpluses at the end of the period	8256		
Amortisations and amounts written down at the end of the period	8326P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8276		
Written back	8286		
Acquisitions from third parties	8296		
Cancelled owing to sales and disposals	8306		
Transfers from one heading to another (+)/(-)	8316		
Amortisations and amounts written down at the end of the period	8326		
NET BOOK VALUE AT THE END OF THE PERIOD	(27)		

STATEMENT OF FINANCIAL FIXED ASSETS

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
AFFILIATED COMPANIES - PARTICIPATING INTERESTS AND SHARES			
Acquisition value at the end of the period	8391P	xxxxxxxxxxxxxxx	1.000,00
Movements during the period			
Acquisitions	8361		
Sales and disposals	8371		
Transfers from one heading to another (+)/(-)	8381		
Acquisition value at the end of the period	8391	**1.000,00**	
Revaluation surpluses at the end of the period	8451P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8411		
Acquisitions from third parties	8421		
Cancelled	8431		
Transferred from one heading to another (+)/(-)	8441		
Revaluation surpluses at the end of the period	8451		
Amounts written down at the end of the period	8521P	xxxxxxxxxxxxxxx	
Movements during the period			
Recorded	8471		
Written back	8481		
Acquisitions from third parties	8491		
Cancelled owing to sales and disposals	8501		
Transferred from one heading to another (+)/(-)	8511		
Amounts written down at the end of the period	8521		
Uncalled amounts at the end of the period	8551P	xxxxxxxxxxxxxxx	
Movements during the period (+)/(-)	8541		
Uncalled amounts at the end of the period	8551		

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
NET BOOK VALUE AT THE END OF THE PERIOD	(280)	**1.000,00**	
AFFILIATED COMPANIES - AMOUNTS RECEIVABLE			
NET BOOK VALUE AT THE END OF THE PERIOD	281P	**xxxxxxxxxxxxxxx**	
Movements during the period			
Appropriations	8581		
Repayments	8591		
Amounts written down	8601		
Amounts written back	8611		
Exchange differences (+)/(-)	8621		
Other movements (+)/(-)	8631		
NET BOOK VALUE AT THE END OF THE PERIOD	(281)		
ACCUMULATED AMOUNTS WRITTEN DOWN ON AMOUNTS RECEIVABLE AT END OF THE PERIOD	8651		

PARTICIPATING INTERESTS INFORMATION

PARTICIPATING INTERESTS AND OTHER RIGHTS IN OTHER COMPANIES

The following list mentions the companies in which the company holds a participating interest (recorded in headings 280 and 282 of assets), as well as the companies in which the company holds rights (recorded in headings 284 and 51/53 of assets) for an amount of at least 10% of the capital, the equity or a class of shares of the company.

NAME, full address of the REGISTERED OFFICE and, for an entity governed by Belgian law, the COMPANY REGISTRATION NUMBER	Rights held				Data extracted from the most recent annual accounts			
	Nature	Directly		Subrsidiaries	Annual accounts as per	Currrency code	Equity	Net result
		Number	%	%			(+) or (-) (in units)	
Tata Consultancy Services Luxembourg SA Public limited liability company Rue Pafebruch 89D 8308 Capellen Luxembourg	Ordinary shares	1	0,01	0,00	31/03/2023	EUR	13.338.708	6.311.895

CURRENT INVESTMENTS AND ACCRUALS AND DEFERRED INCOME

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
CURRENT INVESTMENTS-OTHER INVESTMENTS			
Shares and investments other than fixed income investments	51		
Shares – Book value increased with the uncalled amount	8681		
Shares – Uncalled amount	8682		
Precious metals and works of art	8683		
Fixed-income securities	52		
Fixed income securities issued by credit institutions	8684		
Term accounts with credit institutions	53	**0,26**	0,26
With a remaining term or notice			
up to one month	8686		
between one month and one year	8687	**0,26**	0,26
over one year	8688		
Other investments not mentioned above	8689		

(EUR)

	As at March 31, 2024
ACCRUALS AND DEFERRED INCOME	
Allocation of account 490/1 of assets if the amount is significant	
Deferred operating expenses	**4.675.937,38**
Deferred project related expense	**2.807.408,91**

STATEMENT OF CAPITAL AND SHAREHOLDERS' STURCTURE

(EUR)

	Codes	As at March 31, 2024	As at March 31, 2023
STATEMENT OF CAPITAL			
Capital			
Issued capital at the end of the period	100P	**XXXXXXXXXXXXXX**	325.000,00
Issued capital at the end of the period	(100)	**325.000,00**	

(EUR)

	Codes	As at March 31, 2024	Number of shares
Modifications during the period			
Composition of the capital Share types			
Without face value		**325.000,00**	1.300
Registered shares	8702	**XXXXXXXXXXXXXX**	1.300
Shares dematerialized	8703	**XXXXXXXXXXXXXX**	

(EUR)

	Codes	Uncalled amount	Called up amount, unpaid
Unpaid capital			
Uncalled capital	(101)	136.341,44	XXXXXXXXXXXXXX
Called up capital, unpaid	8712	XXXXXXXXXXXXXX	
Shareholders that still need to pay up in full			
Tata Consultancy Services Ltd		136.341,44	

(EUR)

	Codes	As at March 31, 2024
Own shares		
Held by the Company itself		
Amount of capital held	8721	
Number of shares	8722	
Held by a subsidiary		
Amount of capital held	8731	
Number of shares	8732	
Commitments to issuing shares		
Owing to the exercise of conversion rights		
Amount of outstanding convertible loans	8740	
Amount of capital to be subscribed	8741	
Corresponding maximum number of shares to be issued	8742	
Owing to the exercise of subscription rights		
Number of outstanding subscription rights	8745	
Amount of capital to be subscribed	8746	
Corresponding maximum number of shares to be issued	8747	
Authorised capital not issued	8751	
Shares issued, non-representing capital		
Distribution		
Number of shares	8761	
Number of voting rights attached thereto	8762	
Allocation by shareholder		
Number of shares held by the Company itself	8771	
Number of shares held by its subsidiaries	8781	

(EUR)

	As at March 31, 2024
ADDITIONAL NOTES REGARDING CONTRIBUTIONS (INCLUDING CONTRIBUTIONS IN THE FORM OF SERVICES OR KNOW-HOW)	

SHAREHOLDERS' STRUCTURE OF THE COMPANY AT YEAR-END CLOSING DATE

As reflected in the notifications received by the company pursuant to article 7:225 of the Belgian Companies and Associations Code, article 14 fourth paragraph of the law of 2 May 2007 on the publication of major holdings and article 5 of the Royal Decree of 21 August 2008 on further rules for certain multilateral trading facilities.

TATA CONSULTANCY SERVICES LTD. : 1.300 shares

PROVISIONS FOR OTHER LIABILITIES AND CHARGES

(EUR)

	As at March 31, 2024
ALLOCATION OF ACCOUNT 164/5 OF LIABILITIES IF THE AMOUNT IS SIGNIFICANT	
Provision for othr costs	**354.298,54**
Provision for foreseeable losses	**14.050,89**

STATEMENT OF AMOUNTS PAYABLE AND ACCRUALS AND DEFERRED INCOME (LIABILITIES)

(EUR)

	Codes	As at March 31, 2024
BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL MATURITY		
Current portion of amounts payable after more than one year falling due within one year		
Financial debts	8801	
Subordinated loans	8811	
Unsubordinated debentures	8821	
Leasing and other similar obligations	8831	
Credit institutions	8841	
Other loans	8851	
Trade debts	8861	
Suppliers	8871	
Bills of exchange payable	8881	
Advance payments on contracts in progress	8891	
Other amounts payable	8901	
Total current portion of amounts payable after more than one year falling due within one year	(42)	
Amounts payable with a remaining term of more than one year, yet less than 5 years		
Financial debts	8802	
Subordinated loans	8812	
Unsubordinated debentures	8822	
Leasing and other similar obligations	8832	
Credit institutions	8842	
Other loans	8852	
Trade debts	8862	
Suppliers	8872	
Bills of exchange payable	8882	

(EUR)

	Codes	As at March 31, 2024
Advance payments on contracts in progress	8892	
Other amounts payable	8902	
Total amounts payable with a remaining term of more than one year, yet less than 5 years	8912	
Amounts payable with a remaining term of more than 5 years		
Financial debts	8803	
Subordinated loans	8813	
Unsubordinated debentures	8823	
Leasing and other similar obligations	8833	
Credit institutions	8843	
Other loans	8853	
Trade debts	8863	
Suppliers	8873	
Bills of exchange payable	8883	
Advance payments on contracts in progress	8893	
Other amounts payable	8903	
Amounts payable with a remaining term of more than 5 years	8913	
AMOUNTS PAYABLE GUARANTEED (included in accounts 17 and 42/48 of liabilities)		
Amounts payable guaranteed by the Belgian government agencies		
Financial debts	8921	
Subordinated loans	8931	
Unsubordinated debentures	8941	
Leasing and other similar obligations	8951	
Credit institutions	8961	
Other loans	8971	
Trade debts	8981	
Suppliers	8991	
Bills of exchange payable	9001	
Advance payments on contracts in progress	9011	
Remuneration and social security	9021	
Other amounts payable	9051	
Total of the amounts payable guaranteed by the Belgian government agencies	9061	
Amounts payable guaranteed by real securities given or irrevocably promised by the Company on its own assets		
Financial debts	8922	
Subordinated loans	8932	
Unsubordinated debentures	8942	
Leasing and other similar obligations	8952	
Credit institutions	8962	

(EUR)

	Codes	As at March 31, 2024
Other loans	8972	
Trade debts	8982	
Suppliers	8992	
Bills of exchange payable	9002	
Advance payments on contracts in progress	9012	
Taxes, remuneration and social security	9022	
Taxes	9032	
Remuneration and social security	9042	
Other amounts payable	9052	
Total amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets	9062	

TAXES, Remuneration and Social Security

(EUR)

	Codes	As at March 31, 2024
TAXES(HEADINGS 450/3 and 178/9 of liabilities)		
Outstanding tax debts	9072	
Accruing taxes payable	9073	**9.226.824,41**
Estimated taxes payable	450	
Remuneration and social security (headings 454/9 and 178/9 of liabilities)		
Amounts due to the National Social Security Office	9076	
Other amounts payable in respect of remuneration and social security	9077	**6.546.730,31**

ACCRUALS AND DEFERRED INCOME

(EUR)

	As at March 31, 2024
Allocation of heading 492/3 of liabilities if the amount is significant	
Accrued operating expenses	**121.254,18**

OPERATING RESULTS

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
OPERATING INCOME			
Net turnover			
Allocation by categories of activity			
Allocation by geographical market			
Other operating income			
Operating subsidies and compensatory amounts received from public authorities	740		
OPERATING CHARGES			
Employees for whom the company submitted a DIMONA declaration or who are recorded in the general personnel register			
Total number at the closing date	9086	**338**	288
Average number of employees calculated in full-time equivalents	9087	**330,9**	247,0
Number of actual hours worked	9088	**590.300**	436.492
Personnel costs			
Remuneration and direct social benefits	620	**61.115.835,39**	51.127.137,14
Employers' contribution for social security	621	**8.115.609,50**	5.822.183,02
Employers' premiums for extra statutory insurance	622	**5.957,48**	5.984,32
Other personnel costs	623	**13.719.962,93**	11.852.203,04
Retirement and survivors' pensions	624		
Provisions for pensions and similar obligations			
Appropriations (uses and write-backs) (+)/(-)	635		
Depreciations			
On stock and contracts in progress			
Recorded	9110		
Written back	9111		
On trade debtors			
Recorded	9112	**4.820,49**	1.443,24
Written back	9113		
Provisions for liabilities and charges			
Appropriations	9115	**8.067,49**	
Uses and write-backs	9116		5.002,98
Other operating charges			
Taxes related to operation	640	**86.140,93**	117.193,66
Other	641/8		426,90
Hired temporary staff and personnel placed at the Company's disposal			
Total number at the closing date	9096		
Average number calculated in full-time equivalents	9097		
Number of actual hours worked	9098		
Costs to the Company	617		

FINANCIAL RESULTS

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
RECURRING FINANCIAL INCOME			
Other financial income			
Subsidies paid by public authorities, added to the profit and loss account			
Capital subsidies	9125		
Interest subsidies	9126		
Allocation of other financial income			
Exchange differences realized	754		
Other			
Exchange differences		**526.756,65**	1.039.248,12
RECURRING FINANCIAL CHARGES			
Depreciation of loan issue expenses	6501		
Capitalised interests	6502		
Depreciations on current assets			
Recorded	6510		
Written back	6511		
Other financial charges			
Amount of the discount borne by the Company, as a result of negotiating amounts receivable	653		
Provisions of a financial nature			
Appropriations	6560		
Uses and write-backs	6561		
Allocation of other financial costs			
Exchange differences realized	654		
Results from the conversion of foreign currencies	655		
Other			
Bank charges		**28.708,17**	34.252,41
Exchange differences		**535.838,47**	752.899,56

INCOME AND CHARGES OF EXCEPTIONAL SIZE OR FREQUENCY

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
NON-RECURRING INCOME	76	**3.176,80**	
Non-recurring operating income	(76A)	**3.176,80**	
Write-back of depreciation and of amounts written off intangible an tangible fixed assets	760		
Write-back of provisions for extraordinary operating liabilities and charges	7620		
Capital profits on disposal of intangible and tangible fixed assets	7630		
Other non-recurring operating income	764/8	**3.176,80**	
Non-recurring financial income	(76B)		
Write-back of amounts written down financial fixed assets	761		
Write-back of provisions for extraordinary financial liabilities and charges	7621		
Capital profits on disposal of financial fixed assets	7631		
Other non-recurring financial income	769		
NON-RECURRING CHARGES	66	**4.001,72**	
Non-recurring operating charges	(66A)	**4.001,72**	
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	660		
Provisions for extraordinary operating liabilities and charges: appropriations (uses) (+)/(-)	6620		
Capital losses on disposal of intangible and tangible fixed assets	6630	**771,72**	
Other non-recurring operating charges	664/7	**3.230,00**	
Non-recurring operating charges carried to assets as restructuring costs (-)	6690		
Non-recurring financial charges	(66B)		
Amounts written off financial fixed assets	661		
Provisions for extraordinary financial liabilities and charges - appropriations (uses) (+)/(-)	6621		
Capital losses on disposal of financial fixed assets	6631		
Other non-recurring financial charges	668		
Non-recurring financial charges carried to assets as restructuring costs (-)	6691		

TAXES

(EUR)

	Codes	Year ended March 31, 2024
INCOME TAXES		
Income taxes on the result of the period	9134	**4.882.728,86**
Income taxes paid and withholding taxes due or paid	9135	**5.416.239,02**
Excess of income tax prepayments and withholding taxes paid recorded under assets	9136	**533.510,16**
Estimated additional taxes	9137	
Income taxes on the result of prior periods	9138	
Additional income taxes due or paid	9139	
Additional income taxes estimated or provided for	9140	
Major reasons for the differences between pre-tax profit, as it results from the annual accounts, and estimated taxable profit		
Disallowed expenses		**1.211.298,89**
Other tax impact		**116.533,99**

(EUR)

	Year ended March 31, 2024
Influence of non-recurring results on income taxes on the result of the period	

(EUR)

	Codes	Year ended March 31, 2024
Sources of deferred taxes		
Deferred taxes representing assets	9141	
Accumulated tax losses deductible from future taxable profits	9142	
Deferred taxes representing liabilities	9144	
Allocation of deferred taxes representing liabilities		

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
VALUE-ADDED TAXES AND TAXES BORNE BY THIRD PARTIES			
Value-added taxes charged			
To the Company (deductible)	9145	**53.944.212,04**	50.306.494,10
By the Company	9146	**111.135.661,50**	103.441.194,78
Amounts withheld on behalf of third party by way of			
Payroll withholding taxes	9147	**24.689.160,59**	18.843.869,49
Withholding taxes on investment income	9148		

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

(EUR)

	Codes	Year ended March 31, 2024
PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES	9149	
Of which		
Bills of exchange in circulation endorsed by the company	9150	
Bills of exchange in circulation drawn or guaranteed by the Company	9151	
Maximum amount for which other debts or commitments of third parties are guaranteed by the Company	9153	
REAL GUARANTEES		
Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of the company		
Mortgages		
Book value of the immovable properties mortgaged	91611	
Amount of registration	91621	
For irrevocable mortgage mandates, the amount for which the agent can take registration	91631	
Pledging of goodwill		
Maximum amount up to which the debt is secured and which is the subject of registration	91711	
For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription	91721	
Pledging of other assets or irrevocable mandates to pledge other assets		
Book value of the immovable properties mortgaged	91811	
Maximum amount up to which the debt is secured	91821	
Guarantees provided or irrevocably promised on future assets		
Amount of assets in question	91911	
Maximum amount up to which the debt is secured	91921	
Vendor's privilege		
Book value of sold goods	92011	
Amount of the unpaid price	92021	
Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of third parties		
Mortgages		
Book value of the immovable properties mortgaged	91612	
Amount of registration	91622	
For irrevocable mortgage mandates, the amount for which the agent can take registration	91632	
Pledging of goodwill		
Maximum amount up to which the debt is secured and which is the subject of registration	91712	
For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription	91722	
Pledging of other assets or irrevocable mandates to pledge other assets		
Book value of the immovable properties mortgaged	91812	
Maximum amount up to which the debt is secured	91822	

(EUR)

	Codes	Year ended March 31, 2024
Guarantees provided or irrevocably promised on future assets		
Amount of assets in question	91912	
Maximum amount up to which the debt is secured	91922	
Vendor's privilege		
Book value of sold goods	92012	
Amount of the unpaid price	92022	

(EUR)

	Codes	Year ended March 31, 2024
GOODS AND VALUES, NOT REFLECTED IN THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT FOR THE BENEFIT AND AT THE RISK OF THE COMPANY		
SUBSTANTIAL COMMITMENTS TO ACQUIRE FIXED ASSETS		
SUBSTANTIAL COMMITMENTS TO DISPOSE OF FIXED ASSETS		
FORWARD TRANSACTIONS		
Goods purchased (to be received)	9213	
Goods sold (to be delivered)	9214	
Currencies purchased (to be received)	9215	
Currencies sold (to be delivered)	9216	

(EUR)

	Year ended March 31, 2024
COMMITMENTS RELATING TO TECHNICAL GUARANTEES IN RESPECT OF SALES OR SERVICES	

(EUR)

	Year ended March 31, 2024
AMOUNT, NATURE AND FORM CONCERNING LITIGATION AND OTHER IMPORTANT COMMITMENTS	
Client bank guarantee	**1.300.000,00**
Rental guarantee	**123.480,00**

SETTLEMENT REGARDING THE COMPLEMENTARY RETIREMENT OR SURVIVORS' PENSION FOR PERSONNEL AND BOARD MEMBERS

Brief description

The companies foresee in an additional system of employee pension benefits plan, not in management, calculated on the basis of the number of years of service and the salary of the concerned person. This commitment is a group insurance of the type defined contribution.

Since the new regulations, this insurance type is subject to a minimum return guaranteed by the employer.

As at closing date, the minimum return is still covered by the insurance company.

Measures taken to cover the related charges

(EUR)

	Codes	Year ended March 31, 2024
PENSIONS FUNDED BY THE COMPANY ITSELF		
Estimated amount of the commitments resulting from past services	9220	
Methods of estimation		

(EUR)

	Year ended March 31, 2024
NATURE AND FINANCIAL IMPACT OF SIGNIFICANT EVENTS AFTER THE CLOSING DATE Not reflected in the balance sheet or income statement	

(EUR)

	Year ended March 31, 2024
COMMITMENTS TO PURCHASE OR SALE AVAILABLE TO THE COMPANY AS ISSUER OF OPTIONS FOR SALE OR PURCHASE	

(EUR)

	Year ended March 31, 2024
NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET	
If the risks and benefits resulting from such transactions are of any meaning and if publishing such risks and benefits is necessary to appreciate the financial situation of the Company	

(EUR)

	Year ended March 31, 2024
OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those that cannot be calculated)	
Rental agreemenet office space untim 31 st of December 2032	**2.160.900,00**

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
AFFILIATED COMPANIES			
Financial fixed assets	(280/1)	**1.000,00**	1.000,00
Participating interests	(280)	**1.000,00**	1.000,00
Subordinated amounts receivable	9271		
Other amounts receivable	9281		

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
Amounts receivable	9291	**9.459.661,90**	13.077.374,43
Over one year	9301		
Within one year	9311	**9.459.661,90**	13.077.374,43
Current investments	9321		
Shares	9331		
Amounts receivable	9341		
Amounts payable	9351	**18.221.971,50**	24.567.687,82
Over one year	9361		
Within one year	9371	**18.221.971,50**	24.567.687,82
Personal and real guarantees			
Provided or irrevocably promised by the Company as security for debts or commitments of affiliated companies	9381		
Provided or irrevocably promised by affiliated Companies as security for debts or commitments of the company	9391		
Other significant financial commitments	9401		
Financial results			
Income from financial fixed assets	9421	**1.160,72**	
Income from current assets	9431		
Other financial income	9441		
Debt charges	9461		
Other financial charges	9471		
Disposal of fixed assets			
Capital profits realised	9481		
Capital losses realised	9491		

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
ASSOCIATED COMPANIES			
Financial fixed assets	9253		
Participating interests	9263		
Subordinated amounts receivable	9273		
Other amounts receivable	9283		
Amounts receivable	9293		
Over one year	9303		
Within one year	9313		

(EUR)

	Codes	Year ended March 31, 2024	Year ended March 31, 2023
Amounts payable	9353		
Over one year	9363		
Within one year	9373		
Personal and real guarantees			
Provided or irrevocably promised by the Company as security for debts or commitments of affiliated companies	9383		
Provided or irrevocably promised by affiliated Companies as security for debts or commitments of the company	9393		
Other significant financial commitments	9403		
COMPANIES LINKED BY PARTICIPATING INTERESTS			
Financial fixed assets	9252		
Participating interests	9262		
Subordinated amounts receivable	9272		
Other amounts receivable	9282		
Amounts receivable	9292		
Over one year	9302		
Within one year	9312		
Amounts payable	9352		
Over one year	9362		
Within one year	9372		

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

(EUR)

TRANSACTIONS WITH AFFILIATED PARTIES BEYOND NORMAL MARKET CONDITIONS	Year ended March 31, 2024
Mention of these transactions if they are significant, including the amount of the transactions, the nature of the link, and all information about the transactions that should be necessary to get a better understanding of the financial situation of the Company	
Nihil	
Due to the lack of legal criteria allowing the inventory of related party transactions outside normal market conditions, no information could be included in statement C6.15	

FINANCIAL RELATIONSHIPS WITH

(EUR)

	Codes	Year ended March 31, 2024
DIRECTORS AND MANAGERS, INDIVIDUALS OR LEGAL PERSONS WHO CONTROL THE COMPANY DIRECTLY OR INDIRECTLY WITHOUT BEING ASSOCIATED THEREWITH, OR OTHER COMPANIES CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS		
Amounts receivable from these persons	9500	
Principal conditions regarding amounts receivable, rate of interest, duration, any amounts repaid, cancelled or written off		
Guarantees provided in their favour	9501	
Other significant commitments undertaken in their favour	9502	
Amount of direct and indirect remunerations and pensions, reflected in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person		
To directors and managers	9503	
To former directors and former managers	9504	

(EUR)

	Codes	Year ended March 31, 2024
THE AUDITOR(S) AND THE PERSONS WHOM HE (THEY) IS (ARE) COLLABORATING WITH		
Auditors' fees	9505	**13.420.00**
Fees for exceptional services or special assignments executed within the Company by the auditor		
Other audit assignments	95061	
Tax consultancy assignments	95062	
Other assignments beyondthe audit	95063	
Fees for exceptional services or special assignments executed within the company by people the auditor(s) is (are) collaborating with		
Other audit assignments	95081	
Tax consultancy assignments	95082	
Other assignments beyond the audit	95083	

Mentions related to article 3:64, § 2 and § 4 of the Belgian Companies and Associations Code

The audit committee, decides in accordance with article 133 § 6, 1° of the Companies Code, to depart from the limitations imposed on the auditor and on persons with whom he has concluded an employment contract or with whom he is aligned *vis-à-vis* a professional relationship or the companies or persons aligned to the auditor as stipulated in article 11 of the Companies Code, regarding the remuneration allowed for non-audit services.

DECLARATION WITH REGARD TO THE CONSOLIDATED ANNUAL ACCOUNTS

INFORMATION TO DISCLOSE BY EACH COMPANY GOVERNED BY THE BELGIAN COMPANIES AND ASSOCIATIONS CODE ON THE CONSOLIDATED ANNUAL ACCOUNTS

The company has not prepared consolidated annual accounts and a consolidated annual report, because of an exemption for the following reason(s)*

The Company and its subsidiaries exceed, on a consolidated basis, not more than one of the criteria mentioned in article 1:26 of the Belgian Companies and Associations Code*

The Company only has subsidiaries that, considering the evaluation of the consolidated capital, the consolidated financial position or the consolidated result, individually or together, are of negligible interestError! Bookmark not defined. (article 3:23 of the Belgian Companies and Associations Code)

The Company itself is a subsidiary of a parent company that prepares and publishes consolidated annual accounts, in which the annual accounts are integrated by consolidation*

INFORMATION TO BE PROVIDED BY THE COMPANY IN CASE IT IS A SUBSIDIARY OR A JOINT SUBSIDIARY

Name, full address of the registered office and, if it concerns companies under Belgian law, the Company registration number of the parent company(ies) and the indication if this (these) parent company(ies) prepares (prepare) and publishes (publish) consolidated annual accounts, in which the annual accounts are included by means of consolidation :

Tata Consultancy Services Ltd
9th Floor Nirmal Building, Nariman Point
400 021 MUMBAI, India

The enterprise draws up consolidated annual accounts data for the major part of the enterprise

If the parent company(ies) is (are) (a) company(ies) governed by foreign law, the location where the abovementioned annual accounts are available**:

Tata Consultancy Serivces Ltd,
9th Floor Nirmal Building, Nariman Point,
400 021 Mumbai, India

. Strike out what does not apply.

.. Where the annual accounts of the company are consolidated at different levels, the information should be given, on the one hand at the highest and on the other at the lowest level of companies of which the Company is a subsidiary and for which consolidated accounts are prepared and published.

VALUATION RULES

1. Principle

The valuation rules are determined according to the provisions of the Royal Decree of 29 April 2019 in implementation of the Belgian Companies and Associations Code.

In respect of the requirement of a true and fair view the valuation rules of this Decree shall be deviated from in the following exceptional cases:

Reasons for the deviation:

The effects of the deviation on assets and liabilities, financial position and the result before taxation of the enterprise are as follows:

The valuation rules are (not changed) in wording and application as compared to the preceding financial period; if so, the change related to:

and has a (positive) (negative) effect on the result for the financial period before taxation to the amount of EUR.

The income statement (is not) significantly effected by income or charges relating to a previous financial period; if so, the material effect results from:

The figures of the financial period are not comparable with those of the preceding financial period for the following reason:

(In order to maintain comparability the figures of the preceding financial period are adjusted regarding to following reasons)

(To compare the annual accounts of both financial periods involved following information should be taken into account):

In absence of objective standards of appraisal following valuation of foreseeable liabilities, contingent losses and diminuations in value is inevitably uncertain:

Other information necessary to give a true and fair view of the enterprise's liabilities, financial position and result:

1) Revenue recognition

The company earns revenue primarily from providing information technology and consulting services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software and business process services.

The Company recognises revenue as follows:

Revenue from contracts priced on a time and material basis is recognised as services are rendered and as related costs are incurred.

Revenue from Business Process Services contracts priced on the basis of time and material or unit of delivery is recognised as services are rendered or the related obligation is performed.

Revenue from maintenance contracts is recognised on a pro rata basis over the period of the contract.

Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured.

2) Presentation of costs related to seconded employees from TCSL

Account Code 62 includes remuneration, social security costs and pensions incurred towards local Belgian employees (330.9 FTE in 2024 and 274.0 FTE in 2023). Costs incurred towards the seconded employees of TCS Limited (TCSL), (2024:34.929.526,14 EUR; 2023:33.019.290,73 EUR) the parent company of TCS Belgium have also been accounted under this classification. The employees of TCSL (701 FTE in 2024 and 706 FTE in 2023) are not employees of TCS Belgium as they remain bound by the employment contract with TCSL and seconded to TCS Belgium. Account Code 62 reflects the aggregate of all such costs, including the cost of the seconded employees as management believes that this better reflects the substance of the arrangement for the deputation of the personnel and consequently provides a true and fair view.

2. Fixed assets

Formation expenses:

Formation expenses are charged against income except for following costs capitalised:

Reorganization costs:

The reorganization costs are (not capitalised) during the financial period; if so, this is justified as follows:

VALUATION RULES

Intangible fixed assets:

The amount of intangible assets includes EUR research and development costs. Depreciation of these costs and the depreciations for goodwill are charged over a period of (more than) (not more than) 5 years; if more than 5 years the period involved is justified as follows :

Tangible fixed assets:

During the financial period the tangible assets (are not) revalued; if so, the revaluation if justified are as follows:

VALUATION RULES

Depreciation recorded during the financial period:

Assets	Method S (straightline) R (reducing balance) O (other)	Basis NR (non¬revalued) R (revalued)	Depreciation rate	
			Principal costs Min. - Max.	Ancillary costs Min. - Max.
1. Formation expenses				
2. Intangible fixed assets				
Software	S	NR	20,00 - 20,00	20,00 - 20,00
3. Buildings*				
4. Plant, machinery and equipments *				
5. Vehicles*				
Company cars	S	NR	25,00 - 25,00	25,00 - 25,00
6. Office furniture *				
Office equipment	S	NR	10,00 - 20,00	10,00 - 20,00
7. Other tangible fixed assets				
Fitting-out expenses rented prop	S	NR	10,00 - 21,05	10,00 - 21,05

* Including leased assets which should be disclosed on a separate line.

Tax deductible accelerated depreciation in excess of depreciation based on economic circumstances:

- amount for the financial period: EUR
- cumulative amount regarding tangible assets acquired as of the financial period beginning after December 31, 1983: EUR

Financial fixed assets:

During the financial period investments (are not) revalued; if so, the revaluation is justified as follows:

3. Current assets

Inventories:

Inventories are valued at **acquisition cost** determined according to the method (to be disclosed) of the weighted average price method, Fifo, Lifo, by identifying individually the price of each element or by the **lower market value**

1. Raw materials and consumables:
2. Work in progress - finished goods:
3. Goods purchased for resale:
4. Immovable property intended for sale:

Products:

- Production costs (include) (do not include) costs that are only indirectly attributable to the product.
- Production costs of stock and work in progress the production of which exceeds more than one year (includes) (does not include) on capital borrowed to finance the production.

Stocks total valued at market value amount to % of its book value at the end of the financial period.

(This information is only required in the event of a substantial difference).

Contracts in progress:

Contracts in progress are valued

(at production cost increased by a portion of the profit according to the state of completion of the contract)

VALUATION RULE

4. Liabilities

Debts:

Liabilities (do not include) long-term debts, bearing no interests or at an unusual low interest; if so, a discount this (has not) been recognised and capitalised.

Foreign currencies:

Debts, liabilities and commitments denominated in foreign currencies are translated in EUR using following criteria: Exchange rate as per closing date

Exchange differences have been disclosed in the annual accounts as follows:

All exchange differences are taken into P&L

Leasing agreements:

Concerning the rights to use property not capitalised (*relating to immovable property and concluded before 1 January 1980)*, consideration and rental relating to the financial period if the leased immovable property, amount to: EUR.

OTHER INFORMATION TO DISCLOSE

The Company does not have any impact due to the war in Ukraine or due to sanctions on Russia and Belarus as the Company neither has any customers nor any dependencies on Russia, Ukraine and Belarus.

SOCIAL BALANCE SHEET

Numbers of the joint industrial committees competent for the Company: 200

STATEMENT OF THE PERSONS EMPLOYED

EMPLOYEES FOR WHOM THE COMPANY SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER

During the period	Codes	Total	1. Men	2. Women
Average number of employees				
Full-time	1001	331,4	272,3	59,1
Part-time	1002	1,6	0,6	1,0
Total in full-time equivalents (FTE)	1003	330,9	271,4	59,5
Number of actual hours worked				
Full-time	1011	588.404	488.868	99.536
Part-time	1012	1.896	600	1.296
Total	1013	590.300	489.468	100.832
Personnel costs				
Full-time	1021			
Part-time	1022			
Total	1023	82.957.365,30	67.022.360,89	15.935.004,41
Benefits in addition to wages	1033			

During the preceding period	Codes	P. Total	1P. Men	2P. Women
Average number of employees in FTE	1003	247,0	202,9	44,1
Number of actual hours worked	1013	436.492	362.820	73.672
Personnel costs	1023	68.807.507,52	57.189.991,57	11.617.515,95
Benefits in addition to wages	1033			

At the closing date of the period	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees	105	335	3	337,1
By nature of the employment contract				
Contract for an indefinite period	110	334	2	335,6
Contract for a definite period	111	1	1	1,5
Contract for the execution of a specifically assigned work	112			
Replacement contract	113			
According to gender and study level				
Men	120	276	2	277,3
primary education	1200	245	2	246,3
secondary education	1201			
higher non-university education	1202	17		17,0
university education	1203	14		14,0

At the closing date of the period	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Women	121	**59**	**1**	**59,8**
primary education	1210	**49**		**49,0**
secondary education	1211			
higher non-university education	1212	**4**		**4,0**
university education	1213	**6**	**1**	**6,8**
By professional category				
Management staff	130			
Salaried employees	134	**335**	**3**	**337,1**
Hourly employees	132			
Other	133			

HIRED TEMPORARY STAFF AND PERSONNEL PLACED AT THE DISPOSAL OF THE COMPANY

During the period	Codes	1. Hired temporary staff	2. Hired temporary staff and personnel placed at the company's disposal
Average number of persons employed	150		
Number of actual hours worked	151		
Costs to the Company	152		

LIST OF PERSONNEL MOVEMENTS DURING THE PERIOD

ENTRIES

	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees for whom the Company submitted a DIMONA declaration or who have been recorded in the general personnel register during the period	205	**121**	**1**	**121,5**
By nature of the employment contract				
Contract for an indefinite period	210	**121**		**121,0**
Contract for a definite period	211		**1**	**0,5**
Contract for the execution of a specifically assigned work	212			
Replacement contract	213			

DEPARTURES

	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees whose contract-termination date has been included in the DIMONA declaration or in the general personnel register during the period	305	**74**		**74,0**
By nature of the employment contract				
Contract for an indefinite period	310	**74**		**74,0**
Contract for a definite period	311			
Contract for the execution of a specifically assigned work	312			
Replacement contract	313			
By reason of termination of contract				
Retirement	340			
Unemployment with extra allowance from enterprise	341			
Dismissal	342			
Other reason	343	**74**		**74,0**
Of which: the number of persons who continue to render services to the company at least half-time on a self-employment basis	350			

INFORMATION ON TRAINING PROVIDED TO EMPLOYEES DURING THE PERIOD

	Codes	Men	Codes	Women
Total of initiatives of formal professional training at the expense of the employer				
Number of employees involved	5801		5811	
Number of actual training hours	5802		5812	
Net costs for the Company	5803		5813	
of which gross costs directly linked to training	58031		58131	
of which contributions paid and payments to collective funds	58032		58132	
of which grants and other financial advantages received (to deduct)	58033		58133	
Total of initiatives of less formal or informal professional training at the expense of the employer				
Number of employees involved	5821		5831	
Number of actual training hours	5822		5832	
Net costs for the Company	5823		5833	
Total of initial initiatives of professional training at the expense of the employer				
Number of employees involved	5841		5851	
Number of actual training hours	5842		5852	
Net costs for the Company	5843		5853	

[1] Where appropriate, "in liquidation" is stated after the legal form.
[2] Optional mention.
[4] If necessary, change to currency in which the amounts are expressed.
[5] Strike out what does not apply.

Tata Consultancy Services Deutschland GmbH

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR’S REPORT

For the year ended
March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of Tata Consultancy Services Deutschland GmbH ('the Company'), which comprise the statement of financial position as of 31st March 2024, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity cash flows of the Company in accordance with the International Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue going concern.

- Evaluate the overall presentation, structure statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Comparative figures for the financial year ended 31st March 2023 have been taken as per Financial Statements considered by the management for the purpose of Audit of IFRS Consolidated Financial Statements of holding company; TATA Consultancy Services Limited (TCSL); year ended 31st March 2023.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st March 2024 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of TCSL for the year ended 31st March 2024. Our report is strictly intended solely for the information and use by TCSL for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For K B J & ASSOCIATES
(Chartered Accountants)
(ICAI Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(ICAI Membership No.48889)

Place: Mumbai
Date: 6 May 2024

Statement of Financial Position

(Amount in EUR)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**2,58,80,165**	3,20,44,437
Trade receivables			
Billed	7(b)	**15,32,60,377**	15,23,51,112
Unbilled		**2,16,44,734**	1,91,87,403
Other financial assets	7(c)	**36,69,213**	43,24,710
Income tax assets (net)		**65,51,998**	-
Other assets	9(c)	**3,84,38,006**	2,99,66,343
Total current assets		**24,94,44,492**	23,78,74,005
Non-current assets			
Other financial assets	7(c)	**4,24,463**	4,53,209
Income tax assets (net)		**-**	41,55,663
Property, plant and equipment	9(a)	**68,84,426**	83,96,083
Right-of-use assets	8	**36,43,585**	50,62,637
Other intangible assets	9(b)	**5,78,686**	4,40,065
Other assets	9(c)	**19,41,821**	21,61,633
Total non-current assets		**1,34,72,981**	2,06,69,290
TOTAL ASSETS		**26,29,17,473**	25,85,43,295
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Lease liabilities		**15,50,960**	16,85,445
Trade payables	7(e)	**11,39,94,234**	9,76,56,640
Other financial liabilities	7(d)	**1,01,27,681**	1,40,80,643
Unearned and deferred revenue	10	**1,45,87,487**	1,62,38,394
Other liabilities	9(d)	**1,31,39,930**	1,32,96,666
Provisions	9(e)	**46,313**	88,149
Employee benefit obligations	14	**4,78,955**	5,62,078
Income tax liabilities (net)		**4,14,214**	1,65,62,650
Total current liabilities		**15,43,39,774**	16,01,70,665
Non-current liabilities			
Lease liabilities		**24,88,173**	38,68,409
Other financial liabilities	7(d)	**23,881**	23,562
Employee benefit obligations	14	**11,79,871**	11,30,015
Deferred tax liabilities (net)		**38,95,706**	34,64,253
Total non-current liabilities		**75,87,631**	84,86,239
TOTAL LIABILITIES		**16,19,27,405**	16,86,56,904
Equity			
Share capital	7(i)	**150,000**	150,000
Retained earnings		**10,08,21,307**	8,97,17,630
Share premium		**18,761**	18,761
Total equity		**10,09,90,068**	8,98,86,391
TOTAL LIABILITIES AND EQUITY		**26,29,17,473**	25,85,43,295

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS. **1-17**

As per our report of even date attached

For **KBJ & ASSOCIATES**
Chartered Accountants
Firm's registration No:. 114934W

Kaushik B. Joshi
Proprietor
Membership No:. 48889

Mumbai, 6 May 2024

For and on behalf of the Board of Driectors

Lakshminarayanan G.S.
Managing Director

Sapthagiri Chapalapalli
Managing Director

Statement of Profit or Loss and Other Comprehensive income

(Amount in EUR)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue	10	**75,21,50,063**	76,15,38,336
Operating expenses			
Employee benefit expenses	14	**17,61,52,189**	15,46,48,973
Depreciation and amortisation expenses	9(a) & 9(b)	**45,43,394**	70,58,663
Right of use assets depreciation	8	**16,20,903**	15,60,131
Other operating expenses	11	**55,39,48,037**	55,22,59,456
TOTAL OPERATING EXPENSES		**73,62,64,523**	71,55,27,223
Operating profit		**1,58,85,540**	4,60,11,113
Other income / (expense)			
Finance and other income	12(a)	**8,94,074**	1,62,437
Finance costs	12(b)	**(1,82,851)**	(1,05,871)
Other non-operating income / (loss), net	12(c)	**(33,478)**	3,52,622
Profit before taxes		**1,65,63,285**	4,64,20,300
Income tax expense	13	**(53,03,266)**	(1,47,40,990)
Profit for the year		**1,12,60,019**	3,16,79,310
Remeasurement of defined employee benefit plans		**(1,56,342)**	33,40,909
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,11,03,677**	3,50,20,219

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS. **1-17**

As per our report of even date attached

For **KBJ & ASSOCIATES**
Chartered Accountants
Firm's registration No:. 114934W

Kaushik B. Joshi
Proprietor
Membership No:. 48889

Mumbai, 6 May 2024

For and on behalf of the Board of Driectors

Lakshminarayanan G.S.
Managing Director

Sapthagiri Chapalapalli
Managing Director

Statement of Changes in Equity

(Amount in EUR)

	Share capital	Share premium	Retained earnings	Total equity
Balance as at April 1, 2022	150,000	18,761	7,46,97,412	7,48,66,173
Profit for the year	-	-	3,16,79,310	3,16,79,310
Other comprehensive income for the year	-	-	33,40,909	33,40,909
Dividend	-	-	(2,00,00,000)	(2,00,00,000)
Balance as at March 31, 2023	150,000	18,761	8,97,17,630	8,98,86,391
Profit for the year	**-**	**-**	**1,12,60,019**	**1,12,60,019**
Other comprehensive income for the year	**-**	**-**	**(1,56,342)**	**(1,56,342)**
Dividend	**-**	**-**	**-**	**-**
Balance as at March 31, 2024	**150,000**	**18,761**	**10,08,21,307**	**10,09,90,069**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS. 1-17

As per our report of even date attached

For **KBJ & ASSOCIATES**
Chartered Accountants
Firm's registration No:. 114934W

Kaushik B. Joshi
Proprietor
Membership No:. 48889

Mumbai, 6 May 2024

For and on behalf of the Board of Driectors

Lakshminarayanan G.S.
Managing Director

Sapthagiri Chapalapalli
Managing Director

Statement of Cash Flows

(Amount in EUR)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year		**1,12,60,019**	3,16,79,310
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Income tax expense	13	**53,03,266**	1,47,40,990
Depreciation and amortisation expenses	9(a) & 9(b)	**45,43,394**	70,58,663
Right of use assets depreciation	8	**16,20,903**	15,60,131
Finance cost	12(b)	**71,588**	86,645
Net loss/(gain) on disposal of property, plant and equipment	12(c)	**1,758**	-
Interest Income		**(782,811)**	(143,211)
Provision of allowance for doubtful trade receivables (net)	7(b)	**(77,042)**	(2,471)
Net change in working capital			
Trade receivables		**(8,32,223)**	(2,00,28,298)
Unbilled revenues		**(24,57,331)**	(34,813)
Other financial assets		**6,84,245**	(3,31,822)
Other assets		**(82,51,851)**	(55,46,161)
Trade and other payables		**1,63,37,594**	2,25,16,943
Unearned and deferred revenues		**(16,50,907)**	(41,45,791)
Other financial liabilities		**(58,61,589)**	8,32,089
Other liabilities		**(1,56,736)**	1,09,39,948
Provisions		**(41,837)**	28,651
Employee benefit obligations		**(80,132)**	(21,28,508)
Cash generated from operating activities		**1,96,30,308**	5,70,82,294
Income taxes paid		**(2,35,26,061)**	(92,69,625)
Net cash generated from / (used in) operating activities		**(38,95,753)**	4,78,12,669
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for purchase of property, plant and equipment (includes CWIP)	9(a)	**(874,590)**	(3,523,570)
Proceeds from disposal of property, plant and equipment	9(a)	**(0)**	4,851
Payment for purchase of intangible assets	9(b)	**(3,88,581)**	(1,74,211)
Interest Income		**7,82,811**	1,43,211
Net cash used in investing activities		**(4,80,359)**	(35,49,720)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(17,88,160)**	(17,48,125)
Payment of dividend		**-**	(2,00,00,000)
Net cash used in financing activities		**(17,88,160)**	(2,17,48,125)
Net change in cash and cash equivalents		**(61,64,272)**	2,25,14,824
Cash and cash equivalents, beginning of the year		**3,20,44,437**	95,29,613
Cash and cash equivalents, end of the year	7(a)	**2,58,80,165**	3,20,44,437

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS. **1-17**

As per our report of even date attached

For **KBJ & ASSOCIATES**
Chartered Accountants
Firm's registration No:. 114934W

Kaushik B. Joshi
Proprietor
Membership No:. 48889

Mumbai, 6 May 2024

For and on behalf of the Board of Driectors

Lakshminarayanan G.S.
Managing Director

Sapthagiri Chapalapalli
Managing Director

Notes forming part of the financial statements

1. CORPORATE INFORMATION

Tata Consultancy Services Deutschland GmbH (the "Company") is a Company limited by shares, incorporated and domiciled in Germany.

The main business of the company is to provides services in the areas of management consulting and software development. The registered office address is Tata Consultancy Services Deutschland GmbH, Messeturm, 60308 Frankfurt am Main, Germany. As at March 31, 2024, Tata Consultancy Services Limited is the parent entity holding 100% of shares of the Company.

The financial statements of the Company have been drawn up as a special purpose financial statements for the distribution to the shareholder.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB"). This special purpose financial statements have been prepared for inclusion of Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements.

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and presentation currency of the Company is EURO. Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

Notes forming part of the financial statements

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

The Company exercises judgement for identification of performance obligations, determination of transaction price, ascribing the transaction price to each distinct performance obligation and in determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the revenue note (Refer note 10).

b. Useful lives of property, plant and equipment

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a

Notes forming part of the financial statements

lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

b. Share premium

Share premium is used to record the premium on issue of shares.

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

IFRS 18 – Presentation and Disclosures in Financial Statements-3-1

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

[3]Effective for annual periods beginning on or after January 1, 2027.

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.

Notes forming part of the financial statements

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Group does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Group does not expect this amendment to have any significant impact in its financial statement.

IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued its new standard IFRS 18 – Presentation and Disclosures in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard aims at improving how entities communicate in their financial statements. The Group will evaluate the standard and implement it accordingly.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Notes forming part of the financial statements

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Cash at banks and in hand	**8,880,165**	32,044,437
Bank deposits (original maturity less than three months)	**17,000,000**	-
Total	**25,880,165**	32,044,437

b. Trade receivables - Billed

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed - Current		
Trade receivables - Billed*	**153,264,630**	152,432,406
Less: Allowance for doubtful trade receivables - Billed	**(4,253)**	(81,294)
Total	**153,260,377**	152,351,112

Movement in the allowance for doubtful trade receivables

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
At April 1,	**81,294**	83,765
Add: Charge to profit and Loss account	**-**	7,742
Less: Bad debts written off	**(68,110)**	(10,213)
Less: Provision written back	**(8,932)**	-
At March 31,	**4,252**	81,294

Notes forming part of the financial statements

c. Other financial assets

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Other financial assets - Current		
Employee advances, net of allowances	**838,681**	1,155,202
Premises security deposit	**136,236**	136,236
Volume discount receivable	**2,694,296**	3,033,272
Total	**3,669,213**	4,324,710

Other financial assets – Non-current

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Premises security deposit	**117,192**	145,939
Restricted cash*	**307,271**	307,271
Total	**424,463**	453,210

* Restricted cash pertains to deposit in commerze bank against bank guarantee.

d. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Other financial liabilities - current		
Accrued payroll	**7,313,848**	8,421,516
Volume discount - current	**812,338**	5,566,578
Capital creditors - current	**2,001,495**	92,549
Total	**10,127,681**	14,080,643

Other financial liabilities - Non Current

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Decommissioning liabilities	**23,881**	23,562
Total	**23,881**	23,562

e. Trade payables

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Trade payables	**66,831,942**	52,031,084
Accrued expenses	**47,162,292**	45,625,556
Total	**113,994,234**	97,656,640

Notes forming part of the financial statements

f. Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

(Amount in EUR)

	Amortised cost	Total carrying value
Assets:		
Cash and cash equivalents	**25,880,165**	**25,880,165**
Trade receivables		
Billed	**153,260,377**	**153,260,377**
Unbilled	**21,644,734**	**21,644,734**
Other financial assets	**4,093,675**	**4,093,675**
Total Assets	**204,878,951**	**204,878,951**
Liabilities:		
Trade payables	**113,994,234**	**113,994,234**
Lease liabilities	**4,039,133**	**4,039,133**
Other financial liabilities	**10,151,562**	**10,151,562**
Total Liabilities	**128,184,929**	**128,184,929**

The carrying value of financial instruments by categories as at March 31, 2023 is as follows:

(Amount in EUR)

	Amortised cost	Total carrying value
Assets:		
Cash and cash equivalents	32,044,437	32,044,437
Trade receivables		
Billed	152,351,112	152,351,112
Unbilled	19,187,403	19,187,403
Other financial assets	4,777,920	4,777,920
Total Assets	208,360,872	208,360,872
Liabilities:		
Trade payables	97,656,640	97,656,640
Lease liabilities	5,553,853	5,553,853
Other financial liabilities	14,104,205	14,104,205
Total Liabilities	117,314,698	117,314,698

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2024 and 2023, approximate the fair value due to their nature. Carrying amounts of other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

Notes forming part of the financial statements

g. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

  The following table sets forth information relating to foreign currency exposure as at March 31, 2024:

(Amount in EUR)

	USD	CHF	Others
Net financial assets	**7,578,918**	**327,264**	**365,345**
Net financial liabilities	**4,753,133**	**579,893**	**1,714,646**

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Company would result in increase / decrease in the Company's profit before taxes by approximately EUR 122,386 for the year ended March 31, 2024.

The following table sets forth information relating to foreign currency exposure as at March 31, 2023:

(Amount in EUR)

	USD	CHF	Others
Net financial assets	12,185,588	936,518	632,829
Net financial liabilities	3,341,687	930,744	956,423

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Company would result in increase / decrease in the Company's profit before taxes by approximately EUR 852,608 for the year ended March 31, 2023.

Notes forming part of the financial statements

- **Interest rate risk**

  Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 231,564,113 and EUR 227,737,912 as of March 31, 2024 and March 31, 2023, respectively being the total of the carrying amount of balance with bank, trade receivables, unbilled receivables, contract assets and other financial assets. Balance with bank is placed with a bank with high credit ratings. As of March 31, 2024, there were no indications that any defaults will occur on trade receivables, unbilled receivables, contract assets or other financial assets.

  The Company's exposure to customers is diversified and major customer's outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2024 and March 31, 2023 was as below:

(Amount in EUR)

Client Name	As at March 31, 2024		As at March 31, 2023	
	Total trade receivables and unbilled revenue	Percentage	Total trade receivables and unbilled revenue	Percentage
Customer A	**38,162,559**	**18.65%**	30,260,282	15.88%
Customer B	**13,109,153**	**6.40%**	-	0.00%

- **Geographic concentration of credit risk**

  Geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets is as follows:

	As at March 31, 2024	As at March 31, 2023
Europe	**95.26%**	91.49%
Others	**4.74%**	8.51%

  Geographical concentration of trade receivables and unbilled receivables and contract assets is allocated based on the location of the customers.

  The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

Notes forming part of the financial statements

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in EUR)

March 31, 2024	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	**113,994,234**	**-**	**113,994,234**
Lease liabilities	**1,690,212**	**5,463,353**	**7,153,565**
Other financial liabilities	**10,127,681**	**23,881**	**10,151,562**
Total	**125,812,127**	**5,487,234**	**131,299,361**

(Amount in EUR)

March 31, 2023	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	97,656,640	-	97,656,640
Lease liabilities	1,251,114	5,214,102	6,465,216
Other financial liabilities	14,080,643	23,562	14,104,206
Total	112,988,397	5,237,664	118,226,062

i. Equity instruments

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Issued, Subscribed and Fully paid up		
Ordinary shares	**150,000**	150,000
Total	**150,000**	150,000

Share holding	Percentage	Percentage
Tata Consultancy Services Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

Notes forming part of the financial statements

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(Amount in EUR)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Leasehold building	-	3,225,271
Automobiles	201,852	418,314
Total	201,852	3,643,585

Notes forming part of the financial statements

(Amount in EUR)

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Leasehold building	22,060	4,573,113
Automobiles	293,188	489,524
Total	315,248	5,062,637

Depreciation on right-of-use asset is as follows:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Leasehold building	**1,347,842**	1,310,601
Automobiles	**273,061**	249,530
Total	**1,620,903**	1,560,131

Interest on lease liabilities is EUR 71,588 and EUR 86,645 for the year ended on March 31, 2024 and March 31, 2023, respectively.[Refer Note 12(b)].

The Company incurred EUR 1,236,252 and EUR 942,729 for the year ended March 31, 2024 and 2023, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is EUR 3,024,412 and EUR 2,691,167 for the year ended March 31, 2024, and 2023, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful life (in years)
Computer equipment	Straight Line Method	4 years
Electrical Installations	Straight Line Method	10 years
Office Equipments	Straight Line Method	5 years
Furnitures and Fixtures	Straight Line Method	5 years
Leasehold Improvements	Straight Line Method	6 years

Notes forming part of the financial statements

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:

(Amount in EUR)

	Leasehold improvements	Computer equipments	Furniture and fixtures	Office equipments	Electric installation	Total
Cost as at April 1, 2023	**896,351**	**42,500,709**	**1,157,230**	**702,832**	**402,487**	**45,659,609**
Additions	**1,920**	**873,372**	**6,844**	**51,486**	**-**	**933,622**
Disposals	**-**	**(26,414)**	**-**	**-**	**-**	**(26,414)**
Cost as at March 31, 2024	**898,271**	**43,347,667**	**1,164,074**	**754,318**	**402,487**	**46,566,817**
Accumulated depreciation as at April 1, 2023	**796,145**	**34,699,286**	**1,108,434**	**632,464**	**214,958**	**37,451,287**
Depreciation for the year	**33,801**	**4,162,926**	**23,627**	**34,770**	**38,311**	**4,293,435**
Disposals	**-**	**(24,656)**	**-**	**-**	**-**	**(24,656)**
Accumulated depreciation as at March 31, 2024	**829,946**	**38,837,556**	**1,132,061**	**667,234**	**253,269**	**41,720,066**
Net carrying amount as at March 31, 2024	**68,325**	**4,510,111**	**32,013**	**87,084**	**149,218**	**4,846,751**
Capital work-in-progress						**2,037,675**
Total						**6,884,426**

(Amount in EUR)

	Leasehold improvements	Computer equipments	Furniture and fixtures	Office equipments	Electric installation	Total
Cost as at April 1, 2022	896,351	39,150,230	1,149,803	686,590	402,487	42,285,460
Additions	-	3,384,070	7,427	16,242	-	3,407,740
Disposals	-	(33,591)	-	-	-	(33,591)
Cost as at March 31, 2023	896,351	42,500,709	1,157,230	702,832	402,487	45,659,609
Accumulated depreciation as at April 1, 2022	762,745	28,110,430	1,085,404	600,834	176,647	30,736,060
Depreciation for the year	33,400	6,617,596	23,030	31,630	38,311	6,743,967
Disposals	-	(28,740)	-	-	-	(28,740)
Accumulated depreciation as at March 31, 2023	796,145	34,699,286	1,108,434	632,464	214,958	37,451,287
Net carrying amount as at March 31, 2023	100,206	7,801,423	48,796	70,368	187,529	8,208,322
Capital work-in-progress						187,761
Total						8,396,083

Notes forming part of the financial statements

b. Other intangible assets

Intangible assets purchased including acquired in business combination, are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences and customer-related intangibles.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years
Customer-related intangibles	3 years

Intangible assets are amortised on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

(Amount in EUR)

	Software Licences	Total
Cost as at April 1, 2023	**1,371,455**	**1,371,455**
Additions	**388,581**	**388,581**
Cost as at March 31, 2024	**1,760,036**	**1,760,036**
Accumulated amortisation as on April 1, 2023	**931,390**	**931,390**
Amortisation for the year	**249,959**	**249,959**
Accumulated amortisation as on March 31, 2024	**1,181,349**	**1,181,349**
Net carrying amount as at March 31, 2024	**578,686**	**578,686**

(Amount in EUR)

	Software Licences	Total
Cost as at April 1, 2022	1,197,244	1,197,244
Additions	174,211	174,211
Cost as at March 31, 2023	1,371,455	1,371,455
Accumulated amortisation as on April 1, 2022	616,695	616,695
Amortisation for the year	314,696	314,696
Accumulated amortisation as on March 31, 2023	931,390	931,390
Net carrying amount as at March 31, 2023	440,065	440,065

Notes forming part of the financial statements

c. Other assets

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Other assets consist of the following:		
Other assets – Current		
Advance to suppliers	**22**	28
Contract assets (Refer Note 10)	**26,518,869**	18,858,543
Prepaid expenses	**10,435,010**	8,592,501
Prepaid rent	**2,345**	-
Contract fulfillment costs	**1,421,799**	2,460,739
Others	**59,961**	54,531
Total	**38,438,006**	29,966,343

Other assets – Non-current

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Contract assets (Refer Note 10)	**166,293**	518,495
Prepaid expenses	**1,114,846**	1,306,158
Contract fulfillment costs	**660,682**	336,980
Total	**1,941,821**	2,161,633

Contract fulfillment costs of EUR 2,626,259 and EUR 4,346,730 for the years ended March 31, 2024 and 2023, respectively, have been amortised in the profit or loss. Refer Note 10 for changes in contract assets.

d. Other liabilities

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Other liabilities consist of the following		
Other liabilities – Current		
Advances received from customers	**53,140**	261,574
Indirect tax payable and other statutory liabilities	**13,086,490**	13,034,792
Others	**300**	300
Total	**13,139,930**	13,296,666

d. Provisions

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Provisions consist of the following:		
Provisions - Current		
Provision for foreseeable loss	**46,313**	88,149
Total	**46,313**	88,149

Notes forming part of the financial statements

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Notes forming part of the financial statements

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue from operations is EUR 752,150,063 for year ended March 31, 2024 (March 31, 2023: EUR 761,538,336).

Revenue disaggregation by nature of services is as follows:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services	**749,386,698**	761,334,888
Sale of equipment and software licences	**2,763,365**	203,448
Total	**752,150,063**	761,538,336

Revenue disaggregation by industry vertical is as follows:

(Amount in EUR)

Industry vertical	Year ended March 31, 2024	Year ended March 31, 2023
Life Sciences and Healthcare	**198,743,691**	206,122,277
Banking, Financial Servies and Insurance	**194,475,184**	213,667,739
Manufacturing	**109,638,885**	100,146,001
Hitech	**101,162,493**	111,913,243
Others	**148,129,810**	129,689,076
Total	**752,150,063**	761,538,336

Notes forming part of the financial statements

Revenue disaggregation by geography is as follows:

(Amount in EUR)

Geography	Year ended March 31, 2024	Year ended March 31, 2023
Europe	**734,234,460**	735,373,103
Others	**17,915,603**	26,165,233
Total	**752,150,063**	761,538,336

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 3,35,316,995 out of which EUR 2,16,432,646 (64.55%) is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**19,377,038**	14,034,534
Invoices raised that were included in the contract assets balance at the beginning of the year	**(17,628,298)**	(12,447,540)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**24,925,558**	17,792,450
Translation exchange difference	**10,864**	(2,406)
Balance at the end of the year	**26,685,162**	19,377,038

Changes in unearned and deffered revenue are as follows:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**16,238,391**	20,384,183
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(14,743,533)**	(19,431,554)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**13,085,334**	15,286,875
Translation exchange difference	**7,291**	(1,113)
Balance at the end of the year	**14,587,483**	16,238,391

Notes forming part of the financial statements

11. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary nature. The costs of the Company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include salaries, incentives and allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as contribution to brand equity, corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

Other operating expense

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Project expenses	**61,94,460**	60,98,281
Fees to external consultants	**50,72,37,016**	51,08,15,192
Cost of equipment and software licenses	**27,01,182**	(4,16,699)
Travel expenses	**47,43,599**	45,21,128
Facility running expenses	**34,13,976**	33,69,289
Communication	**1,18,92,658**	1,00,15,916
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**(3,130)**	9,442
Other expenses	**1,77,68,275**	1,78,46,907
Total	**55,39,48,035**	55,22,59,456

12. OTHER INCOME / (EXPENSE)

a. Finance and other income

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income is recognised using effective interest method		
Interest on bank deposits	**8,94,074**	1,62,437
Total	**8,94,074**	1,62,437

b. Finance costs

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	**71,588**	86,645
Other interest expense	**1,11,263**	19,226
Total	**1,82,851**	1,05,871

Notes forming part of the financial statements

c. Finance and other non-operating income / (loss), net

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Net foreign exchange gains/(losses)	**(31,720)**	352,623
Gain/(loss) on disposal of property, plant and equipment	**(1,758)**	-
Total	**(33,478)**	352,623

13. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income taxes is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The income tax expense consists of the following:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense	**49,81,290**	1,68,26,667
Deferred tax expense	**3,21,976**	(20,85,677)
Total	**53,03,266**	1,47,40,990

Notes forming part of the financial statements

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:-

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax expenses		
Income before taxes	**1,65,63,285**	4,64,20,300
Statutory tax rate	**31.62%**	31.62%
Expected income tax expense	**52,36,631**	1,46,76,193
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax pertaining to prior years:		
Current tax	**(18,010)**	29,11,560
Deferred tax	**-**	(27,99,528)
Disallowed expenses	**84,090**	(47,297)
Other permanent differences	**555**	62
Total income tax expense	**53,03,266**	1,47,40,990

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(Amount in EUR)

Deferred tax liabilities	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Closing balance as at March 31, 2024
Deferred tax assets / (liabilities) in relation to				
Provision for employee benefits	**(8,87,611)**	**9,48,367**	**1,09,476**	**1,70,232**
Property, plant and equipment	**3,60,218**	**(75,014)**		**2,85,203**
Lease liabilities	**(17,63,579)**	**4,76,822**		**(12,86,757)**
Right-of-use assets	**14,96,972**	**(3,43,048)**		**11,53,923**
Deferred Revenue	**42,58,253**	**(6,85,149)**		**35,73,104**
Total deferred tax assets / (liabilities)	**34,64,253**	**3,21,977**	**1,09,476**	**38,95,706**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

(Amount in EUR)

Deferred tax liabilities	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Closing balance as at March 31, 2023
Deferred tax assets / (liabilities) in relation to				
Provision for employee benefits	(14,92,531)	6,04,920	-	(8,87,611)
Property, plant and equipment	3,70,914	(10,696)		3,60,218
Lease liabilities	(1,94,966)	(15,68,613)		(17,63,579)
Right-of-use assets	(18,813)	15,15,785		14,96,972
Deferred revenue	68,85,326	(26,27,073)		42,58,253
Total deferred tax assets / (liabilities)	55,49,930	(20,85,677)	-	34,64,253

Notes forming part of the financial statements

14. EMPLOYEE BENEFITS

Defined contribution 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.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Salaries, incentives and allowances	**158,958,994**	138,765,517
Contributions to provident and other funds	**15,989,443**	14,881,387
Staff welfare expenses	**1,203,752**	1,002,069
Total	**176,152,189**	154,648,973

Employee benefit obligations consist of the following:

(Amount in EUR)

Employee benefit obligations – Current	As at March 31, 2024	As at March 31, 2023
Compensated absences	**424,175**	517,619
Other employee benefit obligations	**54,780**	44,459
Total	**478,955**	562,078

Employee benefit obligations – Non-current

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Net defined benefit pension obligations	**1,179,871**	1,130,015
Total	**1,179,871**	1,130,015

Notes forming part of the financial statements

Employee benefit plans

The Company operates a defined benefit pension scheme for the benefit of certain employees. The following table sets out the details of the defined benefit retirement plans and the amount recognised in the financial statements.

(Amount in EUR)

Change in defined benefit obligations	Year ended March 31, 2024	Year ended March 31, 2023
Defined benefit obligation at the beginning of the year	**6,342,250**	9,670,116
Service cost	**167,375**	285,122
Interest cost	**246,745**	173,874
Actuarial loss / (gain) on liabilities	**(44,892)**	(3,765,950)
Benefits paid from plan assets	**(19,094)**	(20,912)
Defined benefit obligation at the end of the year	**6,692,384**	6,342,250

(Amount in EUR)

Change in plan assets	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of assets at the beginning of the year	**5,177,283**	5,123,597
Interest income	**205,130**	94,098
Actuarial return on assets	**(91,758)**	(212,548)
Employer contributions	**193,048**	193,048
Benefits paid	**(19,094)**	(20,912)
Fair value of assets at the end of the year	**5,464,609**	5,177,283

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

(Amount in EUR)

	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	**5,464,609**	5,177,283
Present value of defined benefit obligations	**(6,692,384)**	(6,342,250)
Net defined benefit obligation	**(1,227,775)**	(1,164,967)

The amounts charged to the profit and loss account in the year are:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Service cost	**167,375**	285,122
Net interest on defined benefit obligation	**246,745**	173,874
Total	**414,120**	458,996

Notes forming part of the financial statements

The amount recognised in the other comprehensive income are:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Actuarial (gains) and losses arising from changes in financial assumptions	**77,933**	(3,006,288)
Actuarial (gains) and losses arising from changes in experience adjustments	**(122,825)**	(759,662)
Actuarial (gains) and losses on plan assets	**(91,758)**	(212,548)
	(136,650)	(3,978,498)

The assumptions used in accounting for the defined benefit plan are set out below:

	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	**3.84%**	3.90%
Rate of increase of pensions in payment	**2.00%**	2.00%
Rate of increase in compensation levels of covered employees	**3.50%**	3.50%
Weighted average duration of defined benefit plan	**20.3 Years**	21 Years

Future mortality assumptions are taken based on the published statistics by the Richttafeln 2018 G by K.Heubeck. The Company is expected to contribute EUR 193,048 to defined benefit plan obligations funds for the year ending March 31, 2025.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, expected salary increase and expected pension increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in EUR)

Sensitivity Analysis	Year ended March 31, 2024	Year ended March 31, 2023
Disount rate increased by 100 basis points	**5,537,255**	5,215,194
Disount rate decreased by 100 basis points	**8,190,557**	7,812,177
Salary increase increased by 50 basis points	**6,716,193**	6,369,155
Salary increase decreased by 50 basis points	**6,669,203**	6,316,124
Pension increase increased by 50 basis points	**7,162,854**	6,787,377
Pension increase decreased by 50 basis points	**6,265,811**	5,938,701

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.

Notes forming part of the financial statements

Expected benefits payable in future years from the end of the current year:

(Amount in EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
1st Following Year	**25,820**	28,122
2nd Following Year	**32,421**	29,283
3rd Following Year	**48,042**	36,112
4th Following Year	**62,443**	51,523
5th Following Year	**100,721**	66,025
Sum of Years 6 To 10	**1,271,390**	1,055,493

15. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its ultimate holding company Tata Sons Private Limited and its subsidiaries, parent company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties for the year ended March 31, 2024

(Amount in EUR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Revenue from sale of services and licenses	**-**	**406,239**	**16,590,694**	**33,330,180**	**50,327,113**
Purchases of goods and services (including reimbursement)	**-**	**114,658**	**419,668,420**	**72,901,693**	**492,684,771**
Brand equity contribution	**1,769,683**	**-**	**-**	**-**	**1,769,683**

Transactions with related parties for the year ended March 31, 2023

(Amount in EUR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Revenue from sale of services and licenses	-	235,578	26,336,174	31,830,029	58,401,781
Purchases of goods and services (including reimbursement)	-	(11,972)	419,972,575	55,513,114	475,473,716
Brand equity contribution	1,758,505	-	-	-	1,758,505

Notes forming part of the financial statements

Balances with related parties as at March 31, 2024

(Amount in EUR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables and contract assets	**-**	**219,771**	**10,213,732**	**6,454,026**	**16,887,529**
Other financial assets and other assets	**-**	**-**	**9,924,525**	**768,472**	**10,692,997**
Trade payables, accrued expenses, unearned and deferred revenue	**1,756,427**	**15,000**	**68,874,975**	**25,599,652**	**96,246,054**
Other financial liabilities and Other liabilities	**-**	**-**	**153,314**	**260,967**	**414,281**

Balances with related parties as at March 31, 2023

(Amount in EUR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables and contract assets	-	(16,287)	16,510,351	10,961,545	27,455,609
Other financial assets and other assets	-	-	8,983,378	253,872	9,237,250
Trade payables, accrued expenses, unearned and deferred revenue	1,753,900	10,496	45,169,714	24,260,634	71,194,744
Other financial liabilities and Other liabilities	-	5,222	109,843	226,910	341,975

No compensation was paid to key managerial personnel for the year ended March 31, 2024 and March 31, 2023, respectively.

16. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

17. COMPARATIVE INFORMATION

The comparative figures presented for the year ended March 31, 2023 have been reclassified where necessary to preserve consistency with the year ended March 31, 2024 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the year ended March 31, 2024.

As per our report of even date attached

For **KBJ & ASSOCIATES**
Chartered Accountants
Firm's registration No:. 114934W

Kaushik B. Joshi
Proprietor
Membership No:. 48889

Mumbai, 6 May 2024

For and on behalf of the Board of Driectors

Lakshminarayanan G.S.
Managing Director

Sapthagiri Chapalapalli
Managing Director

Tata Consultancy Services Sverige AB
556559-4008

ANNUAL REPORT AND FINANCIAL STATEMENTS

Financial Year
2023 - 24

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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Certificate of approval

The undersigned member of the board of the Tata Consultancy Services Sverige AB 556559-4008 hereby certifies that this copy of the Annual Report is a true duplicate, and that the Income Statement and Balance Sheet were adopted by the AGM on 2024-April-29 The meeting also decided to approve the Board of Directors's proposal for distribution of profits.

Stockholm 2024-April-30

Pradeep Manohar Gaitonde
Board member

Directors' Report

The board of directors of Tata Consultancy Services Sverige AB hereby presents the financial statement for financial year 2023-04-01 - 2024-03-31.

Business operations

TCS has strengthened its market and customer focus by staying relevant in its services, offerings and thought leadership. During 2023 and in early parts of 2024, our Customers in Sweden have had the need to incorporate dimensions such as security, sovereignty, sustainability in their business in addition to staying cost competitive. TCS has engaged with them deeply to help them achieve these objectives and enable their growth journeys. TCS AI-First enterprise architecture and portfolio services are gaining momentum in alignment with an established portfolio of IT, Enterprise Solutions, Infrastructure, Engineering, Business Process and Sustainability offerings. We have started new relationships with market leading customers in automotive and banking industry in the last 12 months. With several Customers we are refreshing our services with new long-term commitments and with many others we are embarking on their transformation projects.

Our commitment to customer excellence and forging meaningful relationship has been validated yet again as we were ranked #1 in 2023-2024 Whitelane Customer Satisfaction Survey in Sweden and in the Nordics. This top position recognizes us as a digital transformation partner of choice, bringing innovation to our customers in the region where we have established trustful relationships for more than 30 years. It is also a wonderful testimony to the market engagement and contribution of our talented teams from market, industry, services, and functional units.

Of the 600,00+ TCS employees globally, more than 9000 work for Swedish customers in the country and from delivery center in Europe and across the world. For them, the business has its domicile in Stockholm.

Ownership

The company is a wholly-owned affiliate of Tata Consultancy Services Limited org no L22210MH1995PLC084781, with its headquarter in Mumbai, India, is preparing the consolidated financial statement for the group company. Tata Consultancy Services Limited is a publicly listed company on the National Stock Exchange of India Limited and BSE Limited in India. Tata Consultancy Services Limited is owned with 72.27% of the shares by the ultimate holding company Tata Sons Private Limited org no 478, in Mumbai with adress; Bombay House, 24, Homi Mody Street, Mumbai 400 001 India which is the headquarter of Tata.

Significant events during the financial year

No significant events are deemed to have taken place during the financial year.

Development of company operations, result and position

	2024-03-31	2023-03-31	2022-03-31	2021-03-31
Net sales (in thousands)	**5,410,651**	5,359,804	4,633,207	4,306,732
Profit/ loss after financial items (in thousands)	**432,053**	325,124	239,598	217,727
Equity ratio, % (1)	**81.2**	69.0	71.9	71.3
Operating profit (in thousands)	**444,537.5**	338,534.2	245,606.1	223,544.5
Total assets (in thousands)	**1,825,938.6**	1,654,793.0	1,509,990.3	1,261,341.7
Average number of employees	**167**	157	172	145

(1) Adjusted equity/total assets. By adjusted equity means equity + untaxed reservs with deduction of deferred tax liability.

Significant risks and uncertainties

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework or the specific environment the Company operates in, as well as risks related to strategic decisions and internal risk management. The identification and mitigation of these risks were carried out on a regular basis through consistent monitoring and the process is continuously improved and adapted to the changing global risk scenario.

The Company can count on a central risk management, although it allows its supervisors to take care of identification, monitoring and mitigation of the risks themselves. The aim is to estimate the impact of each risk according to going concern premises, reduce risks occurrence and/or moderate their effect in proportion to the determining factor (controllable by the Company or not).

On the topic of business risks, the main risks identified, monitored and managed by the company are as follows:

- risks dependent on exogenous variables;
- risk related to competitiveness;
- risks related to the demand / macro-economic cycles.

The company is exposed to foreign exchange risk as it deals in multi currencies. However, the risk is hedged to a great extent as the expenses are incurred in the respective foreign currency.

The company operates in highly competitive industry, which is reflected in intense price competition of products and services.

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework and the consequent reduction in IT spending by the companies, in containing their costs, could impact the Companys business.

Expected future business activities

We continue to remain sensitive to changing market needs and their implications on our customers' business. We have good line of sight to Customer decision makers, and this allows us to define IT services relevant to their needs with a 2-3 year outlook. We are seeing uptick in Business and IT services that leverage Artificial Intelligence - both adaptive and generative - cybersecurity solutions, enterprise application transformation, advanced digital engineering and IoT solutions and modernization of core. Creating Sustainable enterprise and driving deep end-Customer engagements are also important focus areas for Swedish businesses where we are providing and will continue to provide unique services. We have identified new spaces for sub-industries for TCS to enter and also existing industries to scale. The demand for our services is expected to grow as Sweden continue face IT and Engineering talent shortage and customers continue to harbour growth plans.

Sustainability information

The assets of a company are not only measured in quantifiable values, but also consist of elements that can only be described in qualitative terms. The employees of Tata Consultancy Services Sweden AB are among the most important building blocks of the company's success. The attrition rate of is below the level of comparable companies.

The company has been certified as a Top Employer / Best employer in Sweden since 2013

We are currently recruiting trainees from 4 universities in Sweden and collaborating with student bodies.

The company is holder of ISO 45001:2018 certificate and ISO 14001:2015 certificate

The company also contributes to the social causes as stated below:

- TCS is providing pro bono support to extending KidsRights' (NGO partner of H&M) State of Youth platform: TCS commitment: €200K worth of time/in kind to extend the State of Youth platform.
- Astrid Lindgren's Children's Hospital: Supporting with monetary funds (SEK 175000 per year) , investments to make the stay at the hospital easier.
- Ecpat: Pro-Bono work, back-end of their new Hotline which has been launched now.
- TCS Participated in the Tidy Sweden initiative.

The company uses 100% renewable energy in its office in Stockholm whose origin has been verified under the Guarantee of Origin System. The company also contributes to "Håll Sverige Rent's" work against littering.

Sustainability report

The company's sustainability report is prepared by the parent company TCS Ltd and is available on: https://www.tcs.com/investor-relations/esg

Proposed allocation of company profit or loss

The board proposes that free equity, SEK 1,481,799,979, be disposed of as follows:

	Amounts in SEK
Profit brought forward from previous years	1,141,438,386
Profit for the year	340,361,593
Sum	1,481,799,979
The board proposes that the following be carried forward	1,481,799,979
Total	1,481,799,979

Concerning earnings and financial position, please view the attached documentation on Income Statement, Balance Sheet and Cash flow analysis together with additional information in notes.

Auditor's Report

To the general meeting of the shareholders of Tata Consultancy Services Sverige AB, corp. id 556559-4008

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of Tata Consultancy Services Sverige AB for the financial year 2023-04-01—2024-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Tata Consultancy Services Sverige AB as of 31 March 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tata Consultancy Services Sverige AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors', use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Tata Consultancy Services Sverige AB for the financial year 2023-04-01—2024-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tata Consultancy Services Sverige AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm 30 April 2024

KPMG AB

Fredrik Wollmann

Authorized Public Accountant

Balance Sheet

Amounts in SEK

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Fixed assets			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights	10	**484,993**	2,470,059
		484,993	2,470,059
Tangible assets			
Equipment, tools, fixtures and fittings	11	**86,861,727**	113,754,342
		86,861,727	113,754,342
Total fixed assets		**87,346,720**	116,224,401
Current assets			
Current receivables			
Accounts receivable - trade		**896,189,783**	999,495,146
Receivables from group companies	12	**279,997,620**	130,275,605
Current tax assets		**2,008,540**	-
Other receivables		**1,952,519**	3,516,823
Receivables due from customers	13	**231,860,270**	190,490,335
Prepaid expenses and accrued income	14	**90,841,631**	64,558,098
		1,502,850,363	1,388,336,007
Cash and bank balances		**235,741,547**	150,232,636
Total current assets		**1,738,591,910**	1,538,568,643
TOTAL ASSETS		**1,825,938,630**	1,654,793,044
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	15	**100,000**	100,000
Statutory reserve		**20,000**	20,000
		120,000	120,000
Non-restricted equity			
Result brought forward		**1,141,438,386**	799,398,851
Profit for the year		**340,361,593**	342,039,535
		1,481,799,979	1,141,438,386
Total equity		**1,481,919,979**	1,141,558,386
Current liabilities			
Accounts payable - trade		**42,798,905**	55,077,986
Liabilities to group companies	17	**37,887,542**	42,735,143
Tax liability		**-**	44,959,137
Other current liabilities		**118,146,458**	150,902,744
Liabilities due from customers	18	**32,878,762**	85,234,170
Accrued expenses and deferred income	19	**112,306,984**	134,325,478
		344,018,651	513,234,658
TOTAL EQUITY AND LIABILITIES		**1,825,938,630**	1,654,793,044

Income Statement

Amounts in SEK

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Net sales	3	**5,410,650,853**	5,359,803,934
Other operating income		**74,348,145**	112,598,430
		5,484,998,998	5,472,402,364
Operating expenses			
Sales/Service costs		**(3,360,542,834)**	(3,530,435,781)
Other external costs	4,7	**(1,383,388,323)**	(1,327,395,019)
Employee benefit expenses	8	**(249,887,632)**	(234,061,640)
Depreciation of intangible and tangible assets	10,11	**(46,642,701)**	(41,975,703)
Operating profit		**444,537,508**	338,534,221
Profit from financial items			
Interest income and similar income	5	**8,410,568**	3,636,246
Interest expenses and similar expenses	6	**(20,895,327)**	(17,046,502)
Profit after financial items		**432,052,749**	325,123,965
Appropriations		**-**	108,900,000
PROFIT BEFORE TAX		**432,052,749**	434,023,965
Tax on profit for the year	9	**(91,691,156)**	(91,984,430)
NET PROFIT FOR THE YEAR		**340,361,593**	342,039,535

Changes of equity

Amounts in SEK

	Share capital	Statutory reserve	Balance Sheet profit	Year's profit
At beginning of year	**100,000**	**20,000**	**799,398,851**	**342,039,535**
Transfer of previous year's profit	**-**	**-**	**342,039,535**	**(342,039,535)**
Profit for the year	**-**	**-**	**-**	**340,361,593**
At year-end	**100,000**	**20,000**	**1141,438,386**	**340,361,593**

Cash flow statement

Amounts in SEK

	Note	Year ended March 31, 2024	Year ended March 31, 2023
OPERATING ACTIVITIES			
Profit after financial items		**432,052,749**	325,123,965
Adjustments for items not included in cash flow, etc.	20	**46,642,701**	41,975,703
		478,695,450	367,099,668
Tax paid		**(138,658,833)**	(33,624,150)
Cash flow from operating activities before changes in working capital		**340,036,617**	333,475,518
Cash flow from changes in working capital			
Increase(-)/Decrease (+) in operating receivables		**(112,505,816)**	(96,689,224)
Increase (+)/Decrease (-) in operating liabilities		**(124,256,870)**	66,142,581
Cash flow from operating activities		**103,273,931**	302,928,875
Investing activities			
Acquisition of tangible assets		**(17,765,020)**	(88,000,447)
Cash flow from investing activities		**(17,765,020)**	(88,000,447)
Financing activities			
Dividend distributed to parent company		**-**	(200,000,000)
Cash flow from financing activities		**-**	(200,000,000)
Cash flow for the year		**85,508,911**	14,928,428
Cash and cash equivalents at the beginning of the year		**150,232,636**	135,304,208
Cash and cash equivalents at the end of the year		**235,741,547**	150,232,636

Notes forming part of the Financial Statements

1. ACCOUNTING PRINCIPLES

Accounting and valuation principles

The company applies the Swedish Annual Accounts Act (1995: 1554) and the Accounting Standards Board BFNAR 2012: 1 Annual report and consolidated financial statements ("K3"). The accounting principles are unchanged compared to previous years.

Valuation principles etc

Assets, provisions and liabilities are valued based on cost unless otherwise stated.

Intangible assets

Intangible assets acquired by the company are recorded at acquisition cost less accumulated depreciation and impairment.

Depreciation

Depreciation takes place lineally over the asset's useful life. Depreciation is reported as a cost in the Profit and Loss Account. Depreciation is included in the reported for the intangible asset value.

Intangible assets	Year
Acquired intangible assets	
Licenses	4

Revenue

Revenue is recognized at the fair value of the consideration received or receivable, net of value added tax, rebates, returns and other similar allowances.

Sales of services

Revenue from the sale of services on an ongoing basis are recognized as revenue in the period the work is performed and materials supplied or consumed.

Revenue from sales of services to fixed price contracts is recognized using the so-called percentage of completion method. This means that revenues and costs are recognized in proportion to the stage of completion at the balance sheet date. Completion is determined by calculating the ratio of contract costs incurred for work performed to date bear to the estimated total contract costs. An expected loss on an assignment is recognized immediately as an expense. When the outcome of a transaction cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses in the period in which they arise.

Leases

A finance lease is a contract under which the risks and rewards incidental to ownership of an asset are essentially transferred from the lessor to the lessee. Other leases are classified as operating leases. All leases are accounted for as operating leases.

Lessees

Lease payments under operating leases are expensed on a straight-line basis over the lease term unless another systematic approach better reflects the user's benefit over time.

Foreign currency

The company's reporting currency is the Swedish krona (SEK).

Translation of foreign currency items

At each balance sheet date, monetary items are denominated in foreign currencies at the closing rate. Non-monetary items are measured in terms of historical cost in foreign currency at the purchase date rate. Exchange differences are recognized in operating income or financial item based on the underlying transaction, in the period incurred, except for transactions that constitute hedges and qualify for hedge accounting of cash flow or net investment.

Notes forming part of the Financial Statements

Employee Benefits

Employee benefits in the form of salaries, bonuses, paid holidays, paid sick leave, etc. and pensions is recognized as earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The company has only defined contribution pension plans.

Defined contribution plans

For defined contribution plans, the company pays fixed contributions into a separate independent legal entity and has no obligation to pay further contributions. The company's earnings are charged with costs as the benefits are earned, which normally coincides with the time when premiums are paid.

Income Taxes

The tax expense represents the sum of current and deferred tax.

Current tax

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the result reported in the income statement when it is adjusted for non-taxable income and non-deductible expenses and income and expense that are taxable or deductible in other periods. Current tax is calculated using tax rates applicable at the balance sheet date.

Deferred taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used in the computation of taxable profit. Deferred tax is recognized using the liability method. Deferred tax liabilities are recognized for practically all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable income. Untaxed reserves are reported including deferred tax liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to be used, wholly or partly, against the deferred tax asset.

The valuation of deferred tax is based on how the company, the balance sheet date, expects to recover the carrying value of the corresponding asset or settle the carrying amount of the associated liabilities. Deferred tax is calculated using tax rates and tax laws that have been enacted by the balance sheet date.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in the income statement, except when the tax relates to items recognized directly in equity. In such cases, the tax is also recognized directly in equity.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses.

The cost consists of the purchase price and costs directly attributable to the acquisition to put it in place and condition for use. Subsequent costs are included only in the asset or recognized as a separate asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the same item can be measured reliably. All other repairs and maintenance, and additional expenses are recognized in the income statement in the period in which they arise.

Depreciation of tangible fixed assets are expensed as cost of the asset, possibly, less estimated residual value at the end of useful life is amortized over its estimated useful life. If an asset has been divided into different components are written each component separately over its useful life.

Depreciation commences is the tangible fixed asset can be put to use. Tangible fixed assets' useful lives are estimated at:

Tangible assets	Year
Machinery and other technical equipment	5
Equipment, tools and installations	5
Computers	4

Notes forming part of the Financial Statements

Estimated useful lives and amortization methods are reviewed if there are indications that the expected consumption has changed significantly compared with the estimate at the previous balance sheet date. As the company changes the assessment of useful lives are reviewed including asset any residual value. The effect of these changes are accounted for prospectively.

Impairment of tangible assets

At each balance sheet the company analyzes the carrying values of tangible fixed assets and intangible assets to determine whether there is any indication that those assets have declined in value. If so, the assets recoverable amount in order to determine the value of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is the price that the company expects to obtain in a sale between knowledgeable, independent parties and who have an interest in the transaction, less the costs that are directly attributable to the sale. The calculation of value in use discounted estimated future cash flows to present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset. To calculate the future cash flows, the company used the budget and forecasts for the next five years.

If the recoverable amount of an asset (or cash-generating unit) is fixed at a value lower than the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately expensed in the income statement.

At each balance sheet date, the company makes an assessment of the earlier impairment is no longer justified. If so, it is reversed partially or completely. Where an impairment loss subsequently reverses, increase the asset (cash-generating unit) carrying value. The carrying value after reversal of impairment loss shall not exceed the carrying amount that would be determined if no impairment loss been recognized by the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits at banks and other credit institutions and other short-term highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of changes in value. To be classified as cash and cash equivalents duration may not exceed three months from the date of acquisition.

Contingent liabilities

A contingent liability is:

- a possible obligation which, as a result of events that have occurred and the occurrence of which will only be confirmed by one or more uncertain future events, which is not entirely within the company's control, occurs or does not occur, or
- An existing obligation which, as a result of events that have occurred, but which is not reported as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or the size of the obligation can not be calculated with sufficient reliability.

  Contingent liabilities are a summary term for such guarantees, financial commitments and any liabilities that are not recognized in the balance sheet.

Cash Flow Statement

The cash flow statement shows the company's changes in the company's cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The reported cash flow includes only transactions that involve receipts and disbursements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In order to prepare annual accounts in accordance K3 requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, income and expenses. These estimates are based on historical experience and other factors deemed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions exist. Estimates and assumptions are reviewed regularly. Changes in estimates

Notes forming part of the Financial Statements

are recognized in the period the change is made if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods. No estimates have been made that may have a significant effect on the amounts recognized in the financial statements. No assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date have been made that involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In FY 2023-2024. 80% (81%) of the total purchases and 7% (5%) of the total sales respectively in SEK was from affiliate companies within the group.

The Company believes that it has the financial strength and a portfolio of technology and business solutions which are even more relevant in partnering with its customers to make them realize their goals. The Company has assessed its cost budgets required to complete its performance obligations in respect of fixed price projects and incorporated the impact of likely delays/increased cost in meetings its obligations, revision of Service Level Agreements etc.

The company is regularly monitoring its trade receivables with close attention to the customers who might be undergoing financial stress. The Company does not foresee any large-scale contraction in demand which could result in significant employee down-sizing, rendering the physical infrastructure redundant. Accordingly, no changes are anticipated in the long term leases for the premises taken on lease.

3. NET SALES BY BUSINESS SEGMENT AND GEOGRAPHIC MARKET

Net sales by geographic market

	Year ended March 31, 2024	Year ended March 31, 2023
Nordic countries	**5,258,712,331**	5,248,914,942
Europe, excluding the Nordic countries	**130,911,940**	89,955,198
USA	**21,026,582**	20,932,969
Mexico	**-**	825
Total	**5,410,650,853**	5,359,803,934

4. OPERATIONAL LEASING - LESSEE

	Year ended March 31, 2024	Year ended March 31, 2023
Future minimum leasing fees with respect to non-redeemable operational leasing agreement:		
Within one year	**8,949,633**	7,377,604
Between one and five years	**10,366,008**	16,207,002
	19,315,641	23,584,606
The financial year's expensed leasing fees	**11,711,189**	10,730,359

Of the lease payments represent 10 177 034 SEK rents for offices. The two leases is extended.

5. INTEREST INCOMES AND SIMILAR RESULT ITEMS

	Year ended March 31, 2024	Year ended March 31, 2023
Other	**8,410,568**	3,636,246
Total	**8,410,568**	3,636,246

Notes forming part of the Financial Statements

6. INTEREST EXPENSES AND SIMILAR RESULT ITEMS

	Year ended March 31, 2024	Year ended March 31, 2023
Interest costs, other	**20,895,327**	17,046,502
Total	**20,895,327**	17,046,502

7. REMUNERATION TO, AND EXPENSES OF, AUDITORS

	Year ended March 31, 2024	Year ended March 31, 2023
KPMG		
Tax consultancy	**-**	-
Audit assignments	**260,200**	260,200
	260,200	260,200

8. EMPLOYEES AND PERSONNEL COSTS

Average number of employees

	Year ended March 31, 2024	Year ended March 31, 2023
Men	**148**	127
(Men in board)	**4**	3
Women	**24**	30
(Women in Board)	**-**	-
	172	157

Salaries, other remuneration and social costs

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and other remuneration		
Board of Directors	**(3,816,145)**	(3,634,654)
Other employees	**(164,196,627)**	(149,757,183)
	(168,012,772)	(153,391,837)
Social costs	**(64,251,890)**	(64,006,398)
(of which pension expenses) 1)	**(14,186,079)**	(14,146,790)

1) Of the company's pension costs - 576,723 SEK (- 982,468 SEK) relates to management.

Notes forming part of the Financial Statements

9. TAX ON ANNUAL PROFIT

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax expense	**(91,691,156)**	(91,984,430)
	(91,691,156)	(91,984,430)

Reconciliation of effective tax

	Year ended March 31, 2024	Year ended March 31, 2023
Result before tax	**432,052,749**	434,023,965
Tax according to applicable tax rate for parent company	**(89,408,937)**	(89,408,937)
Non-deductible expenses	**(2,828,463)**	(1,981,644)
Non-deductible income	**546,244**	21,873
Tax on standard income tax allocation	**-**	(1,332,544)
Tax reduction attributable to investments in 2021	**-**	728,574
Other	**-**	(11,752)
Reported effective tax	**(91,691,156)**	(91,984,430)
Effective tax rate	**21.2%**	21.2%
Current tax rate	**20.6%**	20.6%

10. INTANGIBLE ASSETS

	Year ended March 31, 2024	Year ended March 31, 2023
Accumulated cost of acquisitions		
- At beginning of year	**13,158,197**	13,158,197
At the end of the year	**13,158,197**	13,158,197
Accumulated depreciation		
- At beginning of year	**(10,688,138)**	(7,841,065)
- Depreciation for the year	**(1,985,066)**	(2,847,073)
At the end of the year	**(12,673,204)**	(10,688,138)
Carrying amount at year-end	**484,993**	2,470,059

Notes forming part of the Financial Statements

11. EQUIPMENT, TOOLS AND INSTALLATIONS

	Year ended March 31, 2024	Year ended March 31, 2023
Accumulated cost of acquisitions		
- At beginning of year	**300,338,718**	212,338,271
- New acquisitions	**17,765,021**	88,000,447
At the end of the year	**318,103,739**	300,338,718
Accumulated depreciation		
- At beginning of year	**(186,584,376)**	(147,455,746)
-Depreciation for the year	**(44,657,636)**	(39,128,630)
	(231,242,012)	(186,584,376)
Carrying amount at year-end	**86,861,727**	113,754,342

12. RECEIVABLES FROM GROUP COMPANIES

	As at March 31, 2024	As at March 31, 2023
Tata Sons Private Limited	**-**	12,764,824
Tata Consultancy Services Danmark ApS	**1**	1
Tata Consultancy Services Brasil Ltd	**-**	189,676
Tata Consultancy Services Limited Belgium S.A./N.V.	**1,100,123**	
Tata Consultancy Services Limited	**270,013,422**	116,373,634
Tata Consultancy Services Italia srl	**92,534**	72,925
Tata Consultancy Services Osterreich GmbH	**842,955**	-
Tata Consultancy Services Switzerland Ltd	**5,663,448**	824,988
Tata Consultancy Services Deutschland GmbH	**2,033,854**	
Tata Consultancy Services Luxembourg S.A.	**251,283**	49,557
Total	**279,997,620**	130,275,605

13. RECEIVABLES DUE FROM CUSTOMERS

	As at March 31, 2024	As at March 31, 2023
Accrued income	**2,080,731,566**	1,539,785,362
Invoiced amount	**(1,848,871,296)**	(1,349,295,027)
Sum	**231,860,270**	190,490,335

Notes forming part of the Financial Statements

14. PREPAYMENTS AND ACCRUED INCOME

	As at March 31, 2024	As at March 31, 2023
Prepaid rent	**20,455,655**	21,178,827
Prepayment Supplier	**540,977**	540,977
Prepaid project costs	**15,419,591**	7,807,044
Prepaid License costs	**33,183,010**	17,389,992
Prepaid maintenance costs	**11,806,358**	16,105,074
Others	**9,436,040**	1,536,184
	90,841,631	64,558,098

15. EQUITY

The share capital amounts to 1000 shares with a share value of 100 SEK. The share capital is unchanged from the previous year.

16. ALLOCATION OF COMPANY PROFIT OR LOSS

The board proposes that free equity, SEK 1,481,799,979, be disposed of as follows:

	Amounts in SEK
Profit brought forward from previous years	**1,141,438,386**
Profit for the year	**340,361,593**
Total	**1,481,799,979**
The board proposes that	
the following be carried forward	**1,481,799,979**
Sum	**1,481,799,979**

Notes forming part of the Financial Statements

17. SHORT-TERM LIABILITIES

	As at March 31, 2024	As at March 31, 2023
Tata Sons Private Limited	**12,652,816**	-
Tata Consultancy Services Brasil Ltd	**210,186**	-
Tata Consultancy services Japan Ltd	**89,436**	93,732
Tata Consultancy Services Canada Inc.	**179,126**	111,464
Tata Consultancy Services China Co. Ltd.	**2,842,533**	311,828
Tata Consultancy Services Asia Pacific Pte Ltd	**493,681**	666,424
Tata Consultancy Services Portugal, Unipessoal Lda	**655,461**	1,227,566
Tata Consultancy Services Netherlands B.V.	**1,723,590**	4,986,594
Tata Consultancy Services de Mexico SA de CV	**795,692**	763,815
Tata Consultancy Services France	**573,645**	813,144
Tata Consultancy Services Limited Belgium S.A./N.V.	**-**	165,675
Tata Consultancy Services Deutschland GmbH	**-**	3,672,996
Tata Consultancy Services Osterreich GmbH		32,859
Tata Consultancy Services de Espana SA	**17,671,376**	29,889,046
Total	**37,887,542**	42,735,143

18. LIABILITIES DUE FROM CUSTOMERS

	As at March 31, 2024	As at March 31, 2023
Invoiced amount	**238,476,763**	425,720,213
Accrued income	**(205,598,001)**	(340,486,043)
Sum	**32,878,762**	85,234,170

19. ACCRUALS AND PREPAID INCOME

	As at March 31, 2024	As at March 31, 2023
Bonus and final salaries	**7,015,916**	9,841,714
Other personnel costs	**38,855,064**	32,075,154
Other accrued costs	**66,436,004**	92,408,610
	112,306,984	134,325,478

Notes forming part of the Financial Statements

20. MISCELLANEOUS INFORMATION FOR CASH FLOW ANALYSIS

	As at March 31, 2024	As at March 31, 2023
Adjustments for items not included in cash flow etc.		
Depreciation	**46,642,701**	41,975,703
	46,642,701	41,975,703

21. PLEDGED ASSETS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	As at March 31, 2024	As at March 31, 2023
Securities pledged		
Securities pledged	**None**	None

Capital commitments

The company has capital commitments of a total amount of SEK 6,593,093, (8,284,707), where the amount of SEK 6,593,093 is of fixed assets, (8,284,707).

22. INFORMATION ABOUT THE GROUP

The company is a wholly-owned affiliate of Tata Consultancy Services Limited org no L22210MH1995PLC084781, with its headquarter in Mumbai, India, is preparing the consolidated financial statement for the group company. Tata Consultancy Services Limited is a publicly listed company on the National Stock Exchange of India Limited and BSE Limited in India. Tata Consultancy Services Limited is owned with 72.27% of the shares by the ultimate holding company Tata Sons Private Limited org no 478, in Mumbai with adress; Bombay House, 24, Homi Mody Street, Mumbai 400 001 India which is the headquarter of Tata.

23. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

There were no significant subsequent events that have occurred after the end of the financial year under review.

Signatures

Stockholm 2024-April-30

Sapthagiri Chapalapalli	Avinash Surendra Limaye	Shreerang Shrikant Talekar	Pradeep Manohar Gaitonde
Chairman of the Board	Board Member	Board Member	Board Member

Our Audit Report was submitted on 2024-April-30

KPMG

Fredrik Wollman

Authorized public accountant

Tata Consultancy Services Netherlands B.V.
Amsterdam

ANNUAL REPORT AND
FINANCIAL STATEMENTS

For the year ended
March 31, 2024

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
TATA CONSULTANCY SERVICES NETHERLANDS B.V.
REPORT ON THE SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Special purpose Ind AS financial statements of Tata Consultancy Services Netherlands B.V. ('the Company), which comprises the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements"). The special purpose Ind AS financial statements have been prepared by the management as described in Note 2 to the Special Purpose Ind AS financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and it's Profit (including other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose Ind AS financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Special purpose Ind AS financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Special purpose Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose Ind AS financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(To the extent applicable to a Company incorporated outside India)

1. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

Restriction on Distribution and Use

These Special purpose Ind AS financial statements have been prepared to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Limited for the year ended 31st March 2024 in accordance with Accounting Standard specified in section 133 of the Companies Act 2013. Our report is intended solely for the information and use of Board of Directors of the company and Tata Consultancy Services Limited for the preparation of this Special purpose Ind AS financial statements as aforesaid and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For **KBJ & ASSOCIATES**
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No.48889)

Date: May, 2024.
Place: Mumbai

Balance sheet

Amount in EUR

	Note	As at March 31, 2023	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8(a)	**4,632,708**	5,335,791
(b) Capital work-in-progress	8(a)	**125,705**	838,560
(c) Right-of-use Assets	7	**10,720,763**	14,286,836
(d) Intangible assets	8(b)	**40,584**	79,041
(e) Financial assets			
(i) Investments	6(a)	**194,984,361**	194,984,362
(ii) Other financial assets	6(e)	**927,801**	679,133
(iii) Unbilled receivables		**128,694**	-
(f) Income tax assets (net)	15	**113,571**	141,284
(g) Deferred tax assets	15	**2,922,274**	195,785
(h) Other assets	8(c)	**4,462,704**	1,210,272
Total non-current assets		**219,059,166**	217,751,065
Current assets			
(a) Financial assets			
(i) Trade receivables	6(b)	**219,751,936**	205,295,902
(ii) Unbilled receivables		**43,858,316**	38,738,896
(iii) Cash and cash equivalents	6(c)	**36,572,838**	53,587,471
(iv) Loans receivables	6(d)	**2,498,265**	2,595,637
(v) Other financial assets	6(e)	**6,822,162**	5,593,192
(b) Other assets	8(c)	**29,673,784**	38,754,260
Total current assets		**339,177,301**	344,565,360
TOTAL ASSETS		**558,236,467**	562,316,425
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	6(k)	**66,000,000**	66,000,000
(b) Other equity	9	**311,475,241**	278,412,429
Equity attributable to shareholders of the company		**377,475,241**	344,412,429
Non-controlling interests			
Total Equity		**377,475,241**	344,412,429
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liability		**7,588,865**	10,753,398
(ii) Other financial liabilities		**47,094**	46,357
(b) Deferred tax liabilities	15	**4,033,142**	443,784
Total non-current liabilities		**11,669,102**	11,243,539
Current liabilities			
(a) Financial liabilities			
(i) Lease Liability		**4,311,116**	4,219,471
(ii) Trade payables	6(f)	**107,482,159**	138,392,261
(iii) Other financial liabilities	6(g)	**35,054,345**	38,039,520
(b) Other liabilities	8(e)	**125,940**	285,384
(c) Unearned and deferred revenue	10	**16,297,582**	16,211,341
(d) Income tax liabilities (net)	15	**1,759,204**	4,136,833
(e) Employee benefit obligations	12	**3,858,538**	5,290,258
(f) Provisions	8(d)	**203,241**	85,391
Total current liabilities		**169,092,124**	206,660,458
TOTAL EQUITY AND LIABILITIES		**558,236,467**	562,316,425
NOTES FORMING PART OF FINANCIAL STATEMENTS			

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W
Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, April 24, 2024

For and on behalf of the Board of Directors
of **Tata Consultancy Services Netherlands B.V.**

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Profit and Loss

Amount in EUR

		Note	Year ended March 31, 2024	Year ended March 31, 2023
I.	Revenue	10	**935,927,441**	852,516,616
II.	Other income	11	**28,364,261**	27,034,734
III.	**TOTAL INCOME**		**964,291,702**	879,551,351
IV.	**Expenses**			
	(a) Employee benefit expenses	12	**260,299,572**	235,222,772
	(b) Cost of equipment and software licences	13(a)	**23,359,729**	25,895,924
	(c) Depreciation and amortisation expense		**6,975,240**	5,291,579
	(d) Other expenses	13(b)	**596,970,226**	544,537,867
	(e) Finance costs	14	**404,776**	334,902
TOTAL EXPENSES			**888,009,544**	811,283,044
V.	**PROFIT/(LOSS) BEFORE TAX**		**76,282,158**	68,268,307
VI.	Tax expenses			
	(a) Current tax	15	**12,590,416**	11,637,670
	(b) Deferred tax	15	**862,869**	(20,067)
TOTAL TAX EXPENSES			**13,453,285**	11,617,603
VII.	**PROFIT/(LOSS) FOR THE YEAR**		**62,828,873**	56,650,704
VIII.	Prior Period Expense			214,620
IX.	Comprehensive Income for the Year		**233,939**	-
X.	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**		**63,062,812**	56,650,704
	Earnings per equity share:- Basic and diluted (EUR)			
	Weighted average number of equity shares			
XI	**NOTES FORMING PART OF FINANCIAL STATEMENTS**			

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W
Kaushik B. Joshi

Proprietor
Membership number : 48889
Mumbai, April 24, 2024

For and on behalf of the Board of Directors
of **Tata Consultancy Services Netherlands B.V.**

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Amount in EUR

Balance as at April 1, 2022	Change in Equity share capital during the year	Balance as at March 31, 2023
66,000,000	-	66,000,000

Amount in EUR

Balance as at April 1, 2023	Change in Equity share capital during the year	Balance as at March 31, 2024
66,000,000	-	66,000,000

B. OTHER EQUITY

Amount in EUR

	Reserves and surplus	
	Retained earnings	Total equity
Balance as at April 1, 2022	246,547,105	246,547,105
Profit for the year	56,865,324	56,865,324
Dividend	(25,000,000)	(25,000,000)
Balance as at March 31, 2023	278,412,429	278,412,429
Balance as at April 1, 2023	**278,412,429**	**278,412,429**
Profit for the year	**63,062,812**	**63,062,812**
Dividend	**(30,000,000)**	**(30,000,000)**
Balance as at March 31, 2024	**311,475,241**	**311,475,241**
NOTES FORMING PART OF FINANCIAL STATEMENTS 1-21		

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W
Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, April 24, 2024

For and on behalf of the Board of Directors
of **Tata Consultancy Services Netherlands B.V.**

Pradeep Manohar Gaitonde
Director
Mumbai
Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Cash Flows

Amount in EUR

		Year ended March 31, 2024	Year ended March 31, 2023
I	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	**76,282,158**	68,268,307
	Depreciation expense	**6,975,240**	5,291,579
	Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**167,486**	29,862
	Exchange difference on translation of foreign currency cash and cash equivalents	**97,324**	(166,347)
	Finance Cost	**404,776**	334,902
	Dividend income	**(27,138,499)**	(25,020,000)
	Interest income	**(1,507,324)**	(516,747)
	Misc. Income	**-**	(345,076)
	Loss on Sale of Assets	**4,439**	-
	Operating Profit/(Loss) before working capital changes	**55,285,601**	47,876,479
	Net change in:		
	Trade receivables	**(14,623,520)**	(39,947,057)
	Unbilled receivables	**(5,248,114)**	(1,114,413)
	Other Financial Assets	**(1,477,637)**	384,365
	Other assets	**5,828,045**	(11,727,985)
	Loans Receivable	**97,372**	261,654
	Trade & other payables	**(30,910,103)**	28,492,166
	Other financial liabilities	**(2,102,742)**	4,330,326
	Unearned and deferred revenues	**86,241**	2,015,171
	Employee benefit obligations	**211,360**	616,245
	Other liabilities and provisions	**(41,593)**	(372,217)
	Cash (used in) / generated from operations	**7,104,910**	30,814,736
	Taxes paid (net of refund)	**(14,939,991)**	(7,893,058)
	Net cash generated from operating activities	**(7,835,081)**	22,921,678
II	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Payment for purchase of property and equipment	**(3,004,301)**	(2,177,910)
	Receipt from Subsidiary company	**233,939**	-
	(Purchase)/ Sale of intangible assets	**(15,075)**	(32,965)
	Amount realised from dissolution of Subsidiary	**-**	479,644
	Interest from Bank	**303,357**	413,329
	Interest on Financial Assets	**1,203,968**	103,418
	Dividend received	**27,138,499**	25,020,000
	Net cash generated from investing activities	**25,860,386**	23,805,516
III	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Dividend paid (including tax on dividend)	**(30,000,000)**	(25,000,000)
	Interest paid	**(8,064)**	(52,966)
	Repayment of lease liabilities	**(4,537,837)**	(3,241,810)
	Repayment of lease interest	**(396,713)**	(281,935)
	Net cash used in financing activities	**(34,942,614)**	(28,576,711)
	Net change in cash and cash equivalents	**(16,917,309)**	18,150,482
	Effect of foreign exchange on cash		
	Cash and cash equivalents at the beginning of the year	**53,587,471**	35,270,641
	Exchange difference on translation of foreign currency cash and cash equivalents	**(97,324)**	166,347
	Cash and cash equivalents, as at the end of the year (Refer Note 8)	**36,572,839**	53,587,471
IV	**NOTES FORMING PART OF FINANCIAL STATEMENTS** 1-21		

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W
Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, April 24, 2024

For and on behalf of the Board of Directors
of **Tata Consultancy Services Netherlands B.V.**

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Netherlands B.V., ('the Company'), having its legal address in Symphony Towers, 20th and 21st floor, Gustav Mahlerplein 85-91, 1082 MS, Amsterdam, The Netherlands, is a private limited liability company under Dutch law and is registered as a financial holding under number 33237130 in the Trade Register.

The Company is a wholly-owned subsidiary of Tata Consultancy Services Limited ("Parent Company"), Mumbai, India. The financial information of the Company is included in the consolidated financial statements of the Parent Company. The consolidated financial statements can be obtained at the website of the Parent Company, at the Investors page at www.tcs.com, or at cost at the office of the Company.

The Company and its subsidiaries provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of locations around the globe. The Company's full services portfolio consists of Application Development, Assurance Services, Business Intelligence and Performance Management, Business Process Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, IT Infrastructure Services etc.

2. STATEMENT OF COMPLIANCE

These special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. for soul purpose of inclusion for Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013('the Act').

3. BASIS OF PREPARATION

These special purpose financial statements have been presented in EURO which is the functional currency of the Company.

These special purpose financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in division II of Schedule III to the Company's Act, 2013. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under Indirect method.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements is in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for

Notes forming part of the Financial Statements

the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c) Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

d) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e) Provisions of Income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

f) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Financial Statements

g) Employee benefits

The accounting of employee benefit plan is in the nature of defined contribution and have been explained under employee benefits note.

h) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Notes forming part of the Financial Statements

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

6(a) Investments

Investments consists of the following:

Investments -Non-current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Investment in subsidiaries		
Fully paid equity shares (unquoted)	**194,984,361**	194,984,362
	194,984,361	194,984,362

Aggregate value of unquoted investments is as follows:

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Aggregate value of unquoted investments	**194,984,361**	194,984,362

Amount in EUR

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2024	As at March 31, 2023
			Fully paid equity shares (unquoted)		
14,867,651	EUR	0.03	Tata Consultancy Services France S.A.	**102,265,680**	102,265,680
150,000	CHF	10	Tata Consultancy Services Switzerland Ltd	**63,648,300**	63,648,300
60,200	EUR	1	Tata Consultancy Services De Espana SA	**17,000,000**	17,000,000
5,599	EUR	1000	Tata Consultancy Services Luxembourg S.A.	**5,599,000**	5,599,000
-	EUR	-	Tata Consultancy Services Italia SRL	**2,200,000**	2,200,000
1,000	SAR	3750	Tata Consultancy Services Saudi Arabia	**898,381**	898,382
-	EUR	-	Tata Consultancy Services Osterreich GmbH	**35,000**	35,000
25,000	EUR	1	TCS Business Services GmbH	**28,000**	28,000
1	EUR	3310000	TCS Technology Solutions AG	**3,310,000**	3,310,000
				194,984,361	194,984,362

Notes forming part of the Financial Statements

Tata Consultancy Services France S.A, (TCS France) 100% Subsidiary has a negative net equity value as on 31st March 2024. The carrying value of the investment in the Company, as on 31st March 2024 has not been impaired, because the entity is believed to be able to recover from its negative net equity in the foreseeable future. The recoverable amount was estimated based on both its net realisable value and its value in use basis the assessment in 2023-24 was determined to be in excess of its carrying value of the investment, consequentially no impairment loss was recognised in the profit and loss account of the company.

6(b) Trade Receivables

Trade receivables (unsecured) consist of following:

Trade Receivables -Current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
(a) Considered Good	**219,805,232**	205,322,701
Less : Allowance for doubtful trade receivables	**(53,296)**	(26,799)
	219,751,936	205,295,902

Above balances of trade receivables includes balance with related parties (Refer Note 20)

Ageing for trade receivables - current outstanding:

Trade Receivables

Ageing for trade receivables - billed – current outstanding as at March 31, 2024 is as follows:

Amount in EUR

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed						
Undisputed trade receivables – considered good	**155,587,658**	**62,161,472**	**160,302**	**1,017,360**	**825,142**	**219,751,936**
Undisputed trade receivables – considered doubtful	**-**	**-**	**26,498**	**26,799**	**-**	**53,296**
	155,587,658	**62,161,472**	**186,800**	**1,044,159**	**825,142**	**219,805,232**
Less: Allowance for doubtful trade receivables - Billed						**(53,296)**
						219,751,936
Trade receivables - Unbilled						**43,987,010**
						263,738,946

Notes forming part of the Financial Statements

Amount in EUR

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed						
Undisputed trade receivables – considered good	176,417,114	27,698,254	116,962	-	1,090,371	205,322,701
	176,417,114	27,698,254	116,962	-	1,090,371	205,322,701
Less: Allowance for doubtful trade receivables - Billed						(26,799)
						205,295,902
Trade receivables - Unbilled						38,738,896
						244,034,798

6(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	**9,372,838**	14,280,679
In Fixed Deposits	**27,200,000**	39,306,792
	36,572,838	53,587,471

6(d) Loans receivables

Loans receivables (unsecured) consist of the following:

Loans receivables-Current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Considered Good		
Loans and advances to employees	**998,266**	1,095,637
Loans to Subsidiaries - Current	**1,500,000**	1,500,000
	2,498,265	2,595,637

Notes forming part of the Financial Statements

6(e) Other financial assets

Other financial assets consist of the following:

Other financial assets - Non-current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Security deposits	**864,417**	679,133
Sub Lease Receivable	**63,384**	-
	927,801	679,133

Other financial assets - Current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Others	**6,822,162**	5,593,192
	6,822,162	5,593,192

6(f) Trade Payables

Trade Payables consist of the following:

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
(a) Accrued expenses	**51,173,681**	63,335,576
(b) Trade & Other payables	**56,308,477**	75,056,685
	107,482,159	138,392,261

Above balances of trade payables includes balance with related parties (Refer Note 19)

Ageing for trade receivables - current outstanding:

Trade Payables

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

Amount in EUR

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables	**2,430,870**	**53,877,607**	**-**	**-**	**-**	**56,308,477**
	2,430,870	**53,877,607**	**-**	**-**	**-**	**56,308,477**
Accrued expenses						**51,173,681**
						107,482,159

Notes forming part of the Financial Statements

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Amount in EUR

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables	20,498,737	54,557,913	-	-	-	75,056,650
	20,498,737	54,557,913	-	-	-	75,056,650
Accrued expenses						63,335,576
						138,392,226

6(g) Other financial liabilities - Current

Other financial liabilities consist of the following:

Amount in EUR

		As at March 31, 2024	As at March 31, 2023
(a)	Accrued payroll	**8,270,332**	9,391,512
(b)	Capital creditors	**263,782**	1,145,477
(c)	Liability towards customer contracts	**4,171,247**	7,960,406
(d)	Indirect tax payable and other statutory liabilities	**22,348,985**	19,542,125
(e)	Others	**0**	(0)
		35,054,345	38,039,520

6(h) Financial Instrument by Category

The carrying value of financial instruments by categories as of March 31, 2024 is as follows:

Amount in EUR

	Amortized cost	Total carrying value
Financial assets:		
Cash and cash equivalents	**36,572,838**	**36,572,838**
Trade receivables	**219,751,936**	**219,751,936**
Unbilled receivables	**43,858,316**	**43,858,316**
Short-term Loans	**2,498,265**	**2,498,265**
Other financial assets	**7,749,963**	**7,749,963**
Total	**310,431,318**	**310,431,318**
Financial liabilities:		
Trade payables	**107,482,159**	**107,482,159**
Lease liabilities	**11,899,982**	**11,899,982**
Other financial liabilities	**35,101,439**	**35,101,439**
Total	**154,483,579**	**154,483,579**

Notes forming part of the Financial Statements

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

Amount in EUR

	Amortized cost	Total carrying value
Financial assets:		
Cash and cash equivalents	53,587,471	53,587,471
Trade receivables	205,295,902	205,295,902
Unbilled receivables	38,738,896	38,738,896
Short-term Loans	2,595,637	2,595,637
Other financial assets	6,272,326	6,272,326
Total	306,490,232	306,490,232
Financial liabilities:		
Trade payables	138,392,261	138,392,261
Lease liabilities	14,972,869	14,972,869
Other financial liabilities	38,085,876	38,085,876
Total	191,451,007	191,451,007

6(i) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

There are no financial liabilities or assets measured at fair value at the end of each reporting period.

6(j) Financial risk management:

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risk arising from fluctations in exchange rates in those countries.

Notes forming part of the Financial Statements

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Its hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and equity.

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2024

Amount in EUR

	USD	EUR	GBP	Others	Total
Assets :					
Cash and cash equivalents	**4,383,034**	**31,495,166**	**-**	**694,638**	**36,572,838**
Trade receivables	**39,860,340**	**166,151,168**	**3,287,783**	**10,452,645**	**219,751,936**
Unbilled revenues	**4,295,775**	**38,902,164**	**197,278**	**591,793**	**43,987,010**
Other financial assets	**2,144,492**	**5,512,249**	**245**	**92,977**	**7,749,963**
Total	**50,683,641**	**242,060,748**	**3,485,305**	**11,832,052**	**308,061,747**
Liabilities :					
Trade payables	**14,686,376**	**89,502,047**	**1,589,320**	**1,704,416**	**107,482,159**
Lease liabilities	**-**	**11,899,982**	**-**	**-**	**11,899,982**
Other financial liabilities	**217,960,595**	**(202,165,548)**	**16,207,011**	**3,099,382**	**35,101,439**
Total	**232,646,971**	**(100,763,520)**	**17,796,331**	**4,803,797**	**154,483,579**
Net exposure asset/(liability)	**(181,963,329)**	**342,824,267**	**(14,311,025)**	**7,028,255**	**153,578,167**

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately EUR 4,571,087 for the year ended March 31, 2024.

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2023

Amount in EUR

	USD	EUR	GBP	Others	Total
Assets :					
Cash and cash equivalents	21,886,884	30,400,542	-	1,300,044	53,587,471
Trade receivables	49,707,526	151,129,589	2,955,036	1,503,752	205,295,902
Unbilled revenues	4,399,890	33,224,401	227,538	887,068	38,738,896
Other financial assets	1,879,514	4,137,029	732	255,051	6,272,326
Total	77,873,814	218,891,561	3,183,306	3,945,915	303,894,595
Liabilities :					
Trade payables	30,645,216	103,406,758	1,665,062	2,675,225	138,392,261
Lease liabilities	-	14,972,869	-	-	14,972,869
Other financial liabilities	4,065,499	33,779,215	34,115	207,047	38,085,876
Total	34,710,715	152,158,842	1,699,177	2,882,272	191,451,006
Net exposure asset/(liability)	43,163,098	66,732,719	1,484,129	1,063,643	112,443,589

Notes forming part of the Financial Statements

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately EUR 4,571,087 for the year ended March 31, 2023.

(b) Interest rate risk

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables (PY unbilled revenue), investments, cash and cash equivalents, bank deposits and other financial assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 303,894,595 and EUR 244,930,523 as of March 31, 2024 and March 31, 2023, respectively, being the total of the carrying amount of balances with banks, trade receivables, unbilled receivables (previous year: Unbilled Revenue) and other financial assets excluding equity.

The following customers form more than 10% of outstanding trade receivable, unbilled receivables and contract assets as at March 31, 2024 and March 31, 2023 are as follows.

Amount in EUR

	As at March 31, 2024		As at March 31, 2023	
	Total Trade receivables, Unbilled receivables and Contact assets	Percentage	Total Trade receivables, Unbilled receivables and Contact assets	Percentage
Customer A	**29,417,340**	**13%**	30,783,753	12%
Customer B	**25,845,408**	**12%**	26,015,669	10%
Customer C	**21,024,941**	**10%**	23,029,376	9%

Geographic concentration of credit risk

The Company is not exposed to the risk as the customer base of Company is concentrated in Netherlands.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Notes forming part of the Financial Statements

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

Amount in EUR

As at March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th years	Total
Non-derivative financial liabilities:					
Trade payables	**53,604,551**	**53,877,607**	**-**	**-**	**107,482,159**
Lease Liabilities	**4,687,165**	**4,225,483**	**3,766,580**	**-**	**12,679,227**
Other financial liabilities	**35,101,439**	**-**	**-**	**-**	**35,101,439**
Total	**93,393,155**	**58,103,090**	**3,766,580**	**-**	**155,262,825**

Amount in EUR

As at March 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th years	Total
Non-derivative financial liabilities:					
Trade payables	138,392,261	-	-	-	138,392,261
Lease Liabilities	5,230,432	4,289,805	5,452,632	-	14,972,870
Other financial liabilities	38,085,878	-	-	-	38,085,878
Total	181,708,571	4,289,805	5,452,632	-	191,451,009

6(k) Equity Instrument

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
(i) Authorised :		
66,000 equity shares of EUR 1,000 each (March 31, 2023 : 66,000 equity shares of EUR 1,000 each)	**66,000,000**	66,000,000
	66,000,000	66,000,000
(ii) Issued, subscribed and paid up:		
66,000 equity shares of EUR 1,000 each (March 31, 2023 : 66,000 equity shares of EUR 1,000 each)	**66,000,000**	66,000,000
	66,000,000	66,000,000

Note:

Shares held by the promoters

Amount in EUR

Promoter Name	As at March 31, 2024	As at March 31, 2023
Tata Consultancy Services Limited		
No. of Shares	**66,000**	66,000
% of total shares	**100%**	100%
% Change during the year	**0%**	0%

Notes forming part of the Financial Statements

Amount in EUR

Promoter Name	As at March 31, 2024	As at March 31, 2023
Tata Consultancy Services Limited		
No. of Shares	**66,000**	66,000
% of total shares	**100%**	100%
% Change during the year	**0%**	0%

i) Reconciliation of number of shares

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Equity shares		
Opening balance	**66,000**	66,000
Changes during the year	**-**	-
Closing balance	**66,000**	66,000

ii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Equity Shares		
Tata Consultancy Services Limted (Holding Company)	**66,000**	66,000
% of shareholding	**100%**	100%
% change during the year	**-**	-

iii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares which is an 100% investment by Tata Consultancy Services Limited. Since Tata Consultancy Services Limted is the only shareholder for the Company, it carry a right to dividend and also in the event of liquidation, Tata Consultancy Services Limited is eligible to receive the remaining assets of the Company.

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The

Notes forming part of the Financial Statements

estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 - Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use asset held by the Company is as follows:

Amount in EUR

Description	ROU Leasehold Building	ROU Leasehold Building -Sub Lease	ROU Computer equipment	ROU Automobiles	Total
Opening balance as at April 1, 2023	**8,210,656**	**-**	**8,563,281**	**4,124,136**	**20,898,072**
Additions	**51,419**	**(83,993)**		**1,279,818**	**1,247,244**
Disposals	-	-	-	-	-
Deletions due to lease modification	-	-	-	-	-
Cost as at March 31, 2024	**8,262,075**	**(83,993)**	**8,563,281**	**5,403,954**	**22,145,317**
Accumulated depreciation as at April 1, 2023	**(3,434,954)**		**(1,177,262)**	**(1,999,020)**	**(6,611,236)**
Depreciation expense for the year	**(1,358,031)**	**(4,421)**	**(2,360,992)**	**(1,089,873)**	**(4,813,318)**
Eliminated on disposals of assets	-	-	-	-	-
Deletions due to lease modification	-	-	-	-	-
Accumulated depreciation as at March 31, 2024	**(4,792,985)**	**(4,421)**	**(3,538,255)**	**(3,088,893)**	**(11,424,553)**
Net Carrying amount as at March 31, 2024	**3,469,090**	**(88,414)**	**5,025,026**	**2,315,061**	**10,720,763**

Notes forming part of the Financial Statements

Amount in EUR

Description	ROU Leasehold Building	ROU Computer equipment	ROU Automobiles	Total
Opening balance as at April 1, 2022	8,950,959	-	3,351,816	12,302,774
Additions	350,196	8,563,281	1,296,049	10,209,526
Disposals	(1,090,499)	-	(523,729)	(1,614,228)
Deletions due to lease modification	-	-	-	-
Cost as at March 31, 2023	8,210,656	8,563,281	4,124,136	20,898,072
Accumulated depreciation as at April 1, 2022	(3,148,938)	-	(1,535,635)	(4,684,573)
Depreciation expense for the year	(1,376,514)	(1,177,262)	(987,114)	(3,540,890)
Eliminated on disposals of assets	1,090,499	-	523,729	1,614,228
Deletions due to lease modification	-	-	-	-
Accumulated depreciation as at March 31, 2023	(3,434,954)	(1,177,262)	(1,999,020)	(6,611,236)
Net Carrying amount as at March 31, 2023	4,775,701	7,386,018	2,125,117	14,286,836

Depreciation on right-of-use asset is as follows:

Amount in EUR

Depreciation	Year Ended March 31, 2024	Year Ended March 31, 2023
Leasehold Building	**1,358,031**	1,376,514
ROU Computer equipment	**2,360,992**	1,177,262
Automobiles	**1,089,873**	987,114
Total	**4,808,897**	3,540,890

Interest on lease liabilities is 396,713 Euro for the year year ended March 31, 2024.

Lease contracts entered by the Company majorly pertains for buildings and vehicles taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

8(a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leased Buildings	Lease Term
Leasehold improvements	5 years
Plant and equipment	10 years
Computer equipment	4 years

Notes forming part of the Financial Statements

Type of asset	Useful lives
Leased Vehicles	Lease Term
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consist of the following:

Amount in EUR

Description	Computer Equipment	Leasehold Improvements	Furniture and Fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2023	**5,569,946**	**2,325,511**	**1,339,193**	**1,334,112**	**474,698**	**11,043,460**
Additions	**1,252,883**	**-**	**54,951**	**101,917**	**-**	**1,409,751**
Disposals	**(12,725)**	**-**	**-**	**-**	**-**	**(12,725)**
Cost as at March 31, 2024	**6,810,104**	**2,325,511**	**1,394,144**	**1,436,029**	**474,698**	**12,440,486**
Accumulated depreciation as at April 1, 2023	**(2,638,498)**	**(1,239,803)**	**(1,011,582)**	**(702,560)**	**(115,230)**	**(5,707,673)**
Depreciation expense for the year	**(1,323,362)**	**(288,241)**	**(174,453)**	**(274,866)**	**(47,470)**	**(2,108,391)**
Eliminated on disposals of assets	**8,286**	**-**	**-**	**-**	**-**	**8,286**
Accumulated depreciation as at March 31, 2024	**(3,953,574)**	**(1,528,044)**	**(1,186,035)**	**(977,425)**	**(162,699)**	**(7,807,778)**
Net Carrying amount as at March 31, 2024	**2,856,530**	**797,467**	**208,108**	**458,604**	**311,999**	**4,632,708**

Property, plant and equipment consist of the following:

Amount in EUR

Description	Computer Equipment	Leasehold Improvements	Furniture and Fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2022	2,995,342	2,325,511	1,329,492	1,153,811	474,698	8,278,854
Additions	2,575,283	-	9,701	180,301	-	2,765,285
Disposals	(678)	-	-	-	-	(678)
Cost as at March 31, 2023	5,569,946	2,325,511	1,339,193	1,334,112	474,698	11,043,460
Accumulated depreciation as at April 1, 2022	(1,794,237)	(951,562)	(845,716)	(439,228)	(67,760)	(4,098,504)
Depreciation expense for the year	(844,813)	(288,241)	(165,865)	(263,330)	(47,470)	(1,609,720)
Eliminated on disposals of assets	552	-	-	-	-	552
Accumulated depreciation as at March 31, 2023	(2,638,498)	(1,239,803)	(1,011,582)	(702,560)	(115,230)	(5,707,672)
Net Carrying amount as at March 31, 2023	2,931,447	1,085,708	327,611	631,552	359,468	5,335,791

Notes forming part of the Financial Statements

Ageing for Capital work-in-progress

Amount in EUR

	Year Ended March 31, 2024	Year Ended March 31, 2023
Less than 1 Year	**76,637**	-
More than 1 Year	**8,287**	824,503
More than 2 Year	**40,782**	14,058
	125,705	838,560

8(b) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Intangible assets consist of the following:

Amount in EUR

Description	Software Licences
Cost as at April 1, 2023	**1,051,527**
Additions	**15,075**
Disposals	
Cost as at March 31, 2024	**1,066,602**
Accumulated amortisation as at April 1, 2023	**(972,486)**
Amortisation expense for the year	**(53,531)**
Reversal on Disposals	
Accumulated amortisation as at March 31, 2024	**(1,026,018)**
Net Carrying amount as at March 31, 2024	**40,584**

Notes forming part of the Financial Statements

Amount in EUR

Description	Software Licences
Cost as at April 1, 2022	1,018,562
Additions	32,965
Disposals	
Cost as at March 31, 2023	1,051,527
Accumulated amortisation as at April 1, 2022	(831,518)
Amortisation expense for the year	(140,969)
Reversal on Disposals	
Accumulated amortisation as at March 31, 2023	(972,486)
Net Carrying amount as at March 31, 2023	79,041

The estimated amortisation for the years subsequent to March 31, 2024 is as follows:

Intangible assets

Amount in EUR

Year ending March 31,	Amortisation expenses
2024	
2025	**23,348**
2026	**12,675**
2027	**4,561**
Total	**40,585**

8(c) Other assets - Non-current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Contract assets	**219,513**	25,748
Contract fulfillment costs	**4,243,192**	1,184,524
	4,462,704	1,210,272

Other assets - Current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Considered Good		
Contract assets	**8,148,696**	14,191,317
Prepaid Expenses	**9,334,005**	10,309,490
Contract fulfillment costs	**97,020**	17,027
Advance to suppliers	**11,953,017**	14,044,429
Others	**141,047**	191,998
	29,673,784	38,754,260

Contract fulfillment costs of EUR 3,937,505 for the years ended March 31, 2024 have been amortised in the statement of profit and loss. Refer note 10 for the changes in contract asset.

Notes forming part of the Financial Statements

8(d) Provisions

Provisions consist of the following:

Provisions - Current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Provision for foreseeable loss	**203,241**	85,391
	203,241	85,391

8(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Advance received from customers	**125,940**	284,032
Others	**-**	1,352
	125,940	285,384

9. Other Equity

Other equity consist of the following:

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Retained earnings		
(i) Opening balance	**278,412,429**	246,547,105
(ii) Profit for the year	**63,062,812**	56,865,324
(iv) Less : Appropriations		
(a) Dividend on equity shares	**(30,000,000)**	(25,000,000)
	311,475,241	278,412,429

10. REVENUE

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Notes forming part of the Financial Statements

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method (POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Consultancy services	**910,454,617**	824,490,393
Sale of equipment and software licences	**25,472,825**	28,026,224
Total	**935,927,441**	852,516,616

Notes forming part of the Financial Statements

Revenue disaggregation by industry vertical is as follows:

Amount in EUR

Industry Verticals	Year Ended March 31,2024	Year Ended March 31,2023
Banking, Financial Services and Insurance	**220,849,860**	198,386,660
Manufacturing	**53,019,522**	53,904,470
Retail and Consumer Business	**115,809,783**	96,152,027
Hi-Tech	**289,988,398**	281,719,961
Energy & utilities	**139,029,683**	121,757,174
Others	**117,230,194**	100,596,324
Total	**935,927,441**	852,516,616

Revenue disaggregation by geography is as follows:

Amount in EUR

Geography	Year Ended March 31,2024	Year Ended March 31,2023
Europe	**898,320,495**	819,069,076
America	**23,290,072**	22,043,847
Others	**14,316,875**	11,403,693
Total	**935,927,441**	852,516,616

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 512 million out of which 48.92% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Balance at the beginning of the year	**14,217,065**	11,247,803
Revenue recognised during the year	**6,385,325**	13,628,594
Invoices raised during the year	**(12,245,745)**	(10,566,705)
Translation exchange difference	**11,564**	(92,626)
Balance at the end of the year	**8,368,209**	14,217,065

Notes forming part of the Financial Statements

Changes in Unearned and deferred revenue are as follows :

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Balance at the beginning of the year	**16,211,340**	14,196,170
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(9,937,711)**	(11,211,291)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**9,979,314**	13,351,057
Translation exchange difference	**44,639**	(124,596)
Balance at the end of the year	**16,297,582**	16,211,340

Reconciliation of revenue recognized with the Contracted price is as follows :

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Contracted price	**935,927,441**	852,516,616
Reductions towards variable consideration components	**-**	-
Revenue recognised	**935,927,441**	852,516,616

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meetings its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition in fixed price contracts where revenue is recognised on percentage-completion-basis. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

11. OTHER INCOME

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Other Income consist of the following:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Interest income	**1,507,324**	516,747
Dividend income	**27,138,499**	25,020,000
Net foreign exchange gains	**(329,535)**	1,152,911
Miscellaneous income**	**47,972**	345,076
	28,364,261	27,034,734
Interest income consist of the following:		
Interest income on bank deposits	**1,203,968**	103,418
Interest income on financial assets at amortised cost	**27,074**	27,000
Bank Interest	**276,283**	386,329

Notes forming part of the Financial Statements

12. EMPLOYEE BENEFIT EXPENSES

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

The Company provides benefits such as gratuity, pension and provident fund (Company managed fund) to its employees, which are treated as defined benefit plans.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company provides benefits such as superannuation, provident fund (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Salaries, incentives and allowances	**231,838,616**	212,163,614
Contributions to social security and other funds	**20,754,019**	16,406,194
Staff welfare expenses	**7,706,937**	6,652,963
	260,299,572	235,222,772

Notes forming part of the Financial Statements

Employee benefit obligation consist of the following:

Employee benefit obligation - Current

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Compensated absences	**3,779,999**	5,230,003
Other empoyee benefit obligations	**78,539**	60,255
	3,858,538	5,290,258

13. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

13(a) Cost of equipment and software licences

Cost of equipment and software licenses consist of the following:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Cost of Equipment and software licences	**23,359,729**	25,895,924
	23,359,729	25,895,924

13(b) Other expenses

Other expenses consist of the following:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Fees to external consultants (including subcontractor cost)	**532,492,257**	488,725,069
Facility expenses	**1,624,028**	1,097,940
Travel expenses	**5,828,769**	5,391,834
Communication expenses	**8,657,146**	6,946,718
Project expenses	**532,972**	2,364,548
Allowance for doubtful trade receivables and advances (net)	**167,486**	29,862
Other expenses *	**47,667,903**	39,981,897
	596,970,561	544,537,867

Notes forming part of the Financial Statements

***Other expenses**

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Software expenses	**9,371,817**	6,928,157
Corporate overhead allocation	**11,880,701**	12,703,195
Other expenses	**26,415,385**	20,350,544
	47,667,903	39,981,897

14. FINANCE COSTS

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Interest on Lease Liabilities	**396,713**	281,935
Bank Interest	**2,314**	51,240
Other Interest	**5,750**	1,726
	404,776	334,902

15. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense for the entity has been computed based on the tax laws applicable in the jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction provided the Company has a legally enforceable right to set off the recognised amounts and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Notes forming part of the Financial Statements

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The income tax expense consists of the following:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Current tax		
Current tax expense for current year	**12,590,330**	11,637,755
	12,590,330	11,637,755
Deferred tax		
Deferred tax expense/(benefit) for current year	**862,869**	(20,067)
	862,869	(20,067)
Total income tax expense recognised in current year	**13,453,199**	11,617,688

The reconciliation of estimated income-tax expenses at statutory income tax rate to the income tax expenses reported in the statement of profit and loss is as follows:

Amount in EUR

	Year Ended March 31,2024	Year Ended March 31,2023
Profit/(Loss) before taxes	**76,282,158**	68,268,307
Enacted Income tax rate in Netherlands	**25.80%**	25.80%
Expected Income tax expense	**19,680,797**	17,613,223
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(7,001,733)**	(6,544,222)
Income of Subsidiaries taxed at diff tax rates (net)	**92,122**	(22,754)
Tax on income at different rates	**(13,600)**	(35,495)
Operating losses carry forwards		
Tax pertaining to prior years:	**65,562**	(3,721)
Tax on non deductible expenses	**625,109**	604,166
Tax on CVAE / WHT on dividend from TCS SA		
Other Temporary difference	**5,028**	6,406
	13,453,285	11,617,603

Significant components of net Deferred tax assets and Deferred tax liabilities recognized as of 31 March 2024 and 31 March 2023.

Amount in EUR

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets in relation to		
Provision for employee benefits	**116,482**	116,482
IFRS 16	**2,805,792**	13,869
Release of Deferred Tax	**-**	65,434
	2,922,274	195,785

Notes forming part of the Financial Statements

Amount in EUR

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities in relation to		
Provision for employee benefits	**443,784**	443,784
Leave Liability	**852,873**	-
IFRS 16	**2,736,485**	-
Net Deferred tax liability at the end of the year	**4,033,142**	443,784

Gross deferred tax assets and liabilities are as follows:

Amount in EUR

	Balance Sheet		Statement of profit and loss	
	As at		For the period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Deferred tax assets	**2,922,274**	195,785	**866,068**	19,589
Deferred tax liabilities	**4,033,142**	443,784	**3,199**	39,656
Net Deferred tax assets/(liabilities) recognized	**(1,110,868)**	(247,999)	**862,869**	(20,067)

The following table provides the details of Income tax assets and income tax liabilities recognized as of 31 March 2024, 31 March 2023.

Amount in EUR

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets	**113,571**	141,284
Income tax liabilities	**(1,759,204)**	(4,136,833)
Net income tax assets / (liabilities) at the end of the year	**(1,645,633)**	(3,995,549)

16 EARNINGS PER SHARE (EPS)

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Profit/(loss) for the year (EUR)	**56,650,704**	61,623,661
Weighted average number of equity shares	**66,000**	66,000
Earnings per share basic and diluted (EUR)	**858**	934
Face value per equity share	**1,000**	1,000

Notes forming part of the Financial Statements

17. AUDITORS REMUNERATION

Amount in EUR

	As at March 31, 2024	As at March 31, 2023
Services as statutory auditors	**49,500**	49,500
	49,500	49,500

18. SEGMENT INFORMATION

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

19. COMMITMENTS AND CONTINGENCIES

Capital Commitments

The Company has contractually committed (net of advances) EUR 352,323 as at March 31, 2024 and EUR 666,665 as at March 31, 2023 for purchase of property, plant and equipment.

20. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Netherlands B.V's principal related parties consist of its holding Company Tata Consultancy Services Limited and its subsidiaries, its own subsidiaries and ultimate holding Company Tata Sons Private Limited. Company routinely enters into transactions with its related parties in the ordinary course of business.

Related Party Reporting for FY 2023-2024

Amount in EUR

	Year ended March 31, 2024				
	Tata Consultancy Services Limited	**Subsidiaries of Tata Consultancy Services Limited**	**Subsidiaries of the Company**	**Tata Sons Private Limited**	**Total**
I Transactions					
Revenue	**36,612,549**	**20,026,935**	**9,410,245**	**-**	**66,049,729**
Purchase of goods and services	**492,521,261**	**32,205,356**	**6,636,805**	**-**	**531,363,422**
Brand equity contribution	**-**	**-**	**-**	**2,174,792**	**2,174,792**
Rental Revenue	**-**	**19,001**	**-**	**-**	**19,001**
Interest income	**-**	**27,870**	**-**	**-**	**27,870**
Dividend received	**-**	**-**	**27,138,499**	**-**	**27,138,499**
Dividend paid	**30,000,000**	**-**	**-**	**-**	**30,000,000**
Loans and advances recovered	**-**	**-**	**-**	**-**	**-**
	As at March 31, 2024				
II Balances					
Trade receivables and unbilled receivables	**24,501,493**	**7,859,796**	**4,105,468**	**-**	**36,466,757**
Loans given	**-**	**1,500,000**	**-**	**-**	**1,500,000**
Other receivables	**5,072,906**	**461,698**	**85,308**	**-**	**5,619,912**
Prepaid Assets	**9,141,948**	**67,711**	**95,725**	**-**	**9,305,383**
Trade payables, unearned and deferred revenue and other liabilities	**63,263,242**	**6,423,142**	**2,817,143**	**2,174,367**	**74,677,894**

Notes forming part of the Financial Statements

Amount in EUR

	Tata Consultancy Services Limited	Subsidiaries of Tata Consultancy Services Limited	Subsidiaries of the Company	Tata Sons Private Limited	Total
	Year ended March 31, 2023				
I Transactions					
Revenue	32,870,482	16,848,098	9,730,739	-	59,449,319
Purchase of goods and services	446,913,702	28,624,645	9,493,149	-	485,031,497
Brand equity contribution	-	-	-	1,982,668	1,982,668
Interest income	-	27,000	-	-	27,000
Dividend received	-	-	25,020,000	-	25,020,000
Dividend paid	25,000,000	-	-	-	25,000,000
Loans and advances recovered	-	-	-	-	-
	As at March 31, 2023				
II Balances					
Trade receivables and unbilled receivables	23,099,321	6,513,492	4,774,756	-	34,387,569
Loans given	-	1,500,000	-	-	1,500,000
Other receivables	3,774,106	352,289	59,602	-	4,185,996
Prepaid Assets	8,785,084	96,422	119,513	-	9,001,019
Trade payables, unearned and deferred revenue and other liabilities	77,767,572	6,887,598	3,504,872	1,982,338	90,142,380

21. SUBSEQUENT EVENT

There are no subsequent event post 31 March 2024, which will have material effect on the financial statement.

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W
Kaushik B. Joshi

Proprietor
Membership number : 48889
Mumbai, April 24, 2024

For and on behalf of the Board of Directors
of **Tata Consultancy Services Netherlands B.V.**

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

TCS Iberoamerica S.A.

Separate Financial Statements

For the year ended
December 31, 2023

SUBSIDIARY FINANCIALS FOR THE YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF

TCS IBEROAMERICA S.A.

Opinion

We have audited the separate financial statements of TCS Iberoamerica S.A. (the "Company"), which comprise the separate statement of financial position as of December 31st, 2023, the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of TCS Iberoamerica S.A. as of December 31st, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether TCS Iberoamerica S.A.'s separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Montevideo, Uruguay
February 28, 2024

Separate Statement of Financial Position

	Notes	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
		(in USD)		(equivalent in Uruguayan Pesos)	
ASSETS:					
Current assets:					
Cash and cash equivalents	8 (a)	**846.439**	251.172	**33.029.725**	10.064.733
Other current financial assets		**158**	2.101.498	**6.158**	84.209.109
Other assets	9 (a)	**44.697**	49.513	**1.744.169**	1.984.048
Total current assets		**891.294**	2.402.183	**34.780.052**	96.257.890
Non-current assets:					
Investments	8 (b)	**291.697.176**	285.801.224	**11.382.607.204**	11.452.340.873
Income tax assets (net)		**3.636**	-	**141.898**	-
Total non-current assets		**291.700.812**	285.801.224	**11.382.749.102**	11.452.340.873
TOTAL ASSETS		**292.592.106**	288.203.407	**11.417.529.154**	11.548.598.763
LIABILITIES AND EQUITY:					
Liabilities:					
Current liabilities:					
Trade and other payables	8 (c)	**11.951**	11.396	**466.343**	456.655
Income tax liabilities (net)		**1.785**	125	**69.661**	5.008
Other liabilities	9 (b)	**10.341**	-	**403.536**	-
Total current liabilities		**24.077**	11.521	**939.540**	461.663
TOTAL LIABILITIES		**24.077**	11.521	**939.540**	461.663
Equity:					
Share capital	8 (g)	**98.418.354**	98.418.354	**2.122.783.424**	2.122.783.424
Legal reserve	5 (a)	**15.044.947**	15.044.947	**424.601.685**	424.601.685
Other reserves		**(55.010.235)**	(86.997.388)	**2.255.543.610**	1.354.797.386
Retained earnings		**234.114.963**	261.725.973	**6.613.660.895**	7.645.954.605
TOTAL EQUITY		**292.568.029**	288.191.886	**11.416.589.614**	11.548.137.100
TOTAL LIABILITIES AND EQUITY		**292.592.106**	288.203.407	**11.417.529.154**	11.548.598.763

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Separate Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the year ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended December 31, 2023	For the nine months period ended December 31, 2022
		(in USD)		(equivalent in Uruguayan Pesos)	
Consultancy services		**-**	-	**-**	-
TOTAL REVENUES		**-**	-	**-**	-
Operating expenses:					
Other operating expenses	10	**84.290**	19.328	**3.294.013**	742.593
TOTAL OPERATING EXPENSES		**84.290**	19.328	**3.294.013**	742.593
TOTAL OPERATING RESULT		**84.290**	19.328	**3.294.013**	742.593
Investment revenue	11 (a)	**55.833**	137.468	**2.160.599**	5.553.211
Share of profit of equity – accounted investees, net of tax	8 (b)	**53.374.600**	78.517.803	**2.083.957.878**	3.111.267.959
Other gains (losses), net	11 (b)	**(136.172)**	(215.996)	**(5.284.549)**	(8.024.168)
Other income / (expense), net		**53.294.261**	78.439.275	**2.080.833.928**	3.108.797.002
PROFIT BEFORE TAXES		**53.209.971**	78.419.947	**2.077.539.915**	3.108.054.409
Income tax expense	12	**3.126.981**	849.534	**120.461.355**	33.792.555
PROFIT FOR THE YEAR		**50.082.990**	77.570.413	**1.957.078.560**	3.074.261.854
Items that are or may be reclassified to profit or loss:					
Translation adjustment	8 (b)	**31.029.530**	(12.917.724)	**867.987.525**	(716.510.567)
Employee benefit movement	8 (b)	**957.623**	586.055	**37.389.439**	23.222.426
Conversion adjustment		**-**	-	**(4.630.740)**	(8.554.119)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**82.070.143**	65.238.744	**2.857.824.784**	2.372.419.594

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Separate Statement of Changes in Equity

(in USD)

	Notes	Equity share capital	Legal Reserve	Other Reserves	Retained earnings	Total equity
Balance as at March 31, 2022		98.418.354	15.044.947	(74.665.719)	208.185.387	246.982.969
Profit for the year		-	-	-	77.570.413	77.570.413
Dividend	5 (c)	-	-	-	(24.029.827)	(24.029.827)
Other comprehensive income		-	-	(12.331.669)	-	(12.331.669)
Balance as at December 31, 2022		98.418.354	15.044.947	(86.997.388)	261.725.973	288.191.886
Balance as at January 1, 2023		**98.418.354**	**15.044.947**	**(86.997.388)**	**261.725.973**	**288.191.886**
Profit for the year		**-**	**-**	**-**	**50.082.990**	**50.082.990**
Dividend	5 (c)	**-**	**-**	**-**	**(77.694.000)**	**(77.694.000)**
Other comprehensive income		**-**	**-**	**31.987.153**	**-**	**31.987.153**
Balance as at December 31, 2023		**98.418.354**	**15.044.947**	**(55.010.235)**	**234.114.963**	**292.568.029**

(equivalent in Uruguayan Pesos)

	Notes	Equity share capital	Legal Reserve	Other Reserves	Retained earnings	Total equity
Balance as at March 31, 2022		2.122.783.424	424.601.685	2.056.639.646	5.550.680.020	10.154.704.775
Profit for the year		-	-	-	3.074.261.854	3.074.261.854
Dividend	5 (c)	-	-	-	(978.987.269)	(978.987.269)
Other comprehensive income		-	-	(693.288.141)	-	(693.288.141)
Translation		-	-	(8.554.119)	-	(8.554.119)
Balance as at December 31, 2022		2.122.783.424	424.601.685	1.354.797.386	7.645.954.605	11.548.137.100
Balance as at January 1, 2023		**2.122.783.424**	**424.601.685**	**1.354.797.386**	**7.645.954.605**	**11.548.137.100**
Profit for the year		**-**	**-**	**-**	**1.957.078.560**	**1.957.078.560**
Dividend	5 (c)	**-**	**-**	**-**	**(2.989.372.270)**	**(2.989.372.270)**
Other comprehensive income		**-**	**-**	**905.376.964**	**-**	**905.376.964**
Translation		**-**	**-**	**(4.630.740)**	**-**	**(4.630.740)**
Balance as at December 31, 2023		**2.122.783.424**	**424.601.685**	**2.255.543.610**	**6.613.660.895**	**11.416.589.614**

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Separate Statement of Cash Flows

	Notes	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
		(in USD)		(equivalent in Uruguayan Pesos)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		**50.082.990**	77.570.413	**1.957.078.560**	3.074.261.854
Adjustments to reconcile net income to net cash provided by operating activities:					
Income tax expense	12	**3.126.981**	849.534	**120.461.355**	33.792.555
Share of profit of Equity – accounted investees, net of tax and dividend		**22.964.135**	(56.490.560)	**854.645.163**	(2.209.395.714)
Unrealized exchange (gain)/ loss		**385**	(883)	**15.839**	(36.361)
Net change in:					
Other assets (current and non-current)		**4.816**	(46.276)	**239.879**	(1.850.941)
Other current financial assets		**2.101.340**	2.401.842	**84.202.951**	100.945.715
Trade and other payables		**555**	1.269	**9.688**	40.284
Other liabilities (current and non-current)		**10.342**	(48.495)	**403.536**	(1.993.869)
Cash generated from operations		**78.291.544**	24.236.844	**3.017.056.971**	995.763.523
Taxes paid		**(1.892)**	(1.274)	**(73.130)**	(25.255)
Net cash provided by operating activities		**78.289.652**	24.235.570	**3.016.983.841**	995.738.268
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	5 (c)	**(77.694.000)**	(24.029.827)	**(2.989.372.270)**	(978.987.269)
Net cash used in financing activities		**(77.694.000)**	(24.029.827)	**(2.989.372.270)**	(978.987.269)
Net change in cash		**595.652**	205.743	**27.611.571**	16.750.999
Effect of foreign exchange on cash		**(385)**	883	**(4.646.579)**	(8.517.757)
Cash and cash equivalents, beginning of the year		**251.172**	44.546	**10.064.733**	1.831.491
Cash and cash equivalents, end of the year	8 (a)	**846.439**	251.172	**33.029.725**	10.064.733
Supplementary cash flow information:					
Dividends received		**76.338.735**	22.027.243	**2.938.603.041**	901.872.247
Interest received		**12.189**	272	**471.792**	10.835

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Notes to the Separate Financial Statements

1. CORPORATE INFORMATION

TCS Iberoamerica S.A. is a Limited Company incorporated in Uruguay on November 16, 2001.

In accordance with article 2 of the By-laws the Company's business purpose and main activity are the investment in subsidiaries.

It is currently domiciled at Monte Caseros 2600, in Montevideo, Uruguay.

The share capital reaches USD 98.418.354 (equivalent to 2.122.783.424 Uruguayan Pesos) in the form of registered shares. As at December 31, 2023, Tata Consultancy Services Limited owned 100 percentage of the Company's equity share capital.

The Company has no direct employees.

The Board of Directors approved the separate financial statements for the year ended December 31, 2023 and authorized for issue on February 28, 2024.

2. STATEMENT OF COMPLIANCE

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB), translated into Spanish, and interpretations prepared by the Interpretations Committee of the International Financial Reporting Standards or the previous Interpretations Committee, in accordance with the Appropriate Accounting Standards in Uruguay pursuant to Decrees 291/014, 292/014 and 124/011.

These separate financial statements of TCS Iberoamerica S.A., for the year ended December 31, 2023 and for the nine months period ended December 31, 2022, have been prepared in accordance with IAS 27, "Separate Financial Statements" included in International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), applying the exception described in paragraph 4 of IFRS 10, Consolidated Financial Statements. Likewise, these financial statements are exempt from disclosure provisions contained in IFRS 12.

3. BASIS OF PREPARATION

The separate financial statements have been prepared on historical cost basis except for the investments in subsidiaries measured at Equity Method and financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is United Sates Dollar. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The Company followed the methodology established in IAS 21 to translate the amounts in United States Dollars (functional currency) into Uruguayan Pesos (presentation currency) which, under these circumstances, is allowed by a resolution of the Internal Audit of the Nation:

- Assets and liabilities for all balances presented (including comparative figures) were translated using exchange rates prevailing at the end of each reporting period (39,022 Uruguayan Pesos = USD 1 and 40,071 Uruguayan Pesos = USD 1 were used for December 31, 2023 and December 31, 2022 respectively);

Notes to the Separate Financial Statements

- Income and expense items for all statements presented were translated at the exchange rates prevailing on the dates of the transactions or at the average exchange rates for the period.
- Items of equity different from profit or loss for the year were translated at the year-end exchange rate. In particular, in order to maintain the capital in nominal terms as indicated by the legal regulations, the difference between that year end exchange rate and the ones prevailing on the dates of the transactions were recognized directly in equity as "Other reserves".

The significant accounting policies used in preparation of the separate financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of separate financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the separate financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its separate financial statements:

a. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the separate financial statements.

5. RESERVES

a. Legal reserve

The legal reserve is a reserve fund created in compliance with article 93 of Law 16.060 for commercial companies, which establishes that no less than 5 percentage of the net profit for the year should be used to increase the mentioned reserve, until it reaches 20 percentage of the paid-in capital.

As at December 31st, 2023 the balance of legal reserve is 424.601.685 Uruguayan Pesos (USD 15.044.947).

Notes to the Separate Financial Statements

b. Other reserve

The balance of the account corresponds to the difference of exchange in long-term investments, within an equity account as set forth in IAS 21.

c. Distribution of results

On June 21, 2023, it was determined to distribute dividends for a total of 1.005.171.500 Uruguayan Pesos (USD 26.500.000).

On September 22, 2023, it was determined to distribute dividends for a total of 771.511.770 Uruguayan Pesos (USD 20.194.000).

On December 1, 2023, it was determined to distribute dividends for a total of 1.212.689.000 Uruguayan Pesos (USD 31.000.000).

On May 12, 2022, it was determined to distribute dividends for a total of 624.459.269 Uruguayan Pesos (USD 15.029.827).

On November 30, 2022, it was determined to distribute dividends for a total of 354.528.000 Uruguayan Pesos (USD 9.000.000).

6. REGISTRATION OF SEPARATE FINANCIAL STATEMENTS

According to Decree 156/16 dated May 30, 2016, commercial companies will not be able to distribute dividends as long as they do not comply with the obligation to register, within the established terms, the separate financial statements to the Auditoría Interna de la Nación (AIN), institution that regulates the commercial companies.

To date, the Company has complied with this obligation for the year ended on December 31, 2022. For the year ended on December 31, 2023 the Company has time to comply until June 30, 2024.

7. RECENT ACCOUNTING STANDARDS

Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

1 Effective for annual periods beginning on or after January 1, 2024.
2 Effective for annual periods beginning on or after January 1, 2025.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

8. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Notes to the Separate Financial Statements

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a Company of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Current account balances with banks	**46.439**	11.172	**1.812.125**	447.693
Deposits with banks	**800.000**	240.000	**31.217.600**	9.617.040
Total	**846.439**	251.172	**33.029.725**	10.064.733

b. Investments

Investments in TCS Mexico S.A. de C.V, MGDC SC, TCS Solution Center S.A., TCS Do Brasil Ltda., TCS Argentina S.A., TCS Uruguay S.A., TCS Chile Limitada and Tata Consultancy Services Guatemala S.A. are accounted for using the equity method. Under this method the investment is initially recorded at cost and adjusted thereafter according to the changes in the share of net assets of the investee. The income statement reflects the share of results of operations of the investee that corresponds to the Company.

These separate financial statements are the separate financial statements of TCS Iberoamerica S.A.

For the preparation of the separate financial statements, the Company has used the exemption described in paragraph 4 of IFRS 10, which provides relief whereby a parent need not present consolidated financial statements if it meets particular conditions, including the requirement that its ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRSs. The Company meets each and every of such conditions as of December 31, 2023 and December 31, 2022. The Company's financial information is included in the consolidated financial statements of its ultimate Parent, Tata Consultancy Services Limited (India), which have been prepared and presented in accordance with IFRS as issued by the IASB, and can be found at the web site: https://www.tcs.com/investor-relations.

Notes to the Separate Financial Statements

Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company is exposed, or has rights to variable returns from its involvements with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are accounted for using the equity method following the provisions of IAS 27 Separate Financial Statements (as amended).

Gains or losses arising from changes in equity of investments are recognized in the statements of profit or loss and other comprehensive income.

Changes in subsidiaries' equity that do not affect income are recognized in the Company in the same way.

Loss of control

When the Company losses control over a subsidiary, it derecognize the assets and liabilities of the subsidiary, and any related no controlled interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments consist of the following:

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Investments carried at equity method	**(in USD)**		**(equivalent in Uruguayan Pesos)**	
Fully paid equity shares				
Investments in subsidiaries				
i. Tata Consultancy Services Uruguay S.A.	**29.598.412**	25.447.846	**1.154.989.217**	1.019.720.656
ii. Tata Consultancy Services Solution Center S.A.	**40.919.831**	35.780.701	**1.596.773.630**	1.433.768.472
iii. Tata Consultancy Services Argentina S.A.	**(66.933)**	502.237	**(2.611.863)**	20.125.131
iv. Tata Consultancy Services do Brazil Ltda.	**50.771.774**	46.340.051	**1.981.216.184**	1.856.892.180
v. Tata Consultancy Services Inversiones Chile Ltda	**56.068.544**	53.410.090	**2.187.906.739**	2.140.195.724
vi. Tata Consultancy Services de México S.A. de CV.	**116.153.870**	123.608.652	**4.532.556.331**	4.953.122.270
vii. MGDC S.C.	**(4.763.682)**	(1.447.877)	**(185.888.418)**	(58.017.865)
viii. Tata Consultancy Services Guatemala S.A.	**3.015.360**	2.159.524	**117.665.384**	86.534.305
Total Investments	**291.697.176**	285.801.224	**11.382.607.204**	11.452.340.873

Notes to the Separate Financial Statements

December 31, 2023	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(in USD)								
Balance as at December 31, 2022	**35.780.701**	**25.447.846**	**123.608.652**	**(1.447.877)**	**53.410.090**	**502.237**	**2.159.524**	**46.340.051**	**285.801.224**
Retained Earnings	**9.855.085**	**12.664.610**	**22.162.229**	**(4.104.846)**	**10.306.378**	**(190.549)**	**846.689**	**1.835.003**	**53.374.600**
Translation adjustment	**8.045.762**	**479.494**	**19.127.463**	**801.094**	**(1.180.268)**	**(378.621)**	**9.147**	**4.125.460**	**31.029.530**
Dividends	**(12.761.717)**	**(8.993.539)**	**(49.822.303)**	**-**	**(6.359.502)**	**-**	**-**	**(1.528.740)**	**(79.465.801)**
Other Comprehensive Income - Movement Employee benefit	**-**	**-**	**1.077.830**	**(12.054)**	**(108.153)**	**-**	**-**	**-**	**957.623**
Balance as at December 31, 2023	**40.919.831**	**29.598.412**	**116.153.870**	**(4.763.682)**	**56.068.544**	**(66.933)**	**3.015.360**	**50.771.774**	**291.697.176**

December 31, 2022	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(in USD)								
Balance as at March 31, 2022	47.223.602	15.459.690	80.064.909	(2.988.266)	58.087.280	348.754	1.518.428	42.807.873	242.522.270
Retained Earnings	9.239.816	9.328.867	40.258.827	1.602.582	7.820.234	328.546	676.534	9.262.398	78.517.803
Translation adjustment	(8.215.135)	659.289	2.683.176	(129.952)	(3.453.495)	(175.063)	(35.438)	(4.251.106)	(12.917.724)
Dividends	(12.467.582)	-	-	-	(8.960.485)	-	-	(1.479.114)	(22.907.181)
Other Comprehensive Income - Movement Employee benefit	-	-	601.740	67.759	(83.445)	-	-	-	586.055
Balance as at December 31, 2022	35.780.701	25.447.846	123.608.652	(1.447.877)	53.410.090	502.237	2.159.524	46.340.051	285.801.224

Notes to the Separate Financial Statements

December 31, 2023	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(equivalent in Uruguayan Pesos)								
Balance as at December 31, 2022	**1.433.768.472**	**1.019.720.656**	**4.953.122.270**	**(58.017.865)**	**2.140.195.724**	**20.125.131**	**86.534.305**	**1.856.892.180**	**11.452.340.873**
Retained Earnings	**384.781.933**	**494.477.044**	**865.302.085**	**(160.269.604)**	**402.402.205**	**(7.439.780)**	**33.058.121**	**71.645.874**	**2.083.957.878**
Translation adjustment	**269.192.901**	**(11.444.470)**	**583.803.872**	**32.869.673**	**(101.691.097)**	**(15.297.214)**	**(1.927.042)**	**112.480.903**	**867.987.525**
Dividends	**(490.969.676)**	**(347.764.014)**	**(1.911.754.692)**	**-**	**(248.777.357)**	**-**	**-**	**(59.802.772)**	**(3.059.068.511)**
Other Comprehensive Income - Movement Employee benefit	**-**	**-**	**42.082.797**	**(470.622)**	**(4.222.735)**	**-**	**-**	**-**	**37.389.439**
Balance as at December 31, 2023	**1.596.773.630**	**1.154.989.217**	**4.532.556.331**	**(185.888.418)**	**2.187.906.739**	**(2.611.863)**	**117.665.384**	**1.981.216.184**	**11.382.607.204**

December 31, 2022	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(equivalent in Uruguayan Pesos)								
Balance as at March 31, 2022	1.941.598.386	635.625.151	3.291.868.720	(122.862.542)	2.388.258.527	14.339.018	62.430.172	1.760.045.711	9.971.303.143
Retained Earnings	366.127.713	369.656.363	1.595.256.016	63.502.313	309.876.772	13.018.619	26.807.653	367.022.510	3.111.267.959
Translation adjustment	(365.347.527)	14.439.142	42.153.567	(1.342.601)	(186.666.117)	(7.232.506)	(2.703.520)	(209.811.005)	(716.510.567)
Dividends	(508.610.100)	-	-	-	(367.966.952)	-	-	(60.365.036)	(936.942.088)
Other Comprehensive Income - Movement Employee benefit	-	-	23.843.967	2.684.965	(3.306.506)	-	-	-	23.222.426
Balance as at December 31, 2022	1.433.768.472	1.019.720.656	4.953.122.270	(58.017.865)	2.140.195.724	20.125.131	86.534.305	1.856.892.180	11.452.340.873

Notes to the Separate Financial Statements

c. Trade and other payables

Trade and other payables consist of the following:

Trade and other payables – Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Accrued expenses	**11.951**	11.396	**466.343**	456.655
Total	**11.951**	11.396	**466.343**	456.655

d. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

	Amortised cost	Total carrying value
Financial assets	(in USD)	
Cash and cash equivalents	**846.439**	**846.439**
Other financial assets	**158**	**158**
Total	**846.597**	**846.597**
Financial liabilities		
Trade and other payables	**11.951**	**11.951**
Total	**11.951**	**11.951**

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortised cost	Total carrying value
Financial assets	(in USD)	
Cash and cash equivalents	251.172	251.172
Other financial assets	2.101.498	2.101.498
Total	2.352.670	2.352.670
Financial liabilities		
Trade and other payables	11.396	11.396
Total	11.396	11.396

Notes to the Separate Financial Statements

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

	Amortised cost	Total carrying value
Financial assets	**(equivalent in Uruguayan Pesos)**	
Cash and cash equivalents	**33.029.725**	**33.029.725**
Other financial assets	**6.158**	**6.158**
Total	**33.035.883**	**33.035.883**
Financial liabilities		
Trade and other payables	**466.343**	**466.343**
Total	**466.343**	**466.343**

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

	Amortised cost	Total carrying value
Financial assets	**(equivalent in Uruguayan Pesos)**	
Cash and cash equivalents	10.064.733	10.064.733
Other financial assets	84.209.109	84.209.109
Total	94.273.842	94.273.842
Financial liabilities		
Trade and other payables	456.655	456.655
Total	456.655	456.655

Carrying amounts of cash and cash equivalents and trade payables as at December 31, 2023 and December 31, 2022 approximate the fair value due to their nature. Carrying amounts of other financial assets, other financial liabilities and borrowings which are subsequently measured at amortized cost also approximates the fair value due to their nature in each of the periods presented.

e. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

f. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Notes to the Separate Financial Statements

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percentage against the respective functional currencies of the Company.

  The following analysis has been worked out based on the net exposures the Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

  The following table sets forth information relating to unhedged foreign currency exposure as at December 31, 2023:

(in USD)

	UYU
Net financial assets	-
Net financial liabilities	2.177

  The following table sets forth information relating to unhedged foreign currency exposure as at December 31, 2022:

(in USD)

	UYU
Net financial assets	5
Net financial liabilities	1.622

  10 percentage appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately USD 218 and USD 162 for the year ended December 31, 2023 and December 31, 2022 respectively.

- **Interest rate risk**

  The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents. Cash and cash equivalents include an amount of USD 846.439 (UYU 33.029.725) held with a bank in Uruguay having high credit rating which are individually in excess of 10 percentage or more of the Company's total Cash and Cash Equivalent as at December 31, 2023. None of the other financial instruments of the Company result in material concentration of credit risk.

Notes to the Separate Financial Statements

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 846.597 (UYU 33.035.883) and USD 2.352.670 (UYU 94.273.842) as at December 31, 2023 and December 31, 2022, respectively being the total of the carrying amount of Cash and cash equivalent and Other financial assets.

The Company has no credit risk due to Nil total trade receivables for the financial years ended in 2023.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
	(in USD)				
Non-derivative financial liabilities:					
Trade and other payables	**11.951**	**-**	**-**	**-**	**11.951**
Total	**11.951**	**-**	**-**	**-**	**11.951**

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
	(in USD)				
Non-derivative financial liabilities:					
Trade and other payables	11.396	-	-	-	11.396
Total	11.396	-	-	-	11.396

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
	(equivalent in Uruguayan Pesos)				
Non-derivative financial liabilities:					
Trade and other payables	**466.343**	**-**	**-**	**-**	**466.343**
Total	**466.343**	**-**	**-**	**-**	**466.343**

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
	(equivalent in Uruguayan Pesos)				
Non-derivative financial liabilities:					
Trade and other payables	456.655	-	-	-	456.655
Total	456.655	-	-	-	456.655

Notes to the Separate Financial Statements

g. Equity instruments

The authorized, issued, subscribed and fully paid up share capital consist of the following:

	As at December 31, 2023	As at December 31, 2022
	(in Uruguayan Pesos)	
Autorized		
Equity shares of UYU 1 each	**3.000.000.000**	3.000.000.000
Total	**3.000.000.000**	3.000.000.000
Issued, Subscribed and Fully paid up		
Opening balance of equity shares of UYU 1	**2.122.783.424**	2.122.783.424
Total	**2.122.783.424**	2.122.783.424

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Other assets

Other assets consist of the following:

Other assets – Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
VAT receivable	**11.760**	3.236	**458.907**	129.672
Other current assets	**32.937**	46.277	**1.285.262**	1.854.376
Total	**44.697**	49.513	**1.744.169**	1.984.048

b. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Indirect tax payable and other statutory liabilities	**10.341**	-	**403.536**	-
Total	**10.341**	-	**403.536**	-

Notes to the Separate Financial Statements

10. OPERATING EXPENSES

Costs and expenses are recognized when incurred and have been classified according to their primary functions in the following categories:

The costs of the Company is categorized into other operating expenses which includes fees to external consultants, auditors remuneration and other expenses.

Other operating expenses

	For the year ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended December 31, 2023	For the nine months period ended December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Fees to external consultants	**57.013**	5.284	**2.232.261**	214.720
Auditors remuneration	**8.980**	8.980	**348.999**	356.361
Other expenses	**18.297**	5.064	**712.753**	171.512
Total	**84.290**	19.328	**3.294.013**	742.593

11. OTHER INCOME

a. Finance income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using effective interest method.

	For the year ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended December 31, 2023	For the nine months period ended December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Interest revenue - Bank deposits	**12.189**	272	**471.792**	10.835
Interest revenue - Loan to Subsidiary	**43.644**	137.196	**1.688.807**	5.542.376
Total	**55.833**	137.468	**2.160.599**	5.553.211

b. Other gains (losses), net

	For the year ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended December 31, 2023	For the nine months period ended December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Net foreign exchange gains (losses)	**(136.172)**	(215.996)	**(5.284.549)**	(8.024.168)
Total	**(136.172)**	(215.996)	**(5.284.549)**	(8.024.168)

Notes to the Separate Financial Statements

12. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Current income tax payable is computed in accordance with the tax laws applicable in Uruguay.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision.

The income tax expense consists of the following:

	For the year ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended December 31, 2023	For the nine months period ended December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Current income tax expense				
Domestic	**(84)**	(30.403)	**(4.115)**	(1.277.286)
Overseas	**3.127.065**	879.937	**120.465.470**	35.069.841
Total income tax expense	**3.126.981**	849.534	**120.461.355**	33.792.555

The reconciliation of estimated income tax expense reported in statements of profit or loss is as follows:

	For the year ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended December 31, 2023	For the nine months period ended December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Income before income taxes	**53.209.971**	78.419.947	**2.077.539.915**	3.108.054.409
Federal income tax rate	**25%**	25%	**25%**	25%
Expected income tax expense	**13.302.493**	19.604.987	**519.384.979**	777.013.602
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:				
Tax holidays and income exempt from tax	**(13.300.569)**	(19.601.644)	**(519.311.253)**	(776.880.229)
Tax pertaining to prior years:	**(2.008)**	(33.747)	**(77.841)**	(1.410.659)
Disallowable expenses	**3.127.065**	879.938	**120.465.470**	35.069.841
Total income tax expense	**3.126.981**	849.534	**120.461.355**	33.792.555

Direct tax contingencies

As of date of separate financial statements the Company does not have any disputes with income tax authorities of Uruguay.

Notes to the Separate Financial Statements

13. COMMITMENTS AND CONTINGENCIES

Contingencies

- **Direct tax matters**

  Refer to note 12.

- **Indirect tax matters**

  There is no contingencies in relation to indirect taxes.

14. RELATED PARTY TRANSACTIONS

Company's principal related parties consist of its ultimate holding Company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The Company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

	For the Year ended December 31, 2023	For the nine months period ended December 31, 2022	For the Year ended December 31, 2023	For the nine months period ended December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Dividend Income				
Subsidiaries of Tata Consultancy Services Limited				
Tata Consultancy Services Chile S.A.	**14**	21	**529**	847
Tata Consultancy Services De Mexico S.A.,De C.V.	**49.822.303**	-	**1.911.754.692**	-
TCS Inversiones Chile Limitada	**6.359.488**	8.960.464	**248.776.828**	367.966.105
TCS Solution Center S.A.	**12.761.717**	12.467.582	**490.969.676**	508.610.100
TCS do Brasil Ltda.	**1.528.740**	1.479.114	**59.802.772**	60.365.036
TCS Uruguay S. A.	**8.993.539**	-	**347.764.014**	-
Total	**79.465.801**	22.907.181	**3.059.068.511**	936.942.088
Interest Income				
Subsidiaries of Tata Consultancy Services Limited				
TCS Uruguay S. A.	**43.644**	137.196	**1.688.807**	5.542.376
Total	**43.644**	137.196	**1.688.807**	5.542.376
Services				
Subsidiaries of Tata Consultancy Services Limited				
TCS Uruguay S. A.	**44.513**	-	**1.737.957**	-
Total	**44.513**	-	**1.737.957**	-

Notes to the Separate Financial Statements

Transactions with related parties are as follows:

	For the Year ended December 31, 2023	For the nine months period ended December 31, 2022	For the Year ended December 31, 2023	For the nine months period ended December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Dividend paid				
Tata Consulatancy Services Limited	**77.694.000**	24.029.827	**2.989.372.270**	978.987.269
Total	**77.694.000**	24.029.827	**2.989.372.270**	978.987.269
Loan Recovered				
Subsidiaries of Tata Consultancy Services Limited				
TCS Uruguay S. A.	**2.000.000**	2.400.000	**75.080.000**	92.830.000
Total	**2.000.000**	2.400.000	**75.080.000**	92.830.000

Balances payable to related parties are as follows:

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
	(in USD)		(equivalent in Uruguayan Pesos)	
Loans, other financial assets and other assets				
Subsidiaries of Tata Consultancy Services Limited				
TCS Uruguay S.A.	-	2.002.466	-	80.240.815
Tata Consultancy Services Guatemala S.A.	-	99.000	-	3.967.029
Total	-	2.101.466	-	84.207.844

Remuneration to the Board

The members of the Company's board are not remunerated for carrying out their duties.

15. SUBSEQUENT EVENT

There was no subsequent event that meet disclosure.

TATA CONSULTANCY SERVICES QATAR L.L.C.

(Registration Number: 53508)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

KPMG
Zone 25 C Ring Road
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State of Qatar
Telephone: +974 4457 6444
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Website: kpmg.com/qa

To the Shareholders of
Tata Consultancy Services Qatar L.L.C.

Opinion

We have audited the financial statements of Tata Consultancy Services Qatar L.L.C. (the 'Company'), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Company's financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The Company has maintained proper accounting records and its financial statements are in agreement therewith.
- Furthermore, the Company did not hold inventories as at reporting date, hence, physical count was not required.
- We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the period which might have had a material effect on the Company's financial position or performance as at and for the period ended 31 December 2023.

02 April 2024
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 289

Statement of Financial Position as at December 31, 2023

(Amount in QAR)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**20,980,474**	4,317,660
Trade receivables	7(b)	**8,287,445**	6,994,294
Unbilled receivables		**459,209**	644,120
Other financial assets	7(c)	**1,173,580**	5,260,530
Other assets	9(b)	**1,276,043**	5,246,671
Total current assets		**32,176,751**	22,463,275
Non-current assets			
Other financial assets	7(c)	**47,118**	49,629
Property, plant and equipment	9(a)	**9,289**	19,383
Right-of-use assets	8	**341,995**	68,562
Deferred tax assets (net)	13	**19,107**	463,727
Other assets	9(b)	**53,055**	-
Total non-current assets		**470,564**	601,301
TOTAL ASSETS		**32,647,315**	23,064,576
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Lease liabilities		**275,941**	-
Trade payables	7(d)	**8,968,889**	5,407,218
Other financial liabilities	7(e)	**-**	308
Unearned and deferred revenue	10	**1,155,292**	1,156,027
Other liabilities	9(c)	**105,598**	190,006
Provisions		**-**	4,894
Employee benefit obligations	14(a)	**52,497**	67,742
Income tax liabilities (net)	13	**215,947**	73,269
Total current liabilities		**10,774,164**	6,899,464
Non-current liabilities			
Employee benefit obligations	14(b)	**243,707**	278,413
Total non-current liabilities		**243,707**	278,413
TOTAL LIABILITIES		**11,017,871**	7,177,877
EQUITY			
Share capital	7(i)	**2,000,000**	2,000,000
Retained earnings	5(a)	**18,629,444**	12,886,699
Legal reserve	5(b)	**1,000,000**	1,000,000
Total equity		**21,629,444**	15,886,699
TOTAL LIABILITIES AND EQUITY		**32,647,315**	23,064,576

Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2023

(Amount in QAR)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	10	**21,375,610**	18,737,283
Operating expenses			
Employee benefit obligations	14(a)	**3,047,110**	4,383,470
Other operating expenses	11	**16,694,736**	13,410,797
Depreciation	8, 9(a)	**285,220**	289,708
(Reversal of) / provision for Impairment loss on trade receivables		**(4,432,373)**	1,311,472
TOTAL OPERATING EXPENSES		**15,594,693**	19,395,447
OPERATING PROFIT / (LOSS)		**5,780,917**	(658,164)
Other expenses			
Other non-operating loss	12	**614,531**	(167,319)
Finance costs		**(14,689)**	(2,858)
PROFIT/ (LOSS) BEFORE TAXES		**6,380,759**	(828,341)
Income tax (expense) / benefit	13	**(638,014)**	56,351
PROFIT /(LOSS)		**5,742,745**	(771,990)
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME		**5,742,745**	(771,990)

See accompanying notes on page 8 to 28 forming part of the financial statements.

Statement of Changes in Equity for the year ended December 31, 2023

(Amount in QAR)

	Share capital	Retained earnings	Legal reserve	Total equity
Balance as at January 01, 2022	2,000,000	13,658,689	1,000,000	16,658,689
Total comprehensive loss for the year	-	(771,990)	-	(771,990)
Balance as at December 31, 2022	**2,000,000**	**12,886,699**	**1,000,000**	**15,886,699**
Total comprehensive income for the year	**-**	**5,742,745**	**-**	**5,742,745**
Balance as at December 31, 2023	**2,000,000**	**18,629,444**	**1,000,000**	**21,629,444**

See accompanying notes on page 8 to 28 forming part of the financial statements.

Statement of Cash Flows for the year ended December 31, 2023

(Amount in QAR)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss)		**5,742,745**	(771,990)
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation	8, 9(a)	**285,220**	289,708
Income tax expense / benefit	13	**638,014**	(56,351)
Reversal of / provision for Impairment loss on trade receivables	7(b)	**4,432,373**	1,064,831
Unrealised foreign exchange gain	7(b)	**34,683**	(9,690)
Accrued interest on lease liabilities	8	**14,689**	2,858
Provision for employees' benefit obligations	14(b)	**80,765**	98,294
Net change in working capital			
Trade receivables		**(5,760,206)**	5,076,817
Unbilled receivables		**184,911**	423,493
Other financial assets		**4,084,929**	(973,797)
Other assets		**3,917,573**	(1,733,977)
Trade payables		**3,561,671**	(1,035,917)
Other financial liabilities		**(308)**	(64)
Unearned and deferred revenues		**(734)**	(119,843)
Employee benefit obligations provision		**(15,245)**	(15,415)
Other liabilities		**(84,410)**	(244,997)
Provisions		**(4,894)**	4,270
Cash generated from / (used in) operating activities		**17,111,776**	1,998,230
Income taxes paid	13	**(50,716)**	(281,370)
Employees benefit obligations paid	14(b)	**(115,471)**	(136,092)
Net cash generated from / (used in) operating activities		**16,945,589**	1,580,768
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9(a)	**(775)**	(12,710)
NET CASH USED IN INVESTING ACTIVITIES		**(775)**	(12,710)
Cash flows from financing activities			
Repayment of lease liabilities	8	**(282,000)**	(337,000)
Net cash used in financing activities		**(282,000)**	(337,000)
Net change in cash and cash equivalents		**16,662,814**	1,231,058
Cash and cash equivalents, beginning of the year		**4,317,660**	3,086,602
Cash and cash equivalents, end of the year	7(a)	**20,980,474**	4,317,660

See accompanying notes on page 8 to 28 forming part of the financial statements.

Notes forming part of the Financial Statements

1. Corporate Information

TATA CONSULTANCY SERVICES QATAR L.L.C. (the "Company") is registered as a limited liability company in the State of Qatar under commercial registration number 53508.

The Company is engaged in a wide range of information technology and consultancy services including systems hardware and software, communications and networking, hardware sizing and capacity planning, software project management solutions, technology education services and business process outsourcing.

The address of the Company's registered office is Al Bidda Tower, 7th Floor, Corniche Street, Doha, Qatar, P.O.Box # 207210.

As at December 31, 2023, Tata Consultancy Services Limited owned 100% of Company's equity share capital.

The financial statements were approved and authorised for issue on 21 March 2024.

2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB"). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements.

3. Basis of preparation

The financial statements have been prepared on historical cost basis at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and presentation currency of the Company is Qatari Riyal ("QAR").

Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

4. Use of estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

Notes forming part of the Financial Statements

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c. Provision for income tax and deferred tax

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

e. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. Nature and purpose of reserves

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

b. Legal reserves

In accordance with Qatar Commercial Company's Law, the Company has established a legal reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the capital. This has been achieved, hence the Company has resolved to discontinue such transfer. This reserve is not available for distribution except in circumstances as specified in the Law.

Notes forming part of the Financial Statements

6. Recent Accounting Standards

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16 Lease	Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates [2]

[1] Effective for annual periods beginning on or after January 1, 2024.

[2] Effective for annual periods beginning on or after January 1, 2025.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the Financial Statements

7. Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

	As at December 31, 2023	As at December 31, 2022
Balances with bank	**20,980,474**	4,317,660
Total	**20,980,474**	4,317,660

Notes forming part of the Financial Statements

b. Trade receivables

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Trade receivables*	**8,308,566**	11,413,105
Less: Allowance for impairment of trade receivables	**(21,121)**	(4,418,811)
Total	**8,287,445**	6,994,294

* Trade receivables include balances with related parties, please refer to Note 16.

Movement in the allowance for impairment in respect of trade receivables

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
At April 1,	**4,418,811**	3,363,670
(Reversal of provision) /additional provision during the year	**(4,432,373)**	1,064,831
Less : Exchange difference	**34,683**	(9,690)
At December 31,	**21,121**	4,418,811

c. Other financial assets

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Other financial assets - Current		
Short term bank deposits	-	3,092,839
Accrued interest	**61,326**	7,174
Employee advances	**84,843**	87,056
Restricted cash*	**1,021,654**	2,066,404
Others	**5,757**	7,057
Total	**1,173,580**	5,260,530

Other financial assets - Non-current

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Premises security deposit	**47,118**	49,629
Total	**47,118**	49,629

* In restricted cash, expenses towards issuance of Bank Guarantee (BG) for Tender / Performance bond are accounted. At the time of issuance of BG, bank reserves some percentage and debits bank account which remain as reserve cash and cannot be withdrawn, once the BG is matured that amount is credited to the bank account automatically.

d. Trade payables

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Trade payables *	**6,479,348**	2,171,737
Accrued expenses *	**2,489,541**	3,235,481
Total	**8,968,889**	5,407,218

* Trade payables and accrued expenses include balances with related parties, please refer to Note 16.

Notes forming part of the Financial Statements

e. Other financial liabilities - current

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Accrued payroll	-	308
Total	**-**	308

f. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

(Amount in QAR)

	Amortised cost	Total carrying value
Assets:		
Cash and cash equivalents	**20,980,474**	**20,980,474**
Trade receivables	**8,287,445**	**8,287,445**
Unbilled receivables	**459,209**	**459,209**
Other financial assets	**1,220,698**	**1,220,698**
Total Assets	**30,947,826**	**30,947,826**
Liabilities:		
Trade payables	**8,968,889**	**8,968,889**
Lease liabilities	**275,941**	**275,941**
Other financial liabilities	**-**	**-**
Total Liabilities	**9,244,830**	**9,244,830**

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

(Amount in QAR)

	Amortised cost	Total carrying value
Assets:		
Cash and cash equivalents	4,317,660	4,317,660
Trade receivables	6,994,294	6,994,294
Unbilled revenues	644,120	644,120
Other financial assets	5,310,159	5,310,159
Total Assets	17,266,233	17,266,233
Liabilities:		
Trade payables	5,407,218	5,407,218
Other financial liabilities	308	308
Total Liabilities	5,407,526	5,407,526

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2023 and December 31, 2022 approximate the fair value.

Notes forming part of the Financial Statements

g. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Currency risk**

  The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

  The following table sets forth information relating to foreign currency exposure as at December 31, 2023:

	USD (equivalent QAR)	INR (equivalent QAR)
Net financial assets	**3,574,720**	**-**
Net financial liabilities	**6,778,947**	**-**
Net statement of financial position exposure	**(3,204,227)**	**-**

  10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's Profit before taxes by approximately QAR 320,423 for the year ended December 31, 2023.

  The following table sets forth information relating to foreign currency exposure as at December 31, 2022:

	USD (equivalent QAR)	INR (equivalent QAR)
Net financial assets	4,470,680	-
Net financial liabilities	5,484,385	22,378
Net statement of financial position exposure	(1,013,705)	(22,378)

Notes forming part of the Financial Statements

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's loss before taxes by approximately QAR 103,608 for the period ended December 31, 2022.

- **Interest rate risk**

  Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company does not hedge its interest rate exposure. The Company's exposure to interest rate risk is limited to its bank deposits. Assuming that the deposits remain the same, the Company will benefit by QAR Nil (December 2022: QAR 7,732) with the increase of 25 bp in interest rate. In case the interest rate decreases by 25 bp the Company will incur a reduction in income by the same amount.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was QAR 31,149,600 and QAR 19,714,741 as of December 31, 2023 and December 31, 2022, respectively being the total of the carrying amount of balance with bank, trade receivables, unbilled receivables, contract assets and other financial assets. Balance with bank is placed with a bank with high credit ratings. As of December 31, 2023, there were no indications that any defaults will occur on trade receivables, unbilled receivables, contract assets or other financial assets.

  Tata Consultancy Services Qatar L.L.C., the Company's exposure to customers is diversified and single customer's contribution to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2022 and December 31, 2021 was as below :

(Amount in QAR)

Client Name	As at December 31, 2023		As at December 31, 2022	
	Total trade receivables and unbilled revenue	Percentage	Total trade receivables and unbilled revenue	Percentage
Customer A	**4,215,343**	**47%**	1,830,136	18%
Customer B	**1,563,587**	**18%**	1,617,408	16%
Customer C	**1,130,005**	**13%**	1,500,639	15%
Customer D	**-**	**0%**	1,398,032	14%

- **Geographic concentration of credit risk**

  The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets as given below:

	As at December 31, 2023	As at December 31, 2022
Middle East	**98%**	100%
Americas	**2%**	0%

Geographical concentration of trade receivables and unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.

Notes forming part of the Financial Statements

The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(Amount in QAR)

December 31, 2023	Weighted average loss	Gross carrying amount*	Loss allowance #	Credit impaired
Not Due	**1.55%**	**2,014,316**	**(31,232)**	**No**
1-90	**2.05%**	**2,805,494**	**(57,511)**	**No**
91-180	**3.42%**	**2,632,728**	**(90,150)**	**No**
181-272	**8.92%**	**143,803**	**(12,828)**	**No**
273-364	**21.09%**	**10,045**	**(2,118)**	**No**
365-455	**34.34%**	**186,341**	**(63,981)**	**No**
456-546	**76.02%**	**9,356**	**(7,113)**	**No**
>547	**100.00%**	**85**	**(85)**	**Yes**

(Amount in QAR)

December 31, 2022	Weighted average loss	Gross carrying amount*	Loss allowance #	Credit impaired
Not Due	2.75%	1,554,325	(42,821)	No
1-90	3.64%	3,742,976	(136,130)	No
91-180	6.54%	1,132,500	(74,050)	No
181-272	18.95%	79,649	(15,096)	No
273-364	49.70%	-	-	No
365-455	71.41%	2,572,167	(1,836,746)	No
456-546	99.97%	54,893	(54,878)	No
>547	100.00%	5,541,106	(5,541,106)	Yes

*Gross carrying amount excludes intercompany and retention customer receivables.

The above table provides the loss allowance calculated as per ECL and Management is expected to make at the minimum this amount as provision of bad and doubtful debts against trade receivables. However in this case management has made higher provisions as bad and doubtful debts against trade receivables based on their prudent judgement to cover higher risk.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in QAR)

December 31, 2023	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	**8,968,889**	**-**	**8,968,889**
Lease liabilities	**282,000**	**-**	**282,000**
Other financial liabilities	**-**	**-**	**-**
Total	**9,250,889**	**-**	**9,250,889**

Notes forming part of the Financial Statements

(Amount in QAR)

December 31, 2022	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	5,407,218	-	5,407,218
Lease liabilities	-	-	-
Other financial liabilities	308	-	308
Total	5,407,526	-	5,407,526

i. **Equity instruments**

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Authorised		
Ordinary shares	**2,000,000**	2,000,000
Issued, Subscribed and Fully paid up		
Ordinary shares	**2,000,000**	2,000,000
Total	**2,000,000**	2,000,000

Shares have no par value.

Share holding	Percentage%	Percentage%
Tata Consultancy Services Limited	100%	100%

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

8. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right- of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

Notes forming part of the Financial Statements

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(Amount in QAR)

	Additions for the year ended December 31, 2023	Net carrying amount as at December 31, 2023
Leasehold building	**543,252**	339,162
ROU leasehold building - Security deposit	**4,532**	2,833
Total	**547,784**	341,995

(Amount in QAR)

	Additions for the year ended December 31, 2022	Net carrying amount as at December 31, 2022
Leasehold building	-	68,209
ROU leasehold building - Security deposit	-	353
Total	-	68,562

Depreciation on right-of-use asset is as follows:

(Amount in QAR)

	Year ended December 31, 2023
Leasehold building	**272,299**
ROU leasehold building - Security deposit	**2,052**
Total	**274,351**

Depreciation on right-of-use asset is as follows:

(Amount in QAR)

	Year ended December 31, 2022
Leasehold building	275,935
ROU leasehold building - Security deposit	1,425
Total	277,360

Notes forming part of the Financial Statements

Interest on lease liabilities is QAR 14,689 and QAR 2,858 for the year ended on December 31, 2023 and year ended on December 31, 2022, respectively.

The Company incurred QAR NIL and QAR NIL for the year ended on December 31, 2023 and year ended on December 31, 2022, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is QAR 282,000 and QAR 337,000 for the year ended December 31, 2023, and year ended December 31, 2022, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. Non-financial assets and financial liabilities

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful life (in years)
Computer and equipment	Straight Line Method	4 years
Furniture and Fixtures	Straight Line Method	5 years

Depreciation is not recorded on capital work in progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Notes forming part of the Financial Statements

Property, plant and equipment

Property, Plant and equipment consist of the following:

(Amount in QAR)

	Computer equipment	Furniture and fixtures	Total
Gross block as at January 1, 2023	**132,317**	**7,719**	**140,036**
Additions	**2,725**	**-**	**2,725**
Gross block as at December 31, 2023	**135,042**	**7,719**	**142,761**
Accumulated depreciation as at January 1, 2023	**114,884**	**7,719**	**122,603**
Depreciation for the year	**10,869**	**-**	**10,869**
Accumulated depreciation as at December 31, 2023	**125,753**	**7,719**	**133,472**
Net carrying amount as at December 31, 2023	**9,289**	**-**	**9,289**
Capital work-in-progress			**-**
			9,289
Gross block as at January 1, 2022	121,557	7,719	129,276
Additions	10,760	-	10,760
Gross block as at December 31, 2022	132,317	7,719	140,036
Accumulated depreciation as at January 1, 2022	102,917	7,338	110,255
Depreciation for the year	11,967	381	12,348
Accumulated depreciation as at December 31, 2022	114,884	7,719	122,603
Net carrying amount as at December 31, 2022	17,433	-	17,433
Capital work-in-progress			1,950
			19,383

b. Other assets

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Other assets consist of the following:		
Other assets - Current		
Advance to suppliers	**48,700**	1,519,572
Other advances - Allowance	**-**	(32,497)
Prepaid expenses - current*	**1,113,884**	1,311,090
Contract assets - current (Refer to Note 10)	**148,719**	2,448,506
Contract fulfillment costs - current	**-**	-
Others	**(35,260)**	-
Total	**1,276,043**	5,246,671

* Prepaid expenses include balances with related parties, please refer to Note 16.

Notes forming part of the Financial Statements

Other assets - non-current

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Contract assets - non-current	**53,055**	-
Total	**53,055**	-

c. Other liabilities

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Other liabilities consist of the following:		
Other liabilities - current		
Advance received from customers	**105,598**	190,006
Total	**105,598**	190,006

10. Revenue recognition

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

Notes forming part of the Financial Statements

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue from operations is QAR 21,375,610 for year ended December 31, 2023 (December 31, 2022: QAR 18,737,283).

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from consultancy services	**21,171,493**	18,546,065
Revenue from sale of equipment and software licences	**204,117**	191,218
Total	**21,375,610**	18,737,283

Notes forming part of the Financial Statements

Revenue disaggregation by industry vertical is as follows:

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Industry vertical		
Banking, financial and insurance	**4,027,837**	7,821,840
Communication, media and technology	**324,359**	97,480
Energy and utilities	**7,702,180**	6,142,274
Retail and consumer products	**8,342,876**	3,780,830
Others	**978,358**	894,859
Total	**21,375,610**	18,737,283

Revenue disaggregation by geography is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Geography		
Middle east	**20,561,130**	18,528,412
Other than Middle east	**814,480**	208,871
Total	**21,375,610**	18,737,283

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is QAR 13,036,461 out of which QAR 5,046,785 (38.71 %) is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**2,448,505**	2,213,210
Invoices raised that were included in the contract assets balance at the beginning of the year	**(947,867)**	(697,876)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**(1,298,832)**	933,213
Translation exchange differences	**(35)**	(42)
Balance at the end of the year	**201,772**	2,448,505

Notes forming part of the Financial Statements

Changes in unearned and deferred revenue are as follows:

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**1,156,027**	1,275,870
Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year	**(1,016,418)**	(1,136,235)
Increase due to invoicing during the year, excluding amounts recognised as the revenue during the year	**1,015,588**	1,016,432
Translation exchange differences	**95**	(40)
Balance at the end of the year	**1,155,292**	1,156,027

11. Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licences, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Expense by function		
Cost of revenue	**12,827,780**	16,507,191
Selling, general and administration expenses	**2,766,913**	2,888,256
Total	**15,594,693**	19,395,447

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include salaries, incentives and allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as contribution to brand equity, corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

Notes forming part of the Financial Statements

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Other operating expenses		
Project expenses	**617,857**	699,856
Fees to external consultants and related parties	**14,257,009**	11,204,703
Cost of equipment and software licenses	**183,694**	176,300
Travel expenses	**889,962**	814,860
Facility running expenses	**-**	18,316
Communication	**53,894**	45,050
Other expenses	**692,320**	451,712
Total	**16,694,736**	13,410,797

12. Other expense

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Other non-operating loss:		
Net foreign exchange losses	**411,798**	(192,008)
Interest income	**202,733**	24,689
Total	**614,531**	(167,319)

13. Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Notes forming part of the Financial Statements

The income tax expense consists of the following:

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax		
Current tax expense	**193,394**	50,716
Deferred tax income	**444,620**	(107,067)
Total	**638,014**	(56,351)

The reconciliation of estimated income tax expense at the Qatar Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:-

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax expenses		
Income / (loss) before taxes	**6,380,759**	(828,341)
Statutory tax rate	**10.00%**	10.00%
Expected income tax expense	**638,076**	(82,834)
Tax effect of adjustments to reconcile expected income tax expense to reported Income tax expense:		
Tax pertaining to prior years:		
Current tax	**-**	-
Deferred tax	**-**	-
Other permanent differences	**(61)**	26,483
Income tax	**638,014**	(56,351)
Ownership share of Non-Qatari	**100%**	100%
Total income tax expense / (income)	**638,014**	(56,351)

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2023 are as follows:

(Amount in QAR)

	Opening balance	Recognised through profit or loss	Closing balance as at December 31, 2023
Deferred tax assets			
Deferred tax assets in relation to:			
Property, plant and equipment	**12,997**	**-**	**12,997**
Provision for employee benefits	**9,581**	**(3,471)**	**6,110**
Allowances for receivables	**21,740**	**(21,740)**	**-**
Disallowed expenses	**419,409**	**(419,409)**	**-**
Total deferred tax asset	**463,727**	**(444,620)**	**19,107**

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2022 are as follows:

(Amount in QAR)

	Opening balance	Recognised through profit or loss	Closing balance as at December 31, 2022
Deferred tax assets			
Deferred tax assets in relation to:			
Property, plant and equipment	12,997		12,997
Provision for employee benefits	7,159	2,422	9,581
Allowances for receivables	21,740	-	21,740
Disallowed expenses	314,764	104,645	419,409
Total deferred tax asset	356,660	107,067	463,727

Direct tax contingencies

As at the reporting date, the Company is in appeal of a withholding tax demand raised by General Tax Authority ("GTA") of Qatar, pertaining to the years 2013, 2014 and 2017. Management has carefully assessed the demand notice with assistance of third party consultants, where the merits of the demand notice have been found to be weak and inappropriate due to application of new tax amendments issued in 2019 on the prior years. Hence, no provision has been recognized in these financial statements.

(Amount in QAR)

	As at December 31, 2023	As at December 31, 2022
Income tax liabilities (net)		
Opening	**73,269**	303,923
Current tax provision made during the year / period	**193,394**	50,716
Advance tax paid	**(50,716)**	(281,370)
Closing	**215,947**	73,269

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC 23 is not applicable.

Notes forming part of the Financial Statements

14. Employee benefits

a. Employee benefit obligations

The Company provides for amount payable to employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(Amount in QAR)

	Year ended December 31, 2023	Year ended December 31, 2022
Contributions to provident and other funds	**80,765**	98,294
Salaries & bonus	**2,836,620**	4,184,841
Staff welfare	**129,725**	100,335
Total	**3,047,110**	4,383,470

	As at December 31, 2023	As at December 31, 2022
Employee benefit obligations - current		
Compensated absences *	**52,497**	67,742
Total	**52,497**	67,742

* This represents balance payable to the employees based on the Company's policy on compensated absences.

b. Employees end of service benefits

A provision is made for employees end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

	As at December 31, 2023	As at December 31, 2022
Employee benefit obligations - Non-current		
Gratuity liability	**243,707**	278,413
Total	**243,707**	278,413

Movement in employees' obligations benefit

	As at December 31, 2023	As at December 31, 2022
At January 1,	**278,413**	316,211
Provision charged for the year	**80,765**	98,294
Payments made during the year	**(115,471)**	(136,092)
At December 31,	**243,707**	278,413

Notes forming part of the Financial Statements

15. Commitments and contingencies

	As at December 31, 2023	As at December 31, 2022
Letter of Guarantee	973,427	1,310,644
Total	**973,427**	**1,310,644**

16. Related party transactions

Company's principal related parties consist of its holding company Tata Consultancy Services Limited and its holding and subsidiaries, and its key managerial personnel. The company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

For the year ended December 31, 2023

(Amount in QAR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	Total
Revenue from sale of services and licences	-	1,811,052	1,811,052
Purchases of goods and services (including reimbursement)	-	9,405,915	9,405,915
Brand equity contribution	42,202	-	42,202

For the year ended December 31, 2022

(Amount in QAR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	Total
Revenue from sale of services and licences	-	1,449,463	1,449,463
Purchases of goods and services (including reimbursement)	-	7,456,390	7,456,390
Brand equity contribution	-	-	-

Balances with related parties

As at December 31, 2023

(Amount in QAR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	Total
Trade receivables and unbilled revenue (net)	-	374,538	374,538
Trade payables, unearned and deferred revenue, Other financial liabilities and Other liabilities	42,202	6,812,065	6,854,267
Prepaid expenses	-	1,110,406	1,110,406

Notes forming part of the Financial Statements

(Amount in QAR)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding Company	Total
Trade receivables and unbilled revenue (net)	-	159,267	159,267
Trade payables, unearned and deferred revenue, Other financial liabilities and Other liabilities	35,622	1,940,374	1,975,996
Prepaid expenses	-	1,290,260	1,290,260

Compensation to Key Managerial Personnel

Remuneration paid to Devashis Goswami

(Amount in QAR)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Short term benefits	**396,307**	381,780
Post-employment benefits	**15,945**	15,748
Total	**412,252**	397,528

17. Subsequent events

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

18. Comparative Information

The comparative figures presented for the period ended December 31, 2022 have been reclassified where necessary to preserve consistency with the year ended December 31, 2023 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the year ended December 31, 2023.

19. Dividends

Dividends declared by the Company are based on the profit available for distribution.

DILIGENTA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
31 December 2023

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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COMPANY INFORMATION

Board of Directors

N G Subramaniam
Chairman

Daniel Praveen
Chief Executive Officer

Michael Arthur
Non-Executive Director

S Sankaranarayanan
Non-Executive Director

Susan McInnes
Non-Executive Director

Company Secretary
Paul Venters

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

Registered Office

Lynch Wood
Peterborough
Cambridgeshire
PE2 6FY

Company Registration Number

05535029

STRATEGIC REPORT

The directors present their Strategic Report for the year 31 December 2023.

Principal Activities

Diligenta Limited ("the Company") is a Private Company, limited by shares and is a fully owned subsidiary of Tata Consultancy Services Limited (TCS). Established in 2005, the Company's head office is in Peterborough, UK, and operates out of multiple sites in the UK and through its global delivery model.

Diligenta specialises in the delivery of Life and Pension (L&P) Administration services and contracts with major insurance companies (''clients'') in the UK. Diligenta occupies an increasingly important position in the L&P sector - being the single largest provider of Third-Party Administration (TPA) services - servicing more than 18 million customers and taking pride in the fact that 'what we do matters' through servicing customer demands over critical moments of truth experiences.

Diligenta's unrelenting focus on delivering customer delight and technology innovation has been consistently recognised, with the business winning prestigious awards in 2023 for 'Customer Experience Provider of the Year', 'Digital Project of the Year' and 'Technology enabled Project of the Year' competing with businesses across industry sectors. We take our role in shaping the UK L&P sector seriously and are working with government and policymaking mechanisms, part of their expert panels, all aimed at delivering great customer outcomes and market propositions.

Review Of Business And Future Developments

Achieving Growth – Consistently

The Company achieved revenue of £522.4 million for the year 2023 (2022: £390.7 million), representing a growth of 34%. This was delivered across all service lines, and contributed to by existing clients and new wins, underlining Diligenta's robust market strength.

Operating expenses totalled £497.5 million (2022: £389.8 million). Continued investments in operational resilience and stability, alongside external headwinds (UK inflationary factors and the labour market), drove higher costs in the year - though mitigated through cost discipline, commercial and optimisation actions.

Profit before tax (PBT) improved to £27.1 million (2022: £1.4 million). After Taxes, Profit was £21.0 million (2022: £1.2 million).

The directors are committed to exploring growth opportunities and continue to tender for contracts providing L&P Administration services to the Financial Services sector. The Company sees promising opportunities for organic growth, both in terms of extending the range of services to its existing client base as well as taking on new clients. As part of this growth, the Company has signed a long-term renewal deal with Aviva, which includes an incremental scope servicing 3 million policies.

During the year, Diligenta incorporated a European Legal entity, Diligenta Europe BV, which is a wholly owned subsidiary with its first client, Athora BV (Life & Pensions closed book), going live in Netherlands.

Leading The Industry, Delivering Complex Platform Migrations

Over the last 12 months, Diligenta successfully migrated 2.7 million L&P policies onto TCS BaNCS™ strategic platform for its key clients. In addition, we successfully completed over 200 digital & business change releases during this period.

These migrations build on our unique success, where over the last 5 years, we migrated 8.4 million policies onto our platform and delivered over 800 digital & business change releases across our client base. These large migration programmes enabled an 80% rationalisation of L&P products, thereby leading to significant business simplification and improved customer outcomes.

We are on track to delivering a further migration of 2.5 million policies over the next 12 months for our key clients.

Good Customer Outcome is Key

Diligenta puts good customer outcomes at the heart of its activities. We deal with customers consistently, honestly, fairly and openly. Our customer journeys are easy to navigate. Our support for customers is focused on putting them in a better position to make informed decisions in line with their financial objectives. In order to support vulnerable customers, we have a network of Champions available across all our Operations teams. We are ensuring that our people initiatives are aligned to drive cultural changes which are focused on delivering good customer outcomes.

Driving Technology Innovation & Investments

Diligenta continue to invest in technology to enable positive outcomes for its customers, clients and colleagues. In 2023, this has included the development of industry leading digital journeys improving speed of service and reducing customer effort.

The Company has made further investments in its Cloud based Information Technology infrastructure and enterprise solutions, aimed at enabling an eco-system of capabilities that support future developments in Artificial Intelligence and Machine Learning.

We see technology, combining with our contextual knowledge, as central to achieving increasing levels of regulatory expectation, for instance set out through new Consumer Duty regulations.

We are a People Business, Serving People

Diligenta is committed to ensuring it delivers a strong Employee Value Proposition, recognising the critical role its colleagues play in delivering customer delight.

In 2023, all Diligenta colleagues were invited to participate in 'Best Companies b-Heard survey', with results demonstrating positive workplace engagement. The Company has enhanced its people offering for the moments that matter to colleagues, including additional leave for carers, colleagues undergoing fertility treatment and colleagues approaching retirement.

Executive leadership visibility is important to Diligenta, and a refresh of the internal communications strategy has led to a number of roadshows and multimedia communications to ensure the corporate strategy and values are understood and shared throughout the business. The Company has also introduced a number of development programmes, including a future leaders programme to retain and promote talent from within, to complement its external recruitment activity and secure a diverse and talented resource base.

We Care About our Community

Diligenta recognises the value it can bring to the communities it operates within. 2023 has seen corporate fundraising for its chosen charity; Alzheimer's Research UK. The Company has also offered paid leave for colleagues to partake in volunteering work and support charitable organisations or other volunteering groups. Diligenta seek to provide opportunities for people to enter financial services and have continued to expand both its Graduate Scheme and Apprenticeship Programme, which now cover Operations, Change and Finance and allow new talent to enter the business and the sector.

The Company promotes a strong Diversity and Inclusion culture, with a number of initiatives set up throughout the business to advocate and champion the needs and interests of colleagues.

The Company has taken positive action to reduce its carbon emissions and drive its sustainability agenda, with a 10% reduction of CO2 emissions achieved compared to 2022.

Looking ahead

We continue to remain focused on maintaining operational resilience, delivery of enhanced customer services and improved customer outcomes post significant migrations.

As the business continues to grow, we see significant opportunities to create value and to synergise operating practices across clients and define a new standard for the industry. This will be underpinned by an evolving technology enabled, customer and colleague centered digital first operating model positioning us for continued success and meeting the needs of all our stakeholders.

Key Performance Indicators

In assessing the performance of the Company, the directors monitor several key performance indicators, financial and non-financial. These are:

- **Policy volumes administered:** This key indicator is directly linked to revenue. During the year, the number of policies being administered stood at 18.3 million (2022: 15.8 million).
- **Customer Outcomes:** The Company operates as a Third-Party Administrator to some of the largest life insurance and pensions providers (''clients'') in the UK. In this role, the Company is on point to deliver top tier customer service to the policyholders of these clients. In alignment to the New Consumer Duty (NCD) regulation, the Company achieved compliance to first milestone of 31 July 2023 for open books. The Company continues to embed NCD framework well across the organisation with ongoing training sessions and communications for alignment to closed book milestone. The

Company is focussed to ensure the metrics across 'customer understanding' and 'customer support' are delivering the right customer outcomes.

- **Revenue:** Revenue for the year was £522.4 million (2022: £390.7 million) with growth across all service lines. The Company is in growth trajectory due to combination of business growth and positive change in customer behaviours.
- **Liquidity:** The Company has the KPI to ensure that it has strong financial flexibility through liquid assets to cover its anticipated payment obligations and funding requirements. The Company continuously monitors its liquidity position to ensure that, even under stressed conditions, the Company has sufficient liquidity to meet its obligations. With no debt, the Company has adequate liquid assets to meet its obligations, including its regulatory capital requirement and after taking account of ring-fenced cash set aside to comply with FCA requirements.
- **Transformation milestones:** The Company has the KPI of delivering the agreed transformation roadmap as per the defined milestones with its clients. Two significant migrations were successfully migrated during the year.
- **Regulatory Compliance:** The Company and its clients have responsibility for regulatory compliance. The Company has a dedicated Compliance function, which provides continuous guidance to the business on compliance and regulatory matters. Regular, contractually required meetings between senior managers in the Company and its clients seek to identify issues at an early stage and act in concert both to prevent escalation or take necessary action.
- **IT Security:** The Company's IT security remains strong. Company has ensured the controls are up to date to avoid any security incident. During the reporting period and up to the date of approval of financial statements, there has been no critical or high severity security incidents reported.
- **People metrics & Outcomes:** We continue to focus on our leadership capability & corporate culture and also support the introduction of a revised Performance Management framework. This framework is focused on the importance of our colleague's behaviours in driving improved customer outcomes and internal relationships and how this links to how we measure and manage performance.

GOVERNANCE AND INTERNAL CONTROL

Organisational Structure

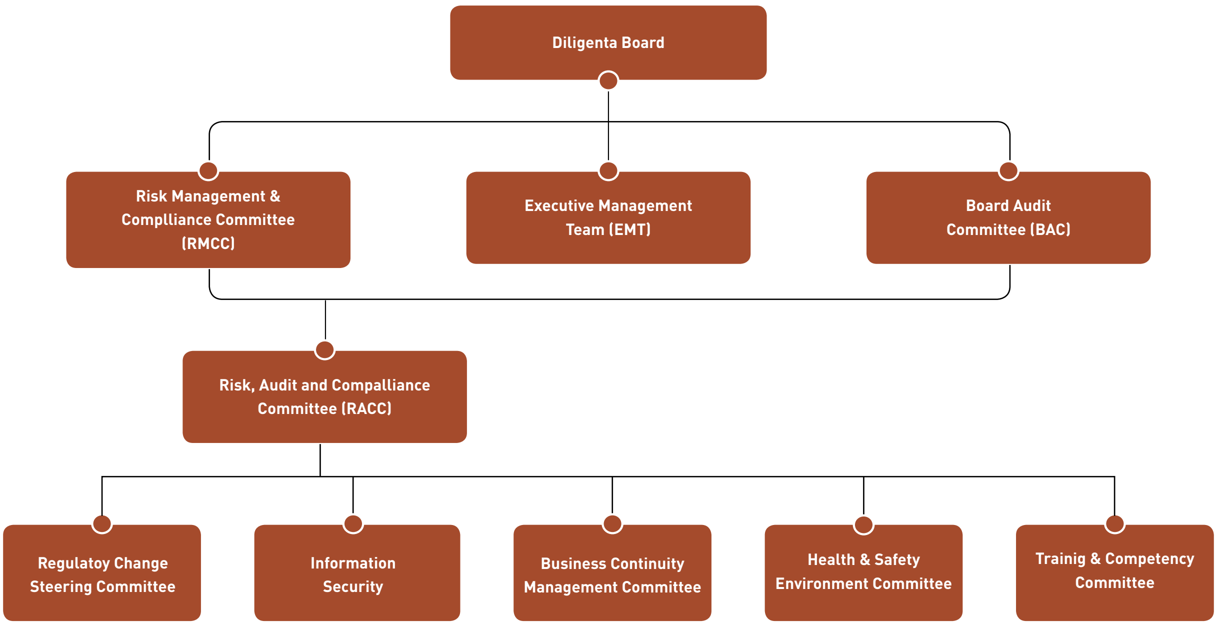
The Diligenta Executive Management Team (''EMT'') is responsible for ensuring the proper management of its business; this includes ensuring sound governance and internal control practices are followed. The Chief Executive Officer is also a member of Diligenta Board.

Diligenta Board

The Board of Directors (the "Board") is the main decision-making body of the Company. The Board considers strategic issues and risk. It has the overall responsibility for management of the business and affairs of the Company and the establishment of Company strategy.

The Board ensures the risks associated with the business are properly identified, evaluated, and managed to ensure any exposures are known and where appropriate, are controlled. The Board approves several policies and Diligenta's risk appetite, acknowledging the potentially different risk appetites of clients.

The Board and Management committees are given in the following chart.



The Board Audit Committee (''BAC'') and Risk Management & Compliance Committee (''RMCC'') assists the Board to discharge its corporate governance responsibilities as defined in their Terms of Reference.

The purpose of the BAC is to keep under review and monitoring:

- The Company's internal financial controls and audit capability.
- The effectiveness of the Internal Audit function and the Company's arrangements for external audit.
- The integrity of the financial statements of the Company.
- Annual financial statements of the pension funds, where not reviewed by the Board.

The purpose of the RMCC is to manage risks and monitor adherence to all the rules and regulations that the Company is subject to, by keeping under review and monitoring:

- The Company's internal controls and risk management capability and its ability to identify and manage new risks, including conduct risks affecting customer outcomes.
- The adequacy and security of the Company's arrangements for compliance, whistleblowing and the prevention of fraud.

Both the BAC and RMCC meet on a quarterly basis, or more frequently where required, and are chaired by Independent Non-Executive Directors. The other members of the Board attend at least one, if not both, committees.

Management's Philosophy and Operating Style

Diligenta seeks to implement a strong culture throughout the organisation by delivering a quality service to clients, in line with agreed service levels. Management has put into place effective controls to ensure that quality services are provided which meet customer expectations in accordance with detailed service level agreements (SLAs) and comply with relevant regulation and legislation.

Integrity and Ethical Values

Diligenta adopts the Tata Code of Conduct which applies to all companies within the Tata Group. The Code of Conduct sets out a framework for how the organisation operate and to protect the interests of all the stakeholders including shareholders, clients, employees, suppliers and communities. The Code of Conduct has been drawn up to formalise the standards of behaviour the Company expects of their people and forms part of each employee's contract of employment.

There are also five corporate values that shape the way people work on a daily basis. They are at the foundation of everything the Company does, the way the Company undertakes its business, interacts with each client. Everyone at Diligenta has a part to play in bringing these values to life, and this is highlighted in the corporate Induction along with the Diligenta Way which has 10 key principles that underpin the values.

Commitment to Competence

Diligenta seeks to ensure that its employees have the appropriate level and range of competencies needed to undertake their roles. To ensure compliance with key legislation and regulations, the Company requires all new joiners, onshore and offshore, to complete a suite of corporate mandatory online training and testing modules, which are then repeated on an annual basis.

The Company operates a Training & Competence (T&C) scheme for all relevant back-office employees '('overseers'') in accordance with the FCA guidelines.

There is a new starter training framework which applies to relevant operational roles in the front and back office and provides a documented / timetabled training plan covering the first 4-6 weeks of a new starter's on-the-job training.

Assignment of Authority and Responsibility

The control environment is greatly influenced by the extent to which individuals recognise that they will be held accountable for their actions. This includes assignment of authority and responsibility for operating activities and establishment of reporting relationships and authorisation protocols.

As an FCA-regulated Company, the FCA must approve certain senior management roles within Diligenta; the roles regulated by the FCA are known as Controlled Functions. An individual who performs a controlled function is called a Senior Manager Function holder (''SMF'').

At Diligenta, the Senior Management Function(s) include the Chair of the Board, the Chief Executive and his Executive Management Team, as well as others such as the Head of Compliance, Head of Anti-Financial Crime, Head of Risk and Head of Internal Audit.

Conduct Rules apply to all employees in the Company, and the expectation is that they will help to shape the culture, standards, and policies as a whole. They will promote positive behaviours that provide for better customer outcomes and represent a meaningful change in the standards of conduct the FCA expect from all individuals working in the industry.

Diligenta Oversight of Outsourced Operations

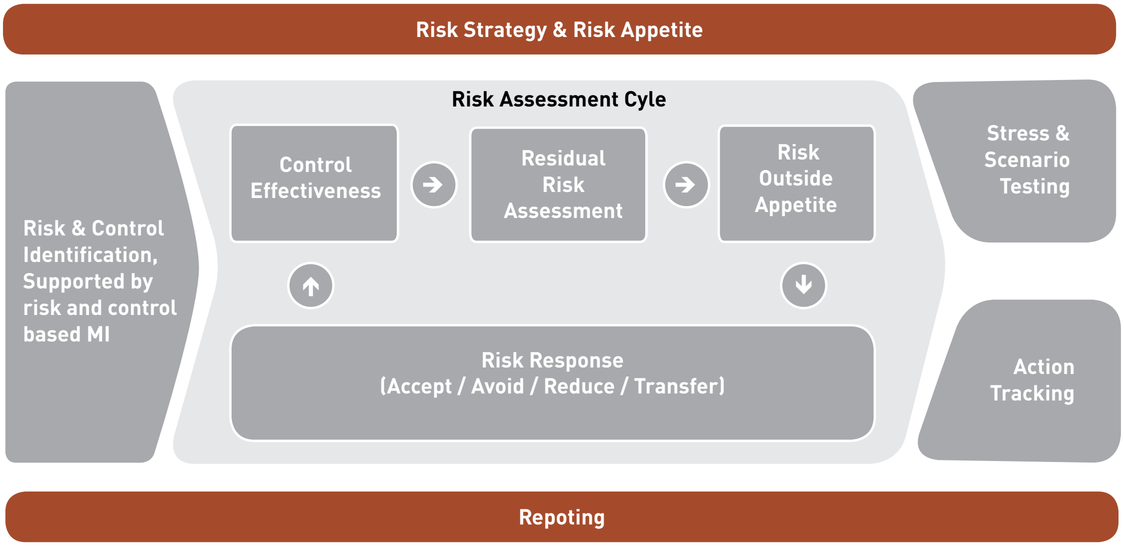
A number of agreements are in place whereby operational processes have been outsourced to third party firms. These agreements include, for example, the administration of a portfolio of group pension schemes, and the offshore administration of some shared processing transactions.

Diligenta Risk Management Framework

Risk is managed in Diligenta through a comprehensive Risk Management Framework, as shown in the diagram below. The framework embraces Strategic, Operational, Financial, Customer and Compliance risk, monitoring and reporting on all risks identified on a regular basis to the EMT, RACC, RMCC, BAC and the Board.

In managing its risks, the Company seeks to follow current regulatory requirements and guidance issued by the FCA and aligns with best practice guidelines and relevant control frameworks.

All risk management activities and processes are subject to regular review by the Board.



Responsibility for setting risk appetite and risk management policy resides with the Board. The Board has delegated certain risk matters to the RMCC which has a responsibility for oversight and monitoring management's implementation of the risk management framework within the Company.

This Company-wide risk management framework for the identification, assessment, measurement, and management of risk covers the full spectrum of risks that the Company is exposed to, with risks categorised as operational, strategic, regulatory, people, commercial or financial. Risks are entered in a register with each risk having a specified owner who is responsible for overseeing the necessary mitigating actions to keep the risk within the approved risk appetite. The status of risks is regularly assessed, at least once a quarter, to ensure that appropriate management actions are taken in the event that a key risk is deemed out of appetite.

Management is required to certify the current status of risks and controls in their area through a quarterly -assessment process. This provides assurance that appropriate management controls and procedures have been implemented for significant risks and have operated within their area of responsibility for the period covered in line with agreed success criteria and tolerance levels. Any significant deficiencies, or lapses, are detailed, along with actions proposed to rectify or otherwise deal with them. Control failures which result in an incident or regulatory/legislative breach are recorded on Incident Databases and will be appropriately reflected in control evaluations. Controls testing is performed across the three lines of defence, which inform the risk assessments performed by management.

The quarterly review of the risk register is carried out by the Executive Management team, Risk and Compliance Committee and the Board committees (RMCC and BAC).

Diligenta Policy Management Framework

Diligenta has in place a Policy Management Framework that aligns to the principal risks and looks to define a set of minimum standards of control for each of these areas. Each policy has an Executive Owner who is required to maintain the policy, including performing an annual review, and ensure the policy is complied with. The Board, via the RMCC and BAC, provides oversight and approval for the framework and the individual.

Risk Management in action

Diligenta aims to deliver consistently for its customers and to provide the platform for its clients to realise their strategic objectives. Diligenta has grown rapidly since inception and aims to maintain that growth as it moves forward. As any organisation in growth, there is a need to ensure the risk and control framework continues to support stable and optimal performance whilst keeping pace with the development of its customer base. With its current size and scale, comes responsibilities to UK consumers and Diligenta takes this seriously.

The framework and key risks are continually reviewed. In the past year, the Board focused on risks around customer service, complaints management, technological developments, financial crime enhancements and people engagement. Looking forward this is likely to be sustained, however focus is shifting onto digital and cyber risks, and consumer duty related matters. Progress on operational resilience and ensuring business services align to impact tolerance continues to be another topic of interest to the Board.

Each year, the Company undertakes a high volume of change activity, whether that be client driven customer migrations, transformational activity of client operations or internal change activity to enhance regulatory / legislative change. The risks associated with these change activities are managed within each individual programme and at a portfolio level. Strong governance is in place and involves clients where it relates to their operations. A change committee and Line 1 change teams support regulatory change. A committee operates at a portfolio level to monitor progress and support aggregated consideration of risks.

The following are the principal risks that are currently registered and tracked. Given the nature of business, the risks that most critical are customer and operational risks.

- Financial Risk, refer to section below for further details
- Strategic Risk, including Change, Reputational and ESG related risks
- Customer Risk and delivery of good customer outcomes
- Operational Risk, including IT, Cyber Security and Operational Resilience
- Compliance Risk
- People Risk

Key controls relied on to mitigate the risk areas include:

- Quarterly risk and control reporting
- Three lines of defence teams support risk management activities and performing control evaluations, including an Internal Audit function
- Committee oversight, including RMCC, RACC, Executive Management Committees, Customer Committees and Change Steering Groups
- Client engagement and contractual management arrangements
- Performance management monitoring at a client and organisational level
- Change management discipline
- Third party oversight and performance monitoring
- People and performance management activities, including succession planning and retention actions.

Regulatory and legislative risks are managed by ensuring that the Company's corporate incident management process operates effectively. Management information on corporate incidents and trends is monitored and openly reported. Committees oversee regulatory and legislative change. Quality control frameworks, and other forms of output checking verify quality delivery. Root cause analysis on incidents and complaints ensures we learn from events as they happen. The Company has regular and open engagement with FCA at Board and Senior Management levels.

In addition to managing principal risks, the Company continues to monitor the external environment and emerging risks. Some key areas associated with these threats include monitoring the impact of cost-of-living crisis and the on-going challenges faced across the UK in relation to securing and retaining talent, the UK Cloud Services Market Investigation, proposed regulatory changes for Financial Crime, the unforeseen market implications of New Consumer Duty and the impending UK election that could lead to a change in government policy.

Diligenta recognises the ever-evolving cyber threat landscape and is committed to continuously improving its cyber security posture. In this regard, the company has been making investment in key ongoing projects designed to enhance its defences and protect critical data and operations. These projects include:

- Enhanced Access Control
- Improved Cloud Agility
- Stronger Authentication with additional verification steps
- Secure Collaboration mechanisms
- Modernizing Infrastructure and updating any aging systems or infrastructure

Diligenta have a foundation of essential security controls in place to protect its data and systems such as documented security policies, training and awareness programs, endpoint protection software, network segmentation, vulnerability management, data backup and recovery.

Financial Risk Management

The Company is exposed to financial risk through its financial assets & liabilities and its contractual obligations to its clients.

The Company does not use hedging for any type of transactions. The exposure of the Company to credit risk is managed through regular reviews of the level and age profiles of amounts outstanding.

The directors do not consider that the Company and its activities are subject to any other significant financial risks.

Regulatory Compliance

The Company operates in a highly regulated environment, its principal regulator being the Financial Conduct Authority ("FCA"). Both the FCA and the Prudential Regulatory Authority ("PRA") regulate the Company's clients.

Both the Company and its clients have responsibility for regulatory compliance. Consequently, appropriate contractual arrangements are in place to provide clarity of respective responsibilities and information about regulatory matters flowing from the Company to its clients and vice-versa.

The Company operates a 'three lines of defence' governance model. The Compliance function provides 2nd line oversight of, and guidance to, the business in respect of regulatory compliance, and carries out a programme of monitoring activities to assess regulatory compliance in the 1st line. Compliance oversight also includes but is not limited: the timely implementation of regulatory change; the operation of the Senior Managers & Certification Regime; the Training & Competence Scheme; the timely fulfilment of all regulatory reporting requirements for the Company, as a regulated entity.

Compliance has regular and frequent dialogue with the Company's Supervision Team at the FCA, encompassing the FCA's programme of proactive engagement with the Company. This is focussed on areas which include:

- The Company's strategy and growth ambitions and the risks that growth plans bring to the business.
- Notifying FCA in a timely manner of any new client and the importance of ensuring sufficient operational and control capacity before taking on any new proposition.
- The effectiveness of the Company's Board. The Board completes its annual review. The most recent independent triennial review of Board effectiveness was completed in Q3/Q4 2023.
- The Board's composition and diversity.
- Capital adequacy stress testing and wind-down plans. Corporate Finance complete and submit monthly liquidity questionnaires. An amount of money has been ring-fenced as part of an FCA requirement for a liquidity backstop. Controls are in place to ensure that this is maintained.
- The programme of transformations (system migrations): risk management and decision making; how lessons learnt are shared across the programme.
- The need to keep under review and assess whether the size and capabilities of the Audit, Risk and Compliance functions are keeping pace with the rate of change and complexity of the business.

As part of FCA's programme of proactive engagement, the Company is also required to submit a range of management information. This includes Board level committee packs and minutes, risk committee packs and minutes, change committee packs, internal and external audit reports. All management information submissions are up to date.

Regular contact with the FCA on operational matters has continued. Regular meetings focus on providing the regulator with assurance in the following areas:

- The administration and improvement of customer service, with an emphasis on good customer outcomes following system migrations.
- Operational and IT resilience
- Cyber and information security
- Staff wellbeing
- Company Culture
- Diversity and Inclusion

The meetings are supported by management information reports, submitted in advance, covering the Company's service performance across client accounts. The compliance team tracks and closes any actions arising from these meetings.

Internal Audit provides third line independent assurance on the effectiveness of Diligenta's first and second line of defence arrangements for corporate governance, risk management and internal control.

Non-Financial and Sustainability Information Statement

Diligenta reporting strategy centres on addressing the needs of its stakeholders, complying with relevant regulations, and incorporating assessments from sustainability rating and benchmarking providers. The report specifically emphasises concepts that pertain to our most significant climate-related concerns.

The roadmap Diligenta adheres to follows five foundational elements to articulate how to mitigate risks and seize opportunities:

- **Strategy:** Detailed commitment, ambition, and the scope of our Net Zero pledges.
- **Methodology:** A defined approach to identify, measure, and monitor climate-related aspirations concerning investments, insurance, and operations.
- **Action Plans:** Clear outlines of measures required to achieve defined ambitions, fostering engagement with companies in our investments, underwriting and supply chain.
- **Operating Model:** Clarifying roles and responsibilities, to ensure the effective execution of the Climate Roadmap and climate cultural awareness throughout the organisation.
- **Continual review** on all aspects, objectives, targets and goals

Sustainability Governance

Diligenta has as far as possible 'voluntarily' incorporated the TCFD recommendations into its governance, facilitating a transparent alignment between its disclosures and the recommended guidelines. A Board director is specifically tasked with overseeing climate-related issues and opportunities, illustrating a direct and dedicated Board oversight. Diligenta set out the frequency of Board updates on climate-related issues, the supervision of risk Management, and the escalation procedures guiding significant and emerging risks, communicating throughout the business to the staff. Whilst some areas of Management are delegated to specific entities, the Board maintains overarching oversight through internal reporting structures.

Diligenta have allocated climate-related risks to specific departments and business units to the following areas:

- Risk Assessment
- Integration into Strategy
- Governance and Oversight
- Operational Integration
- Supply Chain Management
- Infrastructure Resilience: Management
- Financial Management
- Engagement and Communication
- Continuous Monitoring and Improvement

The communication of these matters is undertaken on a monthly basis in line with senior management meetings and internal compliance

Sustainability Strategy

Diligenta overall risk management process involves several key steps to ensure thorough identification, assessment, and management. The intention of our disclosure provides an understanding of how the company assesses the relative importance of climate risks compared to other risks and how we prioritise and manage these risks.

The process incorporated the following areas;

Identification of Climate-Related Risks: The company shall have mechanisms in place to identify climate related risks that could impact its operations, supply chain, or financial performance. This may involve conducting risk assessments, scenario analyses, or utilising third-party data and expertise to identify potential risks such as extreme weather events, regulatory changes, or shifts in consumer preferences.

Assessment of Relative Importance: The company shall assess the relative importance of climate risks compared to other risks it faces. This assessment should consider the potential financial, operational, and reputational impacts of climate-related risks, as well as their likelihood and severity.

Integration into Strategic Priorities: Climate-related risks are integrated into the company's strategic planning processes to ensure alignment with long-term goals and objectives. The disclosure should clarify how climate risks are considered in strategic decision-making and how they inform the company's business model and operations.

Identification of Principal Climate-Related Risks: The disclosure should identify the principal climate related risks facing the company and their potential impacts on its business model. This may include risks related to physical impacts of climate change, transition risks associated with shifts to a low-carbon economy, or liability risks arising from regulatory or legal action.

Rationale for Non-Principal Risks: If the company determines that climate-related factors do not give rise to any principal risks, it should provide a rationale for this conclusion. This may involve explaining why certain risks are considered immaterial or unlikely to have a significant impact on the company's operations or financial performance.

Prioritisation and Management of Climate Risks: The business should explain how climate risks are prioritised and managed within the company's overall risk management framework. This may involve setting risk tolerances, implementing risk mitigation measures, and monitoring and reporting on climate-related risks on an ongoing basis. Materiality considerations should be taken into account when prioritising and managing climate risks, with a focus on those risks that are most likely to have a significant impact on the company's financial performance or reputation.

Overall, any disclosure will provide evidence of the integration of climate-related risks into the company's overall risk management process, demonstrating a proactive approach to identifying, assessing, and managing these risks in alignment with strategic priorities and materiality considerations.

The Company have utilised the timeframes outlined in its corporate group strategy to evaluate climate-related matters. By considering climate-related risks and opportunities, Diligenta has illustrated the impacts on corporate strategy and financial planning. Risks, such as extreme weather, energy regulation, and pricing fluctuations, are meticulously outlined in terms of their manifestation in the short or medium term. These time scales are defined as 1 to 5 years along with their implications on valuations, revenue and costs. As the Company expands its disclosure to encompass more quantitative data, a broader spectrum of strategic risks, it will have the tools for more in-depth analysis. Climate-related risks and opportunities for an insurance business can have profound implications for its operations, financial performance and long-term sustainability.

These are key risks that are identified:

- Physical Risks
- Transition Risks
- Liability Risks
- Operational Risks
- Financial Risks
- Environmental risk

Where possible, Diligenta will quantify the financial impact by estimating potential costs associated with extreme weather events, regulatory changes, or shifts in consumer preferences towards sustainable products.

Diligenta will adapt to and mitigate the impacts of climate change in both the short and long term. Strategy includes reducing greenhouse gas emissions, transitioning to renewable energy sources, implementing water conservation measures in order to be more resilient to climate-related disruptions.

We prioritise climate-related risks and opportunities. This involves identifying which risks and opportunities are most significant to the business taking into consideration factors such as potential financial impact, likelihood of occurrence, and alignment with the organisation's strategic objectives.

Impact Of Climate-Related Opportunities

1. Product Innovation and Market Leadership

Impact on Business: Developing innovative climate-related insurance products, positions the organisation as a market leader and attracts environmentally conscious customers.

Strategic Response: Investing in research and development for new products that address climate risks, provides a competitive edge and opens new market segments.

2. Sustainable Investing

Impact on Business: Integrating sustainable investing practices can enhance the organisation's reputation, attract socially responsible investors and contribute to long-term financial stability.

Strategic Response: Aligning investment strategies with sustainability goals, investing in green technologies and supporting renewable energy; projects can create both financial and environmental benefits.

3. Data Analytics and Technology Integration

Impact on Business: Leveraging advanced analytics and technology for climate risk assessment, improves underwriting accuracy, operational efficiency and overall business performance.

Strategic Response: Investing in technology infrastructure, data analytics tools and partnerships with technology firms, to enhance the organisation's analytical capabilities.

4. Diversification of Products and Services

Impact on Business: Diversifying the product and service portfolio to include climate-resilient offerings, can mitigate risks associated with traditional insurance products.

Strategic Response: Developing a strategic roadmap for product diversification, considering emerging climate-related needs and market demands.

Impact on Financial Planning

1. Risk-Adjusted Pricing

Impact on Financial Planning: Climate-related risks may require a reassessment of risk-adjusted pricing to accurately reflect the potential impact of climate events on claims.

Strategic Response: Developing dynamic pricing models that consider climate risks, ensuring premiums align with the organisation's risk exposure.

2. Reserve Adequacy

Impact on Financial Planning: Increased frequency and severity of climate events, may require adjustments to reserve adequacy to cover potential future claims.

Strategic Response: Regularly reviewing and stress-testing reserves to ensure they are adequate to withstand the impacts of climate-related events.

3. Investment Strategy and Returns:

Impact on Financial Planning: Climate-related opportunities, if effectively integrated into the investment strategy, can contribute to sustainable returns and long-term financial stability.

Strategic Response: Aligning investment decisions with climate opportunities, diversifying portfolios, and considering the long-term financial implications of climate-related risks and opportunities.

In summary, the impact of climate-related risks and opportunities on our business is multifaceted, affecting core operations, strategic positioning and financial planning. Proactive and adaptive strategies are crucial for navigating, this complex landscape and ensuring long-term resilience and sustainability.

The resilience of our strategy in the face of climate-related scenarios is crucial for long-term success and risk mitigation. Through detailed analysis, Diligenta will improve its situation by positioning primary key elements in developing:

- Scenario Analysis
- Risk Assessment Framework
- Risk Assessment and Mitigation
- Innovation and Product Development
- Diversification of Investments
- Regulatory Compliance
- Integration of Climate Metrics in Performance Evaluation
- Stakeholder Engagement and Communication
- Continuous Learning and Adaptation
- Financial Impact Assessment
- Continuous Monitoring and Review

Climate considerations have become integral to strategic planning and financial decision-making due to the increasing recognition of climate change risks and opportunities. Climate considerations inform the company's strategy and financial planning through scenario analysis.

Scenario Selection: select scenarios that reflect a range of potential climate-related outcomes. These scenarios may include:

Business as Usual (BAU): Assumes no significant changes in climate policies or behaviours, leading to continued high emissions and climate impacts.

Transition to Low Carbon: Assumes rapid adoption of renewable energy sources, stringent emissions regulations, and proactive climate mitigation efforts.

High Climate Impact: Assumes severe climate events such as extreme weather, sea-level rise, and disruptions to supply chains due to climate-related disasters.

Correspondence to Financial Statements: Discussions of climate-related scenarios and their financial implications may be reflected in various sections of a company's financial statements and disclosures.

Diligenta will by following these steps enhance its ability to identify, assess and manage climate-related risks, contributing to long-term resilience and sustainable operations.

Sustainability Metrics and Targets

In previous years, Diligenta had detailed its Scope 1, 2, and 3 greenhouse gas (GHG) emissions in the Annual Report. Historically, this has been to comply with Streamlined Energy and Carbon Reporting Regulations. The data displayed is produced to meet those requirements. This is our first non-financial and sustainability Information Statement in adherence to the UK Government's Climate-related Financial Disclosures (CFD) regulations. The 2023 data encompassing, overall total Scope 1, Scope 2 (location based), and Scope 3 (excluding client procured energy in the portfolio) which underwent independent third-party limited assurance. Diligenta is undergoing a review of its data availability, with regards to electricity and gas information and its responsibilities. Therefore, we predict a change to the amount of data we may include in the future once this review has taken place.

	Current Reporting Period 2023				Previous Reporting Period 2022			
	kWh	Kg CO2	CO2 emissions tonnes	Intensity ratio (tonnes CO2e/per full time employee)	kWh	Kg CO2	CO2 emissions tonnes	Intensity ratio (tonnes CO2e/per full time employee)
Emissions from combustion of gas (Scope 1 – tonnes of CO2e)	1,524	274	0.274	0.0001	3,246	593	0.593	0.0001
Total Scope 1	1,524	274	0.274	0.0001	3,246	593	0.593	0.0001
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO2e)	313,308	64,878	64.88	0.0101	423,867	81,967	81.97	0.0155
Total Scope 2	313,308	64,878	64.88	0.0101	423,867	81,967	81.97	0.0155
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e)	339,281	79,247	79.25	0.0123	219,620	51,605	51.6	0.0010
Total Scope 3	339,281	79,247	79.25	0.0123	219,620	51,605	51.6	0.0010
Total based on above	654,113	144,399	144.4	0.0225	646,733	134,165	134.163	0.0166
Total Intensity ratio (kgCO2e/ per full time employee)				22.45				25.50

We acknowledge that our business is in a transition phase, where we intend to improve on the data we collect and the granularity of that data which is available to us. We also intend to improve on our target setting as a whole by using a methodology of measuring our performance against those targets.

Short Term Targets and Objectives 1-5 years	Long Term Target and Objectives 5 years and beyond
Purchase electricity from 100% green suppliers	70% carbon reduction of our operations by 2025 and net zero by 2030
Rollout existing ISO accreditation to all operational sites and commit to additional certification across the business	Reduction of CO2 emissions across our supply chain and from facilities operated by the group to zero
Continue to segregate recyclable waste products and recycle 100% of paper and packaging waste	Review existing vendors and ensure that 100% of new vendors are screened on sustainability
Improve composting of waste food and garden waste across sites, recycle 100% of plastic waste and eliminate non-recyclable single use plastic	3% year-on-year reduction in freshwater consumption across sites where utilities are under Diligenta control

Sustainability Risk Management

In 2024, we will be committing to the Science Based Targets Initiative SBTi. Beyond this commitment, we intend to improve our own target setting and develop several areas, in line with the following areas. We have defined what the target may be as well as the way, in which the target will be evaluated.

- Emission Reduction Targets
- Renewable Energy Targets
- Energy Efficiency Targets
- Climate-Related Financial Disclosure Targets
- Transparency, and alignment of financial disclosures with TCFD recommendations.
- Community Engagement and Climate Education Targets
- Biodiversity Conservation Targets

To measure our commitment, we will evaluate our own performance regularly by adopting 4 key measures of our progress.

Performance Assessment Process

- Regular Reporting
- Verification and Assurance
- Benchmarking
- Feedback and Continuous Improvement

We will collect feedback from all stakeholders, including shareholders and experts, to inform continuous improvement efforts and refine strategies for managing climate-related risks and opportunities.

Section 172(1) Statement

The directors acknowledge their duty to promote the success of the Company for the benefit of its shareholders, employees, clients, and regulator, as well as the wider community in which it operates.

Employee Engagement, attraction and retention of talent has remained a key focus with a refreshed suite of communication channels being launched across the business and the introduction of Engagement leads being embedded in key areas across the business. Overall, company attrition has stabilised, however the company still experienced challenges in both Voice and Complaints.

During the year, several actions were taken to address these challenges, including the development of an internal programme to support the development of internal staff into Complaints roles and a review of the end to end on-boarding of colleagues into the Voice teams. Resourcing strategies during this year have remained flexible and an increase in support from the contractor market has been necessary in some key roles.

Retention strategies have been deployed across key operational and business change areas in addition to market reviews for salaries in the Contact Center and Complaints functions.

Key requirements are:

- The interests, well-being and psychological safety of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others.
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company
- The impact of the company's operations on the community and the environment
- The likely consequences of any decision in the long term

Employee Engagement and Wellbeing:

Employee engagement and wellbeing continue to be a key priority for the management team. Several employee wellbeing initiatives are progressing with a focus on building resilience and ensuring our leadership teams have the right training and development to support their people during challenging times.

Employee forums have been a fundamental part of the Company's engagement where multiple topics are covered from Diversity & Inclusion to Employee Wellbeing. People Connects with leadership have formed an important part of our engagement ensuring all employees understand the Company strategy and their own purpose in supporting the delivery of this.

During the year the Company partnered with 'Best Companies' to deliver a holistic Employee Engagement Survey that will enable the company to benchmark itself, gain detailed insights and further tailor its actions to meet the needs of their people.

The Company has complied with its obligation to produce a Gender Pay Gap report, which has been reviewed by directors to identify any issues that require attention.

A diversity and inclusion council, made up of management and workforce, has continued to meet to ensure that the Company represents a truly diverse and inclusive culture, that opportunities are provided for all employees and that the Company strives to be a workplace that is understanding and welcoming of its diverse population with inclusion for all evident at the heart of its operations and culture. Feedback and ideas have been sought from the workforce on suggestions for ways to improve processes and operations and many of the inputs have been implemented with positive results.

The Company has continued to expand its Apprenticeship and graduate programme across a wider section of corporate functions to enable it to develop and grow skills for the future. The Company continues to participate in the Government's apprenticeship levy scheme.

The directors have reviewed the financial position of the Company's defined benefits pension scheme and have continued to make the contributions, to ensure that the scheme's funding position remains strong.

The Company operates an annual charity partnership, raising funds through employee events which are fully supported by the Company.

Business Relationships with Customers, Suppliers and Others:

The Company's business relationships with its clients and suppliers are maintained with high standards. Engagement with clients is frequent, at all levels of the Company's hierarchy, to ensure a full understanding of the Company's clients' needs and to foster good client relations and governance. On behalf of the Company's clients, the directors have supported the Company to develop and implement digitisation initiatives to enhance delivery to the client's customers, online access to their financial arrangements and products in order to enhance the customer's access to important information.

The Company promotes the culture of good customer outcomes whilst working with clients, suppliers and others. Directors receive and consider information and data, from external agencies, around the client's customer's satisfaction with the services provided by the Company to ensure that high standards are both maintained and improved.

On behalf of the Company's clients, the directors have supported the Company to develop and implement a new digital operating model, for delivery to its client's customers, in order to provide online access to their financial arrangements and products and to enhance the customer's access to important information.

The directors, through the executive management team, have engaged with clients to identify ways to improve their businesses, with the result that existing clients have entrusted the Company with significant new business opportunities, in particular the agreement reached to take on the administration of an open-book pensions portfolio which will see the Company progress into new lines of business in line with the Company's long-term strategy.

The directors receive and consider information and data, from external agencies, around its client's customer satisfaction with the services provided by the Company to ensure that standards are both maintained and improved.

The directors ensure that the Company's relationship with its regulator, the Financial Conduct Authority, is maintained and enhanced through regular interaction on all aspects of the Company's business. In this year, the Company has continued to participate fully in the regulator's evaluation of the Company's business which has seen several initiatives being implemented. The directors have considered all findings and have implemented such changes as were identified as being required.

High Standards of Business Conduct:

Culture: The Company recognises culture as the main driver of its conduct. Directors are leading a culture which puts good customer outcomes at the heart of the business. 'The Diligenta Way' sets out the Company's practices and values and the 10 key principles that guide how employees work. It promotes the appropriate culture and behaviours in support of good customer outcomes.

SM&CR: The Company continues to make good progress on the Senior Managers & Certification Regime (SM&CR). This has set out Conduct Rules that apply to employees who must receive annual training on how the rules apply to their roles. These Conduct Rules set basic standards of good personal conduct.

Regulator: The directors ensure that the Company's relationship with its regulator, the Financial Conduct Authority (FCA), is maintained and enhanced through regular and proactive interaction on all aspects of the Company's business. In this year, the Company has continued to participate fully in the regulator's evaluation of the Company's business which has seen a number of initiatives being implemented.

Suppliers: Full adherence of conflict-of-interest policy is in place at all management levels. The Company reviews and assesses its payment practices regarding suppliers' invoices and these are biannually reported on the Gov.UK website. The Company has clear processes in place, which the directors monitor, to ensure settlement of the Company's liabilities are made promptly in line with agreed timescales. The directors review and approve the Company's Procurement and Supplier Management policy.

The need to act fairly as between members of the Company (i.e., TCS): The Company recognises the need to meet the dividend expectations of its sole shareholder, Tata Consultancy Services Limited (TCS). TCS is regularly informed about performance, developments, and the various initiatives within the Company.

The impact on the community and the environment: The Company prioritised 'environmental sustainability' initiatives on account of the rapid acceleration in climate change and environmental degradation across the globe. The Company also provides priority to compliance with modern day slavery and health & safety requirements of employees.

The Company operates an annual charity partnership, raising funds through employee events and has introduced paid volunteering opportunities for all its employees'. The Company has continued to operate an apprenticeship engagement programme and has developed strong relationship with Colleges, University and local governments and enterprises.

Decisions in the long term: The Company is operating with five-year plans and an annual operating plan (AOP) which demonstrates its strategic planning. Various aspects are considered while making strategic decisions and these are: growth, investment returns, locations, sustainability, impact on the community, etc.

The directors receive feedback from the Company's executive management team, to assess the progress of various long term initiatives seeking views and inputs. Regular information is shared with the directors to enable appropriate decisions and actions to be taken quickly where trends are identified.

The directors, along with the executive management team, have engaged with clients to identify ways to improve their businesses, with the result that existing clients have entrusted the Company with significant new business opportunities, in particular to take on the administration of an open-book pensions portfolio which will see the Company progress into new lines of business in line with the Company's long-term strategy.

Approved by the Board and signed on its behalf by:

Daniel Praveen
Chief Executive Officer

Lynch Wood
Peterborough
Cambridgeshire
PE2 6FY

5 April 2024

DIRECTORS' REPORT

The directors have pleasure in presenting their annual report of the Company, together with the financial statements and auditor's report for the year ended 31 December 2023. The monetary amounts are reported in GBP (£) and are rounded to the nearest thousand.

Details of the results for the year ended 31 December 2023 and the comparative year are set out in the financial statements and the related notes.

The Board of Directors approved the financial statements on 19 March 2024 and authorised the CEO to sign on its behalf on completion of final review and changes agreed with the auditors.

Principal Activities

The principal activity of the Company is the provision of a range of life and pension administration services to the UK Financial Services sector.

Dividends

£12.0 million dividend payment is recommended for the year ended 31 December 2023 (2022: £Nil).

Directors

The directors, who served through the year, were as follows:

- N G Subramaniam
- Daniel Praveen
- Michael Arthur
- Susan McInnes
- S Sankaranarayanan (appointed on 20 September 2023)
- Robert Reid (resigned on 23 June 2023)
- Suresh Muthuswami (resigned on 13 September 2023)

Directors' Indemnities

The Company's parent undertaking Tata Consultancy Services Limited, has made qualifying third-party indemnity provisions for the benefit of all directors which were made during the period and remain in force at the date of this report.

Employees

The Company has an established practice of keeping its employees informed of matters affecting them and the financial and economic factors affecting the performance of the Company. This is achieved through comprehensive engagement and consultative communication, involving regular meetings between management and employees and the sharing of information both formally, through face-to-face communications with the Executive and Leaderships and more informally through team communications and employee portals.

The Company operates a 'zero tolerance' approach towards acts of bribery and corruption. The Company will not engage in any form of bribery or corrupt behaviour and will take firm and vigorous action against any individual who does not comply with this policy. This may involve disciplinary action being taken, which the Company will normally treat as gross misconduct, which may lead to dismissal, and legal action where appropriate. This action would be taken irrespective of whether criminal proceedings are pursued by the authorities.

It is the policy of the Company that training, career development and promotion opportunities are available to all employees.

The Company is committed to providing equal opportunities to all employees irrespective of their sex, age, sexual orientation, marital status, religion, race, or disability. It is the Company's policy to give positive consideration to disabled persons with respect to applications for employment, training, career development and promotion, having regard to each individual's particular aptitudes and abilities.

Employee Engagement

The Company operates different employee engagement initiatives, including interactions with various bespoke employee/management forums, internal consultative forums, trade union bodies and regulatory committee representatives, on an on-going basis that recognises and respects each other's separate and shared aims in the context of building a successful business. The Company recognises Unite the Union as the negotiating body for all its employees within the Bargaining Unit in various forms, each locational site having different recognition agreements from an information and consultation perspective applicability. In addition, the company has taken on this year as part of a TUPE, its own Consultative Forum.

In summary, the Company and the employee representatives always seek to work together in a spirit of co-operation, wherever possible. This is achieved by timely and transparent communication, consulting, and sharing of information, as well as listening and recognising the joint interests all parties have in making the Company a successful company and place to work.

All employee representatives recognise they are likely to become privy to confidential information and all employee representatives have agreed to maintain the confidentiality of any information provided to them until they are advised that this information can be disclosed to any third parties, including other union members, members of staff or management.

Engagement with Customers, Suppliers, and Others in a Business Relationship with the Company

The directors have had regard to the need to foster the Company's business relationships with suppliers, clients, and others. Please refer to the detailed discussion under the Section 172(1) Statement, within the Strategic Report, on pages 18 to 20.

Creditor Payment Policy

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with. The Company publishes its Payments Practices Report biannually on the Gov.UK website.

Reporting in Accordance with The Wates Corporate Governance Principles for Large Private Companies (The "Wates Principles")

The Company has applied the Wates Principles guidance in its entirety in the financial year ended 31 December 2023 and the report is set out below.

Purpose and Leadership

The directors ensure that the Company operates with a clear sense of purpose and collective vision by the continued publication of the Company's values to all stakeholders and through statements and communications issued by the Chief Executive Officer (CEO) and his Executive Management Team. The directors have continued to hold dialogue face to face and written with the workforce and wider stakeholders, through trade union information and consultation, management forums and the participation of the workforce in voluntary bespoke confidential surveys. The directors, through the CEO, have provided updates and corporate messages to the workforce via the Company's intranet, through town hall sessions and through regular cascade messages to the workforce through the management team.

The Company's purpose and values have been shared and explained to the different functions and operations of the business using multiple communication channels. The objective setting process forms the backbone of setting and adherence to the Company's core values, and these have continued to be reinforced via the intranet as well as through publicity material visible throughout the Company's sites. The Company has continued to monitor culture by conducting employee surveys, engagement with trade unions, reviewing absenteeism rates, conducting exit interviews and undertaking Board feedback sessions. The directors have led on the establishment of transparent whistleblowing policies in relation to raising concerns about misconduct and unethical practices and put in place effective review processes.

Board Composition

The directors, collectively, have continued to demonstrate an excellent understanding of the Company's business needs and stakeholder interests. The Company's Board is constituted of individuals with a wide range of industry and subject expertise. The chairman promotes open debate and facilitates constructive discussion. This enables the Board to be an open forum for discussion where varied views are tabled, and challenge is issued to the executive team on various matters. The chairman ensures that all directors have appropriate information, and that sufficient time is made available for meaningful discussion. Detailed inputs are provided five working days before the Board meets and meetings take place quarterly with sufficient time being allowed for discussion of issues to be covered. The Company has a commitment to the ongoing professional development of its directors who embrace such opportunities and ensure that they have sufficient time to discharge their duties.

The Company's policy on diversity and inclusion is underpinned throughout all the Company's corporate policies in both spirit and practice, inclusive of a bespoke diversity and inclusion council which drives this agenda forward.

Directors' Responsibilities

The directors have established and maintained corporate governance practices that provide clear lines of responsibility for individual directors, including the non-executive directors, to support effective decision-making. The Company has a full suite of policies that it reviews regularly against a number of criteria, including regulation, best practice and alignment to client policies, which govern its internal affairs. Policies have formally assigned owners who are responsible to the Board. The directors have established formal and robust internal processes to ensure systems and controls are operating effectively, and that the quality and integrity of information provided to it is reliable.

The directors have agreed and set out how conflicts of interest should be identified and managed within the Company, through a conflicts of interest policy which is tested across the whole workforce every year.

Opportunity and Risk

The directors have continued to consider and assess how the Company creates and preserves value over the long-term. The Company has processes for the identification of future opportunities for innovation and entrepreneurship by operating in a variety of ways to ensure it remains innovative, including via market learning, in forums with its clients and by way of benefitting from the very extensive knowledge-based innovation of its parent company, Tata Consultancy Services Limited.

The directors have oversight of risk, how it is managed and appropriate accountability to stakeholders. There are clear areas of responsibility for individual directors, including for the non-executive directors, and all have identified areas of oversight over the key stakeholders and managers of the business. The directors have established formal internal processes to assess the effectiveness of systems and controls, that action is taken where weaknesses are identified, and that the quality and integrity of information provided to them is reliable.

Remuneration

Remuneration for directors and senior managers is aligned with performance, behaviours, and the achievement of Company purpose, values, and strategy. The Company utilises specialist external agencies to provide pay comparability methodologies to assist with determining remuneration throughout the Company. The Company uses a formal remuneration committee to address and govern all changes to employees' remuneration.

In setting director and senior manager remuneration, consideration has been given to remuneration throughout the organisation to reinforce a sense of shared purpose. The directors have established clear policies on remuneration structures and practices which enable effective accountability to shareholders, taking account of the broader operating context, including the pay and conditions of the wider workforce and the Company's response to such matters as gender pay gap and the living wage.

Stakeholder Relationships and Engagement

The Company considers how its activities may impact both current and future stakeholders, including how these could impact on the environment in everything it does. This is carried out by consideration being given to the proposed activities at management and Board meetings before any initiative is implemented. Once implemented, the Company reviews and amends, as required, the Company's policies and seeks periodic inputs via workforce surveys; formal governance and feedback surveys with clients; end customer satisfaction results and analysis; regular meetings and audits with regulators.

The Company presents to stakeholders a fair, balanced, and understandable assessment of the Company's position and prospects and makes this available through intranet communications and messages from executive management and, results of workforce surveys.

The directors ensure that there is a range of formal and informal channels in place to receive appropriate feedback from discussions with stakeholders. Workforce policies and practices are aligned with the Company's purpose and values.

Financial Instruments

The company uses financial instruments to manage certain types of risks, including those relating to credit, foreign currency exchange, cash flow, liquidity and interest rates. Details of the objectives and management of these instruments are contained in note 7 to the financial statements.

Donations

The Company made £2,143 donations to charitable organisations in the year (2022: £36,337).

Political Contributions

The Company made no political donations and incurred no political expenditure during the year (2022: £Nil).

Disclosure of Information to Auditors

The directors who held office at the date of approval of this director's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Other Information

Review of Business and future developments are included in the Strategic Report on page 16.3 to 16.5.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Going Concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Approved by the Board and signed on its behalf by:

Daniel Praveen
Chief Executive Officer

Lynch Wood
Peterborough
Cambridgeshire
PE2 6FY

5 April 2024

Statement of Directors’ Responsibilities in Respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DILIGENTA LIMITED

Opinion

We have audited the financial statements of Diligenta Limited ("the Company") for the year ended 31 December 2023 which comprise the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of changes in Equity, Statement of Cash Flows, and related notes, including the accounting policies in the respective notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as of 31 December 2023 and of its profit for the year then ended.
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect.

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates such as percentage of completion for revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries containing key words, those posted by individuals who are not authorized to post journal entries, those entries containing unusual pairings, and posting of backdated journal entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and the Financial Conduct Authority (FCA) regulation of permitted activities and the related capital requirements due to the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the Ability of the Audit to Detect Fraud or Breaches of Law or Regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic Report and Directors' Report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- We have not identified material misstatements in the strategic report and the directors' report.
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on Which We are Required to Report by Exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' Responsibilities

As explained more fully in their statement set out on page 16.23, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Purpose of our Audit Work and to Whom We Owe Our Responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
8 April 2024

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

(£'000)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Right-of-use assets	8	**8,798**	7,654
Property, plant, and equipment	9(a)	**5,341**	8,537
Intangible assets	9(b)	**1,774**	2,961
Deferred tax assets (net)	12	**3,147**	3,969
Other financial assets	7(d)	**20,000**	18,200
Other assets	9(c)	**7,215**	5,521
Contract assets	9(c)	**17,596**	12,360
Total non-current assets		**63,871**	59,202
Current Assets			
Cash and cash equivalent	7(a)	**360**	18,301
Investments	7(b)	**61,500**	16,000
Trade receivables	7(c)	**37,780**	40,187
Accrued revenue		**26,913**	22,449
Other financial assets	7(d)	**790**	15,360
Other assets	9(c)	**14,289**	10,490
Contract assets	9(c)	**36,597**	48,481
Income tax assets		**1,513**	153
Total current assets		**179,742**	171,421
TOTAL ASSETS		**243,613**	230,623
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7(f)	**46,812**	79,868
Lease liabilities	7(f)	**3,464**	3,056
Other financial liabilities	7(e)	**1,479**	4,671
Unearned and deferred revenue		**27,388**	800
Employee benefit obligations	13(a)	**1,896**	1,575
Other liabilities	9(d)	**8,639**	7,632
Total current liabilities		**89,678**	97,602
Non-current liabilities			
Lease liabilities	7(f)	**5,348**	4,794
Total non-current liabilities		**5,348**	4,794
TOTAL LIABILITIES		**95,026**	102,396
Equity			
Share capital	7(i)	**1,000**	1,000
Share premium		**25,000**	25,000
Retained earnings		**80,587**	60,227
Other reserve	7(i)	**42,000**	42,000
TOTAL EQUITY		**148,587**	128,227
TOTAL LIABILITIES AND EQUITY		**243,613**	230,623

The financial statements were approved by the Board of Directors and authorised for issue on19 March 2024.

They were signed on its behalf by:

Daniel Praveen
Chief Executive Officer
Company registration number: 05535029

5 April 2024

NOTES 1 TO 18 FORM PART OF THE FINANCIAL STATEMENTS.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(£'000)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
REVENUE FROM OPERATIONS	10	**522,450**	390,743
Operating expenses:			
Employee benefit expenses	13	**(244,358)**	(185,296)
Depreciation and amortisation expense	9(a),9(b)	**(5,875)**	(7,866)
Right of use assets depreciation	8	**(3,362)**	(4,238)
Other operating expenses	11	**(243,912)**	(192,404)
TOTAL OPERATING EXPENSES		**(497,507)**	(389,804)
OPERATING PROFIT		**24,943**	939
OTHER INCOME / (EXPENSE):			
Finance and other income		**2,675**	741
Interest on lease liabilities		**(507)**	(241)
Other gains/loss (net)		**(57)**	(58)
TOTAL OTHER INCOME / (EXPENSE)		**2,111**	442
PROFIT BEFORE TAX		**27,054**	1,381
Tax expense	12	**(6,030)**	(219)
PROFIT FOR THE YEAR		**21,024**	1,162
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined employee benefit plans		**(886)**	(5,088)
Deferred tax on remeasurement of defined employee benefit Plans		**222**	1,272
TOTAL OTHER COMPREHENSIVE (LOSSES) / INCOME, NET OF TAXES		**(664)**	(3,816)
TOTAL COMPREHENSIVE (LOSSES) / INCOME FOR THE YEAR		**20,360**	(2,654)

NOTES 1 TO 18 FORM PART OF THE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

(£'000)

	Share capital	Share premium	Other reserve	Retained earnings	Total equity
Balance at 1 January 2022	1,000	25,000	42,000	62,881	130,881
Profit for the year	-	-	-	1,162	1,162
Other comprehensive income	-	-	-	(3,816)	(3,816)
Total comprehensive income	-	-	-	(2,654)	(2,654)
Balance at 31 December 2022	1,000	25,000	42,000	60,227	128,227
Balance at 1 January 2023	**1,000**	**25,000**	**42,000**	**60,227**	**128,227**
Profit for the year	**-**	**-**	**-**	**21,024**	**21,024**
Other comprehensive income	**-**	**-**	**-**	**(664)**	**(664)**
Total comprehensive income	**-**	**-**	**-**	**20,360**	**20,360**
Balance at 31 December 2023	**1,000**	**25,000**	**42,000**	**80,587**	**148,587**

Other reserve of £42,000,000 (2022: £42,000,000) relates to a capital redemption reserve following the redemption of preference shares in previous years. This is a non–distributable reserve.

NOTES 1 TO 18 FORM PART OF THE FINANCIAL STATEMENTS.

STATEMENT OF CASH FLOWS

(£'000)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**21,024**	1,162
Tax expense	12	**6,030**	219
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation and amortisation expense		**9,237**	12,104
Finance costs	8, 9(a) ,9(b)	**507**	241
Dividend income		**(1,783)**	(630)
Loss on modification of lease		**-**	(12)
Operating profit before working capital changes		**35,015**	13,084
Net change in:			
Trade receivables		**2,407**	(5,888)
Accrued revenue		**(4,464)**	(3,005)
Other financial assets		**(2,230)**	(15,152)
Other assets		**265**	28,758
Trade payables		**(33,056)**	(3,568)
Unearned and deferred revenue		**26,588**	200
Other financial liabilities		**(3,192)**	(1,597)
Other liabilities and provisions		**1,328**	1,669
Cash generated from operations		**22,661**	14,501
Taxes paid (net of refunds)		**(6,345)**	-
Net cash generated from operating activities		**16,316**	14,501
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(305,600)**	(170,000)
Payment for purchase of property, plant and equipment	9(a)	**(1,492)**	(3,660)
Proceeds from disposal / redemption of investments		**275,100**	181,000
Dividend received		**1,783**	630
Net cash (used in) / generated from investing activities		**(30,209)**	7,970
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(3,541)**	(4,569)
Interest paid		**(507)**	(173)
Net cash used in financing activities		**(4,048)**	(4,742)
Net change in cash and cash equivalents		**(17,941)**	17,729
Cash and cash equivalents at the beginning of the year		**18,301**	572
Cash and cash equivalents at the end of the year		**360**	18,301

NOTES 1 TO 18 FORM PART OF THE FINANCIAL STATEMENTS.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is Lynch Wood, Peterborough, Cambridgeshire PE2 6FY and Company registration number is 05535029. The nature of the Company's operations and its principal activities are set out in the strategic and directors' reports.

2. STATEMENT OF COMPLIANCE

The Company financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards ("UK-adopted IFRS").

3. A BASIS OF PREPARATION

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flows from operating activities. The cash flows from operating, investing, and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of the company is GBP (£). Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policy information used in preparation of the financial statements have been discussed in the respective notes.

3.B GOING CONCERN

The directors have reviewed the budget and cash flow forecasts of the Company, taking account of reasonably possible downsides, for a period of not less than 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds, through its operating cash flows and liquid investments to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

NOTES TO THE FINANCIAL STATEMENTS

The Company uses the following critical accounting estimates in preparation of its financial statements:

A. REVENUE RECOGNITION

Revenue for fixed-price contracts is recognised using the percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

B. USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

The Company reviews the useful life of property, plant and equipment at the end of each reporting period.

This reassessment may result in change in depreciation expense in future periods.

C. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

D. PROVISION FOR INCOME TAX AND DEFERRED TAX ASSETS

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

E. PROVISIONS AND CONTINGENT LIABILITIES

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

F. EMPLOYEE BENEFITS

The accounting of employee benefit plans in the nature of defined benefit, explained under employee benefits note, requires the Company to use assumptions. These assumptions have been explained under the employee benefits note.

G. LEASES

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

NOTES TO THE FINANCIAL STATEMENTS

5. NATURE AND PURPOSE OF RESERVES

A. RETAINED EARNINGS

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

B. SHARE PREMIUM

Share premium is used to record the premium on issue of shares.

C. OTHER RESERVE

Other reserve relates to a capital redemption reserve following the redemption of preference shares in previous years. This is a non-distributable reserve.

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1] Effective for annual periods beginning on or after January 1, 2024.

[2] Effective for annual periods beginning on or after January 1, 2025.

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 Company does not expect this amendment to have any significant impact on 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 AND IFRS 7 – SUPPLIER FINANCE ARRANGEMENTS

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which requires an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

NOTES TO THE FINANCIAL STATEMENTS

IAS 21 – THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Group does not expect this amendment to have any significant impact on its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company de-recognises a financial asset only when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

The Company holds money ring-fenced in a deposit account as part of FCA requirement. The same is reported under Other non-current financial assets as "Restricted cash".

FINANCIAL ASSETS AT AMORTISED COST

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

The Company has deposits into Mutual Funds which are classified as financial assets measured through profit or loss. The Mutual Funds have a standard value of per unit which is the reference for any gains or losses on the holding. There has been no gain or loss on the holding of Mutual Funds.

FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost using the effective interest method.

EQUITY INSTRUMENTS

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

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NOTES TO THE FINANCIAL STATEMENTS

IMPAIRMENT OF FINANCIAL ASSETS (OTHER THAN AT FAIR VALUE)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held in a banking institution with a credit rating of AA- (Standard & Poor's) and consist of the following

(£'000)

	As at December 31, 2023	As at December 31, 2022
Cash in hand and at banks	**360**	18,301
Total	**360**	18,301

B. INVESTMENTS

Investments consist of the following:

Investments - Current

(£'000)

Investments carried at fair value through profit or loss	As at December 31, 2023	As at December 31, 2022
Mutual fund units	**61,500**	16,000
Total	**61,500**	16,000

Mutual fund balances are deposits in a fund with daily liquidity, where the aim is to provide investors with security of capital together with an investment return which is comparable to normal Sterling-denominated money market interest rates.

C. TRADE RECEIVABLES

Trade receivables consist of the following:

(£'000)

Current	As at December 31, 2023	As at December 31, 2022
Trade receivables	**37,780**	40,187
Less: Allowance for doubtful trade receivables	**-**	-
Total	**37,780**	40,187

NOTES TO THE FINANCIAL STATEMENTS

D. OTHER FINANCIAL ASSETS

Other financial assets consist of the following:

(£'000)

Other financial assets – Current	As at December 31, 2023	As at December 31, 2022
Advance against Investments	**-**	15,000
Employee loans and advances	**311**	194
Security deposits	**115**	1
Interest receivable	**364**	165
Total	**790**	15,360

(£'000)

Other financial assets - non-current	As at December 31, 2023	As at December 31, 2022
Restricted cash with Bank **	**20,000**	18,200
Total	**20,000**	18,200

** Money ring-fenced as part of FCA requirement is held in a deposit account and is not available for working capital requirements.

E. OTHER FINANCIAL LIABILITIES

Other financial liabilities consist of the following:

(£'000)

Other financial liabilities – Current	As at December 31, 2023	As at December 31, 2022
Accrued payroll	**1,479**	4,671
Total	**1,479**	4,671

F. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying value of financial instruments by categories as at 31 December 2023 is as follows:

(£'000)

	Fair value through profit or loss	Amortized cost	Total carrying value
Financial assets			
Cash and cash equivalents	**-**	**360**	**360**
Trade receivables	**-**	**37,780**	**37,780**
Accrued revenue	**-**	**26,913**	**26,913**
Investments	**61,500**	**-**	**61,500**
Other financial assets	**-**	**20,790**	**20,790**
Total	**61,500**	**85,843**	**147,343**
Financial liabilities			
Trade payables	**-**	**46,812**	**46,812**
Lease liability	**-**	**8,812**	**8,812**
Other financial liabilities	**-**	**1,479**	**1,479**
Total	**-**	**57,103**	**57,103**

NOTES TO THE FINANCIAL STATEMENTS

The carrying value of financial instruments by categories as at 31 December 2022 is as follows:

(£'000)

	Fair value through profit or loss	Amortized cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	18,301	18,301
Trade receivables		40,187	40,187
Accrued revenue	-	22,449	22,449
Investments	16,000	-	16,000
Other financial assets	-	33,560	33,560
Total	16,000	114,497	130,497
Financial liabilities			
Trade payables	-	79,868	79,868
Lease liability	-	7,850	7,850
Other financial liabilities	-	4,671	4,671
Total	-	92,389	92,389

Carrying amounts of cash and cash equivalents, trade receivables, Accrued Revenue and trade payables as at 31 December 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.

£38.29 million of the trade payables balances represents amounts due to related undertaking (2022: £65.9 million).

G. FAIR VALUE HIERARCHY

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- **Level 1** — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3** — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis but fair value disclosures are required:

As at 31 December 2023

(£'000)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	**61,500**	**-**	**-**	**61,500**
Total	**61,500**	**-**	**-**	**61,500**

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2022

(£'000)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	16,000	-	-	16,000
Total	16,000	-	-	16,000

H. FINANCIAL RISK MANAGEMENT

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company looks to mitigate the market risk by agreeing terms predominantly in the functional currency, securing fixed price borrowings and liquid investment.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The Company's transactions are mainly in GBP, hence its exposure to foreign currency exchange rate risk is limited.

- **Interest rate risk**

  The Company is not significantly exposed to interest rate risk.

CREDIT RISK

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled on a continuous basis by analysing credit limits and creditworthiness of customers to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, accrued revenue, investments, cash and cash equivalents and other financial assets. Investments include an amount of £61,500,000 held as mutual funds. None of the other financial instruments of the Company result in a 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 £201,534,899 and £191,336,000 as at 31 December 2023 and 31 December 2022, respectively, being the total of the carrying amount of balances with banks with high quality credit rating, investments, trade receivables, accrued revenue, contract assets and other financial assets.

  The Company's exposure to credit risk with regards to trade receivables, accrued revenue and contract assets is influenced mainly by the individual characteristics of each customer in relation to the industry practices and business environment in which they operate. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 365 days for its customers after which they are in

NOTES TO THE FINANCIAL STATEMENTS

default (credit impaired). To manage this risk, the Company has a robust Credit Management process in place. The Company has adopted a policy of dealing only with creditworthy counterparties. The Company's exposure to the counterparties is continuously monitored and necessary changes to the credit terms are made. None of the customer balances have been written off and no customer balances have been credit impaired at the reporting date.

The following customers form more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at 31 December 2023 and 31 December 2022:

(£'000)

	As at December 31, 2023		As at December 31, 2022	
	Amount	%	Amount	%
Customer A	**16,674**	**14.03**	14,936	12.10
Customer B	**24,522**	**20.63**	42,306	34.26
Customer C	**42,806**	**36.01**	51,238	41.50
Customer D	**14,261**	**12.00**	-	-
Customer E	**14,668**	**12.34**	-	-

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances), unbilled receivables and contract assets is as follows:

	As at December 31, 2023		As at December 31, 2022	
	Gross %	Net %	Gross %	Net %
United Kingdom	**100**	**100**	100	100

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

December 31, 2023

(£'000)

	Weighted average loss rate	Gross carrying amount *	Provision balance adjusted	Net Amount	Loss amount	Credit impaired
Ageing						
Not Due	**0%**	**23,112**	**-**	**23,112**	**-**	**-**
1-90 days	**0%**	**-**	**-**	**-**	**-**	**-**
91-180 days	**0%**	**-**	**-**	**-**	**-**	**-**
181-272 days	**0%**	**-**	**-**	**-**	**-**	**-**
273-364 days	**100%**	**-**	**-**	**-**	**-**	**-**
>365 days	**100%**	**-**	**-**	**-**	**-**	**-**
TOTAL		**23,112**	**-**	**23,112**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(£'000)

	Weighted average loss rate	Gross carrying amount *	Provision balance adjusted	Net Amount	Loss amount	Credit impaired
Ageing						
Not Due	0%	28,450	-	28.450	-	-
1-90 days	0%	2,150	-	2,150	-	-
91-180 days	0%		-		-	-
181-272 days	0%	-	-	-	-	-
273-364 days	100%	-	-	-	-	-
>365 days	100%	-	-	-	-	-
TOTAL		30,600	-	30,600	-	-

* Gross carrying amount excludes inter-company receivables and is net of money received & credit memos that are pending application

LIQUIDITY RISK

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at 31 December 2023:

(£'000)

	Due 1st year	Due 2nd year	Due 3rd to 5th year	Due after 5th year	Total
Non derivative financial liabilities:					
Trade payables	**46,812**	**-**	**-**	**-**	**46,812**
Lease liability	**3,695**	**1,991**	**3,897**	**-**	**9,583**
Other financial liabilities	**1,479**	**-**	**-**	**-**	**1,479**
Total	**51,986**	**1,991**	**3,897**	**-**	**57,874**

The tables below provide details regarding the contractual maturities of significant financial liabilities as at 31 December 2022:

(£'000)

	Due 1st year	Due 2nd year	Due 3rd to 5th year	Due after 5th year	Total
Non derivative financial liabilities:					
Trade payables	79,868	-	-	-	79,868
Lease liability	3,075	2,610	2,590	-	8,275
Other financial liabilities	4,671	-	-	-	4,671
Total	87,614	2,610	2,590	-	92,814

NOTES TO THE FINANCIAL STATEMENTS

I. EQUITY INSTRUMENTS

The authorised, issued, subscribed and fully paid-up share capital consist of the following:

(£'000)

	As at December 31,2023	As at December 31,2022
(a) Authorised		
Ordinary equity shares 2,000,000 of £1 each	**2,000**	2,000
Redeemable preference shares 50,000,000 of £1 each	**50,000**	50,000
(b) Issued, Subscribed and Paid Up		
1,000,001 ordinary equity shares of £1 each	**1,000**	1,000

Other reserve of £42,000,000 (2022: £42,000,000) relates to a capital redemption reserve following the redemption of preference shares in previous years. This is a non-distributable reserve.

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating 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 is required by the Financial Conduct Authority (FCA) to hold sufficient resources to undertake regulated activities on behalf of its clients. As a regulated firm, the Company has a robust governance framework in place, underpinned by several governance committees which report into the Risk Management and Compliance Committee, the Board Audit Committee and ultimately to the Board of Directors. The regulatory capital threshold requirement was increased from £27.0 million to £ 35.0 million during the year.

RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

The Company has one class of equity shares having nominal value of £1 each. Each member has one vote for every share of which he is the holder. The Company may by ordinary resolution declare dividends in accordance with the respective rights of members. Every dividend shall be distributed to the appropriate shareholder pro rata according to the number of shares held by them. The Company may by ordinary resolution appropriate a sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of a dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

COMPANY AS A LESSEE

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises a right-of-use asset representing its right-to-use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or its useful life 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 statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses an incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

COMPANY AS A LESSOR

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use asset held by the Company are as follows:

(£'000)

	Additions for the year ended December 31, 2023	Net carrying amount as at December 31, 2023
Buildings	**4,207**	**8,680**
Office equipment	**-**	**118**
Total	**4,207**	**8,798**

(£'000)

	Additions for the year ended December 31, 2022	Net carrying amount as at December 31, 2022
Buildings	4,265	7,396
Office equipment	-	258
Total	4,265	7,654

NOTES TO THE FINANCIAL STATEMENTS

Depreciation on right-of-use asset is as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Buildings	**3,221**	4,096
Office equipment	**141**	142
Total	**3,362**	4,238

Amounts recognised in the statement of profit and loss:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Depreciation	**3,362**	4,238
Interest on lease liability	**507**	241
Expense relating to short term lease and lease of low value asset	**1,129**	120
Total	**4,998**	4,599

Total cash flow:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Total cash outflow for leases	**5,118**	4,862

- Total cash outflow includes payments for short term and long-term leases.
- The Company has no lease term extension options as at 31 December 2023 and 2022.
- Lease contracts entered by the Company largely relate to buildings taken on to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent.

9. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

A. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Leasehold improvements	Straight line	Lease term
Computer equipment	Straight line	4 years
Furniture and fixtures	Straight line	5 years
Office equipment and other assets	Straight line	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

NOTES TO THE FINANCIAL STATEMENTS

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Property, plant and equipment consist of the following:

(£'000)

	Computer equipment	Leasehold Improvements	Capital work in progress	Total
Cost as at 1 January 2023	**40,271**	**1,395**	**163**	**41,829**
Additions	**878**	**-**	**1,455**	**2,333**
Transfer	**-**	**-**	**(878)**	**(878)**
Cost as at 31 December 2023	**41,149**	**1,395**	**740**	**43,284**
Accumulated Depreciation as at 1 January 2023	**32,090**	**1,202**	**-**	**33,292**
Depreciation for the year	**4,598**	**53**	**-**	**4,651**
Accumulated Depreciation as at 31 December 2023	**36,688**	**1,255**	**-**	**37,943**
Net carrying amount as at 3 1 December 2023	**4,461**	**140**	**740**	**5,341**

(£'000)

	Computer equipment	Leasehold Improvements	Capital work in progress	Total
Cost as at 1 January 2022	37,146	1,395	482	39,023
Additions	3,125	-	-	3,125
Transfer	-	-	(319)	(319)
Cost as at 31 December 2022	40,271	1,395	163	41,829
Accumulated Depreciation as at 1 January 2022	25,652	943	-	26,595
Depreciation for the year	6,438	259	-	6,697
Accumulated Depreciation as at 31 December 2022	32,090	1,202	-	33,292
Net carrying amount as at 31 December 2022	8,181	193	163	8,537

B. OTHER INTANGIBLE ASSETS

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences.

The following table summarises the nature of intangibles and their estimated useful lives.

Nature of intangibles	**Useful lives**
Software licence	License period
Rights under licensing agreement	Lower of license period and 2-5 years

NOTES TO THE FINANCIAL STATEMENTS

Intangible assets are amortised on a straight-line basis over the period of their economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

(£'000)

	Rights under licensing agreement and software licences
Cost as at 1 January 2023	**9,663**
Additions	**37**
Cost as at 31 December 2023	**9,700**
Accumulated amortisation as at 1 January 2023	**6,702**
Amortisation for the year	**1,224**
Accumulated amortisation as at 31 December 2023	**7,926**
Net carrying amount as at 31 December 2023	**1,774**

(£'000)

	Rights under licensing agreement and software licences
Cost as at 1 January 2022	8,809
Additions	854
Cost as at 31 December 2022	9,663
Accumulated amortisation as at 1 January 2022	5,533
Amortisation for the year	1,169
Accumulated amortisation as at 31 December 2022	6,702
Net carrying amount as at 31 December 2022	2,961

C. OTHER ASSETS

Other assets consist of the following:

(£'000)

Other assets – Current	As at December 31, 2023	As at December 31, 2022
Indirect tax recoverable	**242**	698
Prepaid expenses	**2,525**	2,309
Contract fulfilment costs *	**11,522**	7,483
	14,289	10,490
Contract assets	**36,597**	48,481

NOTES TO THE FINANCIAL STATEMENTS

(£'000)

Other assets – Non-Current	**As at December 31, 2023**	**As at December 31, 2022**
Prepaid expenses	**-**	61
Contract fulfilment costs	**6,279**	4,103
Net pension asset – refer note 13b	**936**	1,357
	7,215	5,521
Contract assets	**17,596**	12,360

* Contract fulfilment costs of £10,002k and £9,907k for the years ended 31 December 2023 and 2022, respectively, have been amortised in the profit or loss.

D. OTHER LIABILITIES

(£'000)

Other liabilities – Current	**As at December 31, 2023**	**As at December 31, 2022**
Indirect tax payable and other statutory liabilities	**8,408**	7,081
Advances received from customers	**-**	503
Sundry liabilities	**231**	48
Total	**8,639**	7,632

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on an output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using the percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues includes the cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third-party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for the supply of such third-party products is recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer respectively. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

NOTES TO THE FINANCIAL STATEMENTS

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of the distinct performance obligations involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or the existence of an enforceable right to payment for performance to date and any alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenue.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within a contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or the transaction price of an existing obligation could undergo a change. In the event the transaction price is revised for an existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

The Company generates revenue through the supply of outsourcing services to the UK Financial Services sector primarily in the Life and Pension industry.

Revenue disaggregation by nature of services is as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Consultancy Services	**522,450**	390,743
Total	**522,450**	390,743

NOTES TO THE FINANCIAL STATEMENTS

Revenue disaggregation by industry vertical is as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Banking, financial services and insurance	**522,450**	390,743
Total	**522,450**	390,743

Revenue disaggregation by geography is as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
United Kingdom	**522,450**	390,743
Total	**522,450**	390,743

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event-based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is £660,862,934 out of which 13.85% is expected to be recognised as revenue in next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**60,841**	90,232
Invoices raised that were included in the contract assets balance at the beginning of the year	**(32,922)**	(57,096)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**26,274**	27,705
Balance at the end of the year	**54,193**	60,841

Changes in unearned and deferred revenue are as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**800**	600
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**-**	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**26,588**	200
Balance at the end of the year	**27,388**	800

NOTES TO THE FINANCIAL STATEMENTS

11. COST RECOGNITION

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include remuneration, allowances, contribution to various funds and staff welfare expenses. Other operating expenses primarily include fees to external consultants, project expenses, software expenses, facility expenses, travel expenses, communication expenses, and other expenses.

EXPENSES BY NATURE

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Employee benefit expenses	**244,358**	185,296
Project expenses	**145,517**	99,227
Software expense	**23,261**	19,538
Fees to external consultants and others	**36,441**	38,024
Facility expenses	**9,953**	7,936
Depreciation and amortisation expense	**5,875**	7,866
Right of use assets depreciation	**3,362**	4,238
Travel expenses	**1,592**	1,036
Communication expenses	**8,087**	7,077
Other expenses	**19,061**	19,566
Total	**497,507**	389,804

Refer note 13 for function wise bifurcation of employee cost.

AUDITOR'S REMUNERATION:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
As auditor *	**175**	160
As adviser		
- Other assurance services	**295**	15
Total	**470**	175

* This includes a portion of fee paid by the Company's immediate Parent Company to the auditor's associate in India.

12. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

CURRENT INCOME TAXES

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the year end date.

Advance taxes and provisions for current income taxes are presented in the statements of financial position after off-setting advance tax paid and income tax provision.

NOTES TO THE FINANCIAL STATEMENTS

DEFERRED INCOME TAXES

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The income tax expense consists of the following:

(£'000)

Current tax	**Year ended December 31, 2023**	**Year ended December 31, 2022**
Current tax charge	**6,452**	536
Prior period adjustment	**(1,466)**	-
	4,986	536
Deferred tax		
Deferred tax expense	**(82)**	216
Deferred tax pertaining to prior periods	**1,126**	(533)
	1,044	(317)
Income tax expense	**6,030**	219

The reconciliation of estimated income tax expense at the statutory income tax rate to income tax expense reported in the statement of profit or loss is as follows:

(£'000)

	Year ended December 31, 2023	**Year ended December 31, 2022**
Profit before tax	**27,054**	1,381
Statutory income tax rate	**23.52%**	19%
Expected income tax expense	**6,363**	262
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Income exempt from tax	**-**	59
Tax on income at different rates	**(4)**	(646)
Prior period adjustment	**(340)**	533
Disallowable expenses	**11**	11
Income tax expense	**6,030**	219

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax balance on defined benefit plan has been calculated at 25% basis the Company's intention to buy-out the plan with an insurance company to secure all benefits at an appropriate time.

Significant components of net deferred tax assets and liabilities for the year ended 31 December 2023 are as follows:

(£'000)

	Opening balance	Recognised in profit or loss	Recognised in / other comprehensive income	Closing Balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	**3,453**	**(1,094)**	**-**	**2,359**
Provision for employee benefits and compensated absences	**55**	**(29)**	**222**	**248**
IFRS 16	**63**	**(63)**	**-**	**-**
Others	**398**	**142**	**-**	**540**
Total deferred tax assets / (liabilities)	**3,969**	**(1,044)**	**222**	**3,147**

(£'000)

As at 31 December 2023	Assets	Liabilities	Total
Property, plant and equipment and intangible assets	**2,359**	**-**	**2,359**
Provision for employee benefits and compensated absences	**482**	**(234)**	**248**
IFRS 16	**-**	**-**	**-**
Others	**540**	**-**	**540**
Total deferred tax asset / (liabilities)	**3,381**	**(234)**	**3,147**

Significant components of net deferred tax assets and liabilities for the year ended 31 December 2022 are as follows:

(£'000)

	Opening balance	Recognised in profit or loss	Recognised in / other comprehensive income	Closing Balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	2,981	472	-	3,453
Provision for employee benefits and compensated absences	(1,036)	(181)	1,272	55
IFRS 16	63	-	-	63
Others	372	26	-	398
Total deferred tax assets / (liabilities)	2,380	317	1,272	3,969

(£'000)

As at 31 December 2022	Assets	Liabilities	Total
Property, plant and equipment and intangible assets	3,453	-	3,453
Provision for employee benefits and compensated absences	394	(339)	55
IFRS 16	63	-	63
Others	398	-	398
Total deferred tax asset / (liabilities)	4,308	(339)	3,969

NOTES TO THE FINANCIAL STATEMENTS

13. EMPLOYEE BENEFITS

DEFINED BENEFIT PLANS

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the date of each statement of financial position. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the statement of financial position represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

The directors believe there is a right to recognise a pension surplus on an accounting basis under the trust deeds and rules. The directors do not believe that the surplus in the Pension scheme on an accounting basis will result in a surplus on an actuarial funding basis. However, the directors are required to account for the plans based on the Companies view that they have the right to refund from a surplus, using long-term actuarial funding assumptions current at the reporting date, as required by IFRS and IFRIC 14. This is a technical adjustment made on an accounting basis. There is no cash benefit from the surplus.

DEFINED CONTRIBUTION PLANS

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

COMPENSATED ABSENCES

Compensated absences that are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an undiscounted liability at the date of statement of financial position.

Employee Benefit Expenses Consist of the following:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, incentives and allowances	**204,981**	156,105
Social security and pension costs	**34,120**	25,926
Staff welfare expenses	**5,257**	3,265
Total	**244,358**	185,296

(£'000)

The average number of employees was as follows:	Year ended December 31, 2023	Year ended December 31, 2022
Administration	**6,357**	5,141

Employee benefit obligations consist of the following:

A. EMPLOYEE BENEFIT OBLIGATIONS – CURRENT

(£'000)

	As at December 31, 2022	As at December 31, 2021
Compensated absences	**1,575**	1,810
Total	**1,575**	1,810

NOTES TO THE FINANCIAL STATEMENTS

B. EMPLOYEE BENEFIT OBLIGATIONS – NON-CURRENT

(£'000)

	As at December 31, 2023	As at December 31, 2022
Net defined benefit pension asset	**936**	1,357
Total	**936**	1,357

DEFINED CONTRIBUTION SCHEME

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total cost charged to the profit and loss account of £15,546,412 (2022: £11,186,622) represents contributions payable to these schemes.

EMPLOYEE BENEFIT PLANS

The following table sets out the details of the defined benefit retirement plans and the amount recognised in the financial statements.

The Company operates a UK registered trust based defined benefit pension scheme for the benefit of certain employees. The scheme is closed to new joiners. During 2007/8 certain employees transferred under Transfer of Undertaking (Protection of Employment) TUPE to Tata Consultancy Services Limited (TCS). Therefore, the pension scheme is a group scheme. As a majority of staff remained within the Company and consolidated accounts including TCS are not available in the UK, the pension scheme has been reported fully in these financial statements.

Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The plan closed to future accrual on 04 April 2014 with current active members receiving a deferred pension in the plan.

The pension scheme assets are held in a separate trustee administered fund to meet long term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation.

Costs and liabilities of the scheme are based on actuarial valuations. The latest full actuarial valuation was carried out as of 31 March 2021 and updated to 31 December 2023 by a qualified independent actuary.

The Company contributes to the scheme expenses and makes contributions to achieve the scheme secondary funding target of self-sufficiency.

The movement in the present value of defined benefit obligations during the year were as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Plan liabilities at the beginning of the year	**23,078**	37,889
Interest costs	**1,070**	676
Actuarial loss / (gain) on liabilities on changes in:		
- experience differing from that assumed	**674**	1,167
- demographic assumptions	**(342)**	(14)
- financial assumptions	**(120)**	(15,939)
Benefits paid from plan assets	**(614)**	(701)
Plan liabilities at the end of the year	**23,746**	23,078

NOTES TO THE FINANCIAL STATEMENTS

The movement in the fair value of scheme assets during the year was as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Fair value of assets at the beginning of the year	**24,435**	43,844
Actuarial return on assets	**366**	(19,203)
Employer contributions	**495**	495
Benefits paid	**(614)**	(701)
Fair value of assets at the end of the year	**24,682**	24,435

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	As at December 31, 2023	As at December 31, 2022
Fair value of assets	**24,682**	24,435
Present value of scheme liabilities	**(23,746)**	(23,078)
Net pension asset	**936**	1,357

The analysis of the scheme assets at the balance sheet date was as follows:

(£'000)

	Fair value of assets	
	As at December 31, 2023	As at December 31, 2022
Bonds	**7,591**	1,376
Cash	**307**	2,420
Diversified Growth Funds	**5,617**	10,960
Liability Driven Investment	**11,167**	9,679
Total	**24,682**	24,435

All the above assets are unquoted

The amounts charged to the profit and loss account in the year were:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Current scheme expenses	**103**	115
Total	**103**	115

Other finance cost comprises:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest cost / (income)	**1,070**	676
Interest cost / (income)	**(1,143)**	(786)
Net cost / (income)	**(73)**	(110)

NOTES TO THE FINANCIAL STATEMENTS

The amount recognised in the other comprehensive income is:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Actual return less interest on pension scheme assets	**(674)**	(19,874)
Change in the assumptions underlying the present value of the scheme liabilities	**(212)**	14,786
Total before adjustment for tax	**(886)**	(5,088)
Adjustment for tax	**222**	1,272
Total (loss) / gain recognised in the statement of comprehensive income	**(664)**	(3,816)

The cumulative amount of actuarial gains and losses recognised in other comprehensive income since the creation of the pension scheme is £ 755,000 (December 2022: £1,419,500).

The main assumptions used by the actuary were:

	31 December 2023 % p.a.	31 December 2022 % p.a.
Discount rate	**4.55**	4.70
Rate of increase of pensions in payment	**2.60**	2.65
Retail Price Index (RPI) inflation	**3.10**	3.20

The Company has updated its approach since the prior year to setting its CPI inflation assumptions in light of the RPI reform consultation published on the 25 November 2020 by the UK Chancellor and UK Statistics Authority.

Based on the discount of 4.55% the estimate duration of the defined benefit obligation as at December 2023 is 15 years.

Estimated contributions to be made to the plan by the Company in the year ending 31 December 2023 amount to £495k. This estimate is in line with the annual employer contribution of £495k, made up of funding contributions of £375k and scheme expenses of £120k. that was approved by the Board in April 2019.

RISKS ASSOCIATED WITH THE PENSION SCHEME

The defined benefit scheme exposes the Company to various risks, with the key risks set out below:

Asset volatility: the plan's defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields, however the plan invests in Diversified Growth Funds ('DGFs'). These assets are expected to outperform corporate bonds in the long-term but provide volatility and risk in the short-term.

Changes in bond yields: a decrease in corporate bond yields would increase the plan's defined benefit obligation, however this would be offset by an increase in the value of the plan's LDI assets. Although the LDI assets are linked with gilt yields, there is still expected to be a strong correlation with corporate bond yields.

Inflation risk: a significant proportion of the plan's defined benefit obligation is linked to inflation; therefore, higher inflation will result in a higher defined benefit obligation (subject to the appropriate caps in place). The majority of the plan's LDI assets are also correlated with inflation and therefore changes to inflation would have minor impacts on the plan's funding.

Life expectancy: if plan members live longer than expected, the plan's benefits will need to be paid for longer, increasing the plan's defined benefit obligation.

The trustees manage risks in the plan through the following strategies:

- Diversification: investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.
- Investment strategy: the trustees are required to review their investment strategy on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions while holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below.

(£'000)

	31 December 2023	31 December 2023	31 December 2022	31 December 2022
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	**(1,710)**	**1900**	(1,615)	1,846
RPI Inflation (0.5% movement)	**784**	**(926)**	692	(923)
Assumed life expectancy (1 year)	**546**	**-**	462	-

Assumptions

The mortality assumptions have been updated based on the preliminary results of the 2023 actuarial valuation (but using a best estimate assumption) and are consistent with the previous period.

Expected Lifetime at 31 December 2022

The expected lifetime of a participant who is age 60 and the expected lifetime (from age 60) of a participant who will be aged 60 in 20 years are shown in years below:

Age	Males	Females
60	25.6	27.8
60 in 20 years	26.8	29.0

Movement in related deferred tax liability

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Related deferred tax liability at beginning of year	**(310)**	(1,489)
Recognised through profit and loss account	**(116)**	(93)
Recognised through statement of comprehensive income	**222**	1,272
Related deferred tax liability at end of year	**(204)**	(310)

Projected benefits payable in future years from the end of the current year

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
1st following year	**817**	561
2nd following year	**829**	607
3rd following year	**778**	809
4th following year	**895**	810
5th following year	**934**	895
Years 6 to 10	**6,448**	6,053

NOTES TO THE FINANCIAL STATEMENTS

The movement in the surplus during the year was:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Surplus in the plan at the beginning of the year	**1,357**	5,955
Current service costs	**(103)**	(115)
Contributions paid	**495**	495
Other finance income	**73**	110
Actuarial (loss) / gain	**(886)**	(5088)
Surplus in the plan at the end of the year	**936**	1,357

14. DIRECTORS REMUNERATION

Remuneration in respect of directors during the year was as follows:

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Emoluments (excluding pension contributions)	**513**	433
Company contributions to defined contribution schemes	**15**	13
	528	446

During the period, no directors (2022: none) participated in defined benefit pension schemes and one director (period ended 31 December 2022: one) participated in money purchase pension schemes.

The emoluments disclosed in the notes to these accounts are in respect of the directors with qualifying services for the Company and in relation to those directors comprises their total emoluments in respect of services to the Company.

(£'000)

Highest paid director's remuneration:	Year ended December 31, 2023	Year ended December 31, 2022
Aggregate amount of emoluments (excluding pension contributions)	**425**	360
Pension contributions to defined contribution schemes	**15**	13
	440	373

15. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has contractually committed £99,134 and £25,484 as at 31 December 2023 and 2022, respectively, for purchase of property, plant and equipment.

Contingencies

The Company has no material contingencies to the best knowledge of the directors as at 31 December 2023 and 31 December 2022.

16. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its holding company Tata Consultancy Services Limited (TCS Limited), its subsidiaries, key managerial personnel, directors and their dependents. All transactions are conducted on normal commercial terms and settled through cash payments / receipts. None of the balances are secured. No expense has been recognised in the current or prior period for bad or doubtful debts in respect of amounts owed by related parties.

NOTES TO THE FINANCIAL STATEMENTS

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Services received from TCS Limited	**130,613**	93,153
Services provided to TCS Limited	**15,682**	11,402
Expenses recharged to TCS Limited	**15,874**	5,529
Expenses recharged by TCS Limited	**2,133**	2,445
Services received from TCS Ireland Limited	**450**	471

(£'000)

	As at December 31, 2023	As at December 31, 2022
Amounts due from TCS Limited	**14,668**	9,084
Amounts owed to TCS Limited	**28,066**	65,629
Amounts owed to TCS Ireland Limited	**233**	169

Tata Sons Private Limited is the parent company of TCS Limited and Tata Communications Limited ("TCOM") is fellow subsidiary of TCS Limited. The following transactions and balances are all conducted on an arm's length basis and settled through cash payments.

(£'000)

	Year ended December 31, 2023	Year ended December 31, 2022
Brand equity contribution – Tata Sons Private Limited	**587**	-
Services received from TCOM	**676**	913

(£'000)

	Year ended December 31, 2022	Year ended December 31, 2021
Amounts owed to Tata Sons Private Limited	**587**	-
Amounts owed to TCOM	**88**	86

17. SUBSEQUENT EVENTS

There are no adjusting or non-adjusting post balance sheet event that require disclosure.

18. PARENT UNDERTAKINGS

The Company's immediate parent undertaking and controlling entity is Tata Consultancy Services Limited ("TCS"), a Company incorporated in India which is registered as a foreign company in the United Kingdom. The registered office is 9th Floor, Nirmal Building, Nariman Point, Mumbai, 400 021, India. The Company's ultimate parent undertaking and controlling entity is Tata Sons Private Limited whose registered office is Bombay House, 24 Homi Mody Street, Mumbai, 400 001, India. The smallest and largest company accounts in which these results are consolidated are TCS and Tata Sons Private Limited respectively.

TATA AMERICA INTERNATIONAL CORPORATION

(COMPANY REGISTRATION NUMBER: 13-2805758)

FINANCIAL STATEMENTS

For the year ended
March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TATA AMERICA INTERNATIONAL CORPORATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata America International Corporation ("the Company"), which comprise the statement of financial position as at March 31, 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board ('IFRS Standards').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those in charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mumbai, India
May 03, 2024

For KPMG
Chartered Accountants

Statement of Financial Position

(In millions of USD)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	8	**7.23**	0.57
Investments	9(a)	**40.00**	46.58
Trade receivables			
Billed	10	**429.59**	401.57
Unbilled		**4.51**	6.19
Other financial assets	11(a)	**2.58**	1.75
Other assets	16(c)	**12.20**	9.24
Total current assets		**496.11**	465.90
Non-current assets			
Investments	9(b)	**2.79**	3.54
Other financial assets	11(b)	**1.00**	1.27
Deferred tax assets (net)	20	**10.25**	10.49
Property, plant and equipment	16(a)	**20.82**	24.58
Intangible asset	16(b)	**0.01**	-
Right-of-use assets	15	**65.78**	80.37
Other assets	16(c)	**-**	0.13
Total non-current assets		**100.65**	120.38
TOTAL ASSETS		**596.76**	586.28
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		**259.20**	181.74
Lease liabilities		**15.95**	17.13
Other financial liabilities	12	**29.73**	88.15
Unearned and deferred revenue	17	**3.04**	1.50
Employee benefit obligations	21(a)	**13.42**	13.40
Provisions		**0.48**	0.01
Income tax liabilities (net)		**8.87**	8.64
Other liabilities	16(d)	**0.18**	0.25
Total current liabilities		**330.87**	310.82
Non-current liabilities			
Unearned and deferred revenue	17	**4.75**	-
Lease liabilities		**60.99**	75.85
Employee benefit obligations	21(b)	**0.03**	0.03
Total non-current liabilities		**65.77**	75.88
TOTAL LIABILITIES		**396.64**	386.70
Equity			
Share capital	14	**0.20**	0.20
Share premium		**1.26**	1.26
Retained earnings		**198.66**	198.12
TOTAL EQUITY		**200.12**	199.58
TOTAL LIABILITIES AND EQUITY		**596.76**	586.28

See accompanying notes to financial statements

Statement of Profit or Loss and Other Comprehensive Income

(In millions of USD)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue	17	**82.82**	67.73
Commission - agency services	17	**564.58**	542.34
TOTAL REVENUE		**647.40**	610.07
Expenses			
Employee benefits expenses	21	**342.91**	326.59
Depreciation and amortisation expense	16(a) & 15	**21.56**	22.37
Other expenses	18	**118.09**	112.13
TOTAL EXPENSES		**482.56**	461.09
OPERATING PROFIT		**164.84**	148.98
Other income / (expense)			
Finance and other income	19(a)	**12.37**	14.10
Finance costs	19(b)	**(2.88)**	(3.28)
Other gains (net)	19(c)	**0.06**	0.04
Other income (net)		**9.55**	10.85
PROFIT BEFORE TAXES		**174.39**	159.83
Income tax expense	20	**33.10**	40.95
PROFIT FOR THE YEAR		**141.29**	118.88
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of investments in equity shares carried at fair value through OCI		**(0.75)**	(0.19)
TOTAL OTHER COMPREHENSIVE LOSS, NET OF TAX		**(0.75)**	(0.19)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**140.54**	118.69

See accompanying notes to financial statements

Statement of Changes in Equity

(In millions of USD, except share data)

	Number of shares	Share capital	Share premium	Retained earnings	Total equity
Balance as at April 1, 2023	**20,000**	**0.20**	**1.26**	**198.12**	**199.58**
Profit for the year	**-**	**-**	**-**	**141.29**	**141.29**
Other comprehensive losses	**-**	**-**	**-**	**(0.75)**	**(0.75)**
Total comprehensive income	**-**	**-**	**-**	**140.54**	**140.54**
Dividend (including tax on dividend of USD 21 million)	**-**	**-**	**-**	**(140.00)**	**(140.00)**
Balance as at March 31, 2024	**20,000**	**0.20**	**1.26**	**198.66**	**200.12**
Balance as at April 1, 2022	20,000	0.20	1.26	159.43	160.87
Profit for the year	-	-	-	118.88	118.88
Other comprehensive losses	-	-	-	(0.19)	(0.19)
Total comprehensive income	-	-	-	118.69	118.69
Dividend (including tax on dividend of USD 12 million)	-	-	-	(80.00)	(80.00)
Balance as at March 31, 2023	20,000	0.20	1.26	198.12	199.58

Statement of Cash Flows

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**141.29**	118.88
Adjustment for:		
Depreciation and amortisation expense	**21.56**	22.37
Income tax expense	**33.10**	40.95
Bad debts and advances written off, allowances for expected credit losses and doubtful advances (net)	**0.07**	0.91
Dividend received on mutual fund	**(1.73)**	(0.07)
Net gain on lease modification	**(0.02)**	(0.03)
Operating profit before working capital changes	**194.27**	183.01
Net change in		
Trade receivables		
Billed	**(28.08)**	(71.82)
Unbilled	**1.68**	(4.36)
Other financial assets	**(0.56)**	(0.33)
Other assets	**(2.83)**	(2.08)
Trade payables and provisions	**77.92**	0.64
Unearned and deferred revenue	**6.29**	(1.95)
Other financial liabilities	**(58.73)**	49.04
Other liabilities	**(0.05)**	(2.91)
Cash generated from operations	**189.91**	149.24
Taxes paid (net of refunds)	**(32.63)**	(36.49)
Net cash generated from operating activities	**157.28**	112.74
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments	**(983.00)**	(521.00)
Proceeds from disposal/redemption of investments	**991.30**	511.00
Payment for purchase of property, plant and equipment	**(1.56)**	(6.49)
Net cash generated from/ (used in) investing activities	**6.74**	(16.49)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**(17.36)**	(16.58)
Dividend paid (including tax on dividend)	**(140.00)**	(80.00)
Net cash used in financing activities	**(157.36)**	(96.58)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**6.66**	(0.33)
Cash and cash equivalents at the beginning of the year	**0.57**	0.90
Cash and cash equivalents at the end of the year	**7.23**	0.57
Components of cash and cash equivalents		
Cash at banks and in hand	**1.63**	0.57
Bank deposits (original maturity less than three months)	**5.60**	-
	7.23	0.57
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	**2.88**	3.28
Interest received	**1.24**	0.13

See accompanying notes forming part of the financial statements

Notes to Financial Statements

1. CORPORATE INFORMATION

Tata America International Corporation ("the Company") entered into a sales and marketing service agreement with Tata Consultancy Services Limited [TCS or the parent company or the holding company] effective April 1, 2018, wherein the Company acts as non-exclusive sales and marketing service provider to market its services in the US. The Company's functions included sales, pre-sales and marketing activities, market research, identifying and pursuing customers, etc.

Additionally, the Company enters into contracts with customers and offers provision of consulting-led, cognitive powered, integrated portfolio of information technology (IT), IT-enabled services and sub-contracts the execution of such work to its parent company Tata Consultancy Services Limited, an Indian Corporation.

The Company is incorporated and domiciled in the Unites States of America. The address of its corporate office is Tata America International Corporation, 101, Park Avenue, 26th floor, New York 10178. As at March 31, 2024, Tata Consultancy Services Limited owned 100 percentage of the Company's equity share capital.

The financial statements were approved by the Board of Directors and authorised for issue on May 03, 2024.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the United States Dollar (USD). Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policies information used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Notes to Financial Statements

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its financial statements:

a. Revenue recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company estimates the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

The Company exercises judgement for identification of performance obligations, determination of transaction price, ascribing the transaction price to each distinct performance obligation and in determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the revenue note (Refer note 17).

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. [Refer Note 16(a)]

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value). (Refer Note 7).

e. Provision for income tax and deferred tax assets

The Company uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

f. Provision and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by

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an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

b. Share premium

Share premium is used to record the premium on issue of shares.

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16 Lease Liability in a sale and Leaseback[1]

Amendments to IAS 1 Non-current Liabilities with Covenants[1]

Amendments to IAS 1 Classification of Liabilities[1]

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements[2]

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates[2]

IFRS 18 – Presentation and Disclosures in Financial Statements[3]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

[3]Effective for annual periods beginning on or after January 1, 2027.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

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IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued its new standard IFRS 18 – Presentation and Disclosures in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard aims at improving how entities communicate in their financial statements. The Company will evaluate the standard and implement it accordingly.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid investment, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

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Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for expected credit losses the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

(In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Cash at banks	**1.63**	0.57
Bank deposits (original maturity less than three months)	**5.60**	-
Total	**7.23**	0.57

9. INVESTMENTS

Investments consist of the following:

(a) Investments – Current

(In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Investments carried at fair value through profit or loss		
Mutual fund units	**40.00**	46.58
Total	**40.00**	46.58

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(b) Investments – Non-current

(In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Investments designated at fair value through OCI (FVTOCI)		
Equity shares	**17.50**	17.50
Less : Permanent impairment FVTOCI Investments	**(14.71)**	(13.96)
Total	**2.79**	3.54

The Company impaired USD 0.75 million in March 31, 2024 (USD 0.19 million in March 31, 2023) out of its total USD 7.5 million investment in FCM, LLC, based on the losses incurred till date and visibility on its earning capability in future years.

The movement in fair value of investments carried / designated at fair value through OCI is as follows:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**3.54**	3.73
Net loss arising on impairement of investments in equities carried at fair value through other comprehensive income	**(0.75)**	(0.19)
Balance at the end of the year	**2.79**	3.54

10. TRADE RECEIVABLES - BILLED

Trade receivables billed consist of the following:

Trade receivables - Billed – Current

(In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**432.64**	405.17
Less: Allowance for expected credit losses	**(3.05)**	(3.60)
Total	**429.59**	401.57

Trade receivables include balances with related parties (Refer note 23).

11. OTHER FINANCIAL ASSETS

Other financial assets consist of the following:

(a) Other financial assets – Current

(In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees	**0.08**	0.21
Security deposits	**0.18**	0.00
Volume discount receivable*	**2.21**	1.50
Others	**0.11**	0.04
Total	**2.58**	1.75

*Volume discount receivable include balances with related parties (Refer note 23)

Notes to Financial Statements

(b) Other financial assets – Non-current

(In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Security deposits	**0.29**	0.46
Utility deposits	**0.71**	0.81
Total	**1.00**	1.27

12. OTHER FINANCIAL LIABILITIES

Other financial liabilities consist of the following:

Other financial liabilities – Current

(In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Capital creditors	**0.33**	0.65
Liabilities towards customer contracts	**0.04**	2.58
Accrued payroll	**28.36**	38.67
Liability towards related party*	**1.00**	46.25
Total	**29.73**	88.15

* Liability towards related party is due to assignment agreement where customer paid the money to the Company instead of TCS on account of which the Company is now liable to pay TCS the said amount.

13. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

(In millions of USD)

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	**-**	**-**	**7.23**	**7.23**
Trade receivables				
Billed	**-**	**-**	**429.59**	**429.59**
Unbilled	**-**	**-**	**4.51**	**4.51**
Investments	**40.00**	**2.79**	**-**	**42.79**
Other financial assets	**-**	**-**	**3.58**	**3.58**
Total	**40.00**	**2.79**	**444.91**	**487.70**
Financial liabilities				
Trade payables	**-**	**-**	**259.20**	**259.20**
Lease liabilities	**-**	**-**	**76.94**	**76.94**
Other financial liabilities	**-**	**-**	**29.73**	**29.73**
Total	**-**	**-**	**365.87**	**365.87**

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The carrying value of financial instruments by categories as at March 31, 2023 is as follows:

(In millions of USD)

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	0.57	0.57
Trade receivables				
Billed	-	-	401.57	401.57
Unbilled	-	-	6.19	6.19
Investments	46.58	3.54	-	50.12
Other financial assets	-	-	3.02	3.02
Total	46.58	3.54	411.35	461.47
Financial liabilities				
Trade payables	-	-	181.74	181.74
Lease liabilities	-	-	92.98	92.98
Other financial liabilities	-	-	88.15	88.15
Total	-	-	362.87	362.87

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2024 and 2023 approximate the fair value due to their nature. Carrying amounts of bank deposits, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 in that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

(In millions of USD)

	Level 1	Level 2	Level 3	Total
As at March 31, 2024				
Financial assets				
Mutual fund units	**40.00**	**-**	**-**	**40.00**
Equity shares	**-**	**-**	**2.79**	**2.79**
Total	**40.00**	**-**	**2.79**	**42.79**

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(In millions of USD)

	Level 1	Level 2	Level 3	Total
As at March 31, 2023				
Financial assets				
Mutual fund units	46.58	-	-	46.58
Equity shares	-	-	3.54	3.54
Total	46.58	-	3.54	50.12

Reconciliation of level 3 fair value measurement is as follows:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**3.54**	3.73
Impairment in value of investments	**(0.75)**	(0.19)
Balance at the end of the year	**2.79**	3.54

(a) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The Company is not significantly exposed to foreign currency exchange rate risk.

(b) Interest rate risk

The Company is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by 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, investment, cash and cash equivalents, bank deposits and other financial assets. Cash and cash equivalents include an amount of USD 7.23 million held with banks in USA having high quality credit rating which are individually in excess of 10 percentage or more of the Company's total cash and cash equivalents as at March 31, 2024. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 488.19 million and USD 462.41 million as at March 31, 2024 and 2023, respectively, being the total of the carrying amount of balances with banks, bank deposit, investments, trade receivables, unbilled receivables, contract assets and other financial assets.

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Customers contributing to more than 10 percent of outstanding trade receivable and contract assets as at March 31, 2024 and 2023 respectively are as follows:

(In millions of USD)

	As at March 31, 2024		As at March 31, 2023	
	Total trade receivable and contract assets	Percentage	Total trade receivable and contract assets	Percentage
Parent Company	**357.63**	**82.29**	326.86	81.40

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, 2024	As at March 31, 2023
	Net percentage	Net percentage
India	**82.29**	79.98
Americas	**17.71**	20.01
Others	**-**	0.01

Geographical concentration of trade receivables (gross and net of allowances) and contract assets is allocated based on the location of the customers.

The allowances for lifetime expected credit loss on trade receivables for the year ended March 31, 2024 and 2023 was USD 0.07 million and USD 0.80 million respectively. The reconciliation of allowance for expected credit losses is as follows :

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**3.60**	13.22
Changes during the year	**0.07**	0.80
Bad debts written off	**(0.62)**	(10.42)
Balance at the end of the year	**3.05**	3.60

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(In millions of USD)

As at March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**259.20**	**-**	**-**	**-**	**259.20**
Lease liabilities	**18.23**	**16.78**	**27.03**	**27.09**	**89.13**
Other financial liabilities	**29.73**	**-**	**-**	**-**	**29.73**
Total	**307.15**	**16.78**	**27.03**	**27.09**	**378.06**

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(In millions of USD)

As at March 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	181.74	-	-	-	181.74
Lease liabilities	19.85	17.52	43.37	22.81	103.56
Other financial liabilities	88.15	-	-	-	88.15
Total	289.74	17.52	43.37	22.81	373.45

14. EQUITY INSTRUMENTS

The authorised, issued, subscribed and fully paid up share capital consist of the following:

	As at March 31, 2024	As at March 31, 2023
(a) Authorised		
Equity shares of USD 10 each (March 31, 2024 20,000 shares and March 31, 2023 20,000 shares)	**0.20**	0.20
	0.20	0.20
(b) Issued, Subscribed and Fully paid up		
Equity shares of USD 10 each (March 31, 2024 20,000 shares and March 31, 2023 20,000 shares)	**0.20**	0.20
	0.20	0.20

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.

Fully paid equity shares, which have a par value of USD 10 each carry one vote per share and have a right to dividend. Dividend can be declared out of retained earnings. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

15. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the

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straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 – Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use asset held by the Company is as follows:

(In millions of USD)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Buildings	**1.34**	**65.78**
Total	**1.34**	**65.78**

(In millions of USD)

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Buildings	0.67	80.37
Total	0.67	80.37

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Depreciation on right-of-asset is as follows:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Buildings	**15.90**	16.47
Total	**15.90**	16.47

Interest on lease liabilities is USD 2.79 and USD 3.25 million for the year ended on March 31, 2024 and 2023 respectively.

The Company incurred USD 0.92 and USD 0.80 million for the year ended March 31, 2024 and 2023 respectively towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is USD 21.07 and USD 20.03 million for the year ended March 31, 2024 and 2023 respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

16. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Buildings	20 years
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, Plant and Machinery, 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.

Notes to Financial Statements

Property, plant and equipment consist of the following:

(In millions of USD)

	Freehold land	Buildings	Leasehold improvements	Computer equipments	Plant and machinery	Furniture and fixtures	Office equipments and other assets	Total
Cost as at April 1, 2023	**3.31**	**11.84**	**16.88**	**13.41**	**1.48**	**15.13**	**17.58**	**79.63**
Additions*	**-**	**1.98**	**-**	**0.85**	**0.09**	**0.07**	**1.10**	**4.09**
Disposals	**-**	**-**	**0.13**	**1.00**	**-**	**0.59**	**0.13**	**1.85**
Cost as at March 31, 2024	**3.31**	**13.82**	**16.75**	**13.26**	**1.57**	**14.61**	**18.55**	**81.87**
Accumulated depreciation as at April 1, 2023	**-**	**7.82**	**12.21**	**11.41**	**0.83**	**13.10**	**14.78**	**60.16**
Disposals	**-**	**-**	**0.13**	**1.00**	**-**	**0.59**	**0.13**	**1.85**
Depreciation	**-**	**0.77**	**1.28**	**1.08**	**0.15**	**1.09**	**1.29**	**5.65**
Accumulated depreciation as at March 31, 2024	**-**	**8.59**	**13.36**	**11.49**	**0.98**	**13.60**	**15.94**	**63.96**
Net carrying amount as at March 31, 2024	**3.31**	**5.23**	**3.39**	**1.78**	**0.59**	**1.01**	**2.61**	**17.92**
Capital work-in-progress								**2.90**
Total								**20.82**

*USD 4.09 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2024.

(In millions of USD)

	Freehold land	Buildings	Leasehold improvements	Computer equipments	Plant and machinery	Furniture and fixtures	Office equipments and other assets	Total
Cost as at April 1, 2022	3.31	11.84	15.73	14.35	1.48	15.09	17.17	78.98
Additions*	-	-	1.14	0.95	-	0.05	0.39	2.54
Disposals	-	-	-	1.90	-	-	-	1.90
Cost as at March 31, 2023	3.31	11.84	16.88	13.41	1.48	15.13	17.58	79.63
Accumulated depreciation as at April 1, 2022	-	7.11	10.80	12.03	0.67	11.97	13.58	56.17
Disposals	-	-	-	1.90	-	-	-	1.90
Depreciation	-	0.70	1.41	1.28	0.15	1.13	1.23	5.90
Accumulated depreciation as at March 31, 2023	-	7.82	12.21	11.41	0.83	13.10	14.78	60.16
Net carrying amount as at March 31, 2023	3.31	4.02	4.67	1.99	0.65	2.03	2.80	19.47
Capital work-in-progress								5.11
Total								24.58

*USD 2.54 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2023.

Notes to Financial Statements

b. Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets consist of software licences. Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Software licences	4 years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

(In millions of USD)

	Rights under licensing agreements and software licences
Cost as at April 1, 2023	**-**
Additions	**0.01**
Cost as at March 31, 2024	**0.01**
Accumulated amortisation as at April 1, 2023	**-**
Amortisation for the year	**0.00**
Accumulated amortisation as at March 31, 2024	**0.00**
Net carrying amount as at March 31, 2024	**0.01**

(In millions of USD)

	Rights under licensing agreements and software licences
Cost as at April 1, 2022	-
Additions	-
Cost as at March 31, 2023	-
Accumulated amortisation as at April 1, 2022	-
Amortisation for the year	-
Accumulated amortisation as at March 31, 2023	-
Net carrying amount as at March 31, 2023	-

Notes to Financial Statements

c. Other assets

Other assets consist of the following:

i. Other assets – Current (In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Advances to suppliers	**1.23**	0.05
Indirect taxes recoverable	**4.48**	4.87
Prepaid expenses	**5.57**	3.22
Contract assets	**0.49**	0.80
Contract fullfillment costs	**0.32**	0.29
Others	**0.11**	0.01
Total	**12.20**	9.24

Contract fulfillment costs is USD 0.30 million and USD 0.27 million for the years ended March 31, 2024 and March 31, 2023, respectively, have been amortised in the profit or loss. Refer note 17 for changes in contract assets.

ii. Other assets –Non Current (In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Contract assets	**-**	0.13
Total	**-**	0.13

d. Other liabilities

Other liabilities consist of the following:

i. Other liabilities – Current (In millions of USD)

	As at March 31, 2024	As at March 31, 2023
Advance received from customers	**0.14**	0.20
Indirect taxes payable and other statutory liabilities	**-**	0.04
Others	**0.04**	0.01
Total	**0.18**	0.25

17. REVENUE RECOGNITION

The Company, a wholly owned subsidiary of Tata Consultancy Services Limited, India, primarily operates as a sales and marketing entity for the holding company. The Company is engaged in the business of promoting, marketing and delivery of software services and products, information technology and information technology enabled services, in the US to third parties. The Company also earns some revenue from providing IT services, consulting and business solutions, directly to customers.

Whenever the Company acts in the capacity of a sales and marketing agent it recognises revenue for the agreed commission based on the commercial arrangement it has entered with the holding company. Such contracts have a single performance obligation which is the promise to transfer the marketing and promotional services. The revenue is recognised over time by utilizing the month as unit of measurement. The Company has applied the practical expedient to recognise revenue for services over the term of the agreement in proportion to the amount it has right to invoice the customer.

Notes to Financial Statements

Where the Company enters into a contract with a customer to provide IT services directly to the customer, the Company controls the services to be provided to the customer, and has therefore, determined that it is acting in the capacity of a 'principal' for the said transactions. Accordingly, the Company recognises revenue at the gross amount of consideration. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc for time and material and job contracts; straight lined over period for fixed price maintenance contracts; using percentage of completion method for other fixed price contracts; on delivery in case of sale of software and transfer of control in case of sale of hardware.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. Transaction price could be either a fixed amount consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The transaction is adjusted for the effects of the time value of money, if the contract includes a significant financing component. Any consideration payable to the customer, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Notes to Financial Statements

Revenue and Commission – agency services disaggregation by nature of services and geography is as follows:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services	**82.82**	67.73
Commission - agency services	**564.58**	542.34
Total	**647.40**	610.07

Geographical revenue is allocated based on the location of the customers.

(In millions of USD)

Geography	Year ended March 31, 2024	Year ended March 31, 2023
America - Consultancy services	**82.82**	67.73
India - Commission	**564.58**	542.34
Total	**647.40**	610.07

Consultancy services revenue disaggregation by industry vertical is as follows:

(In millions of USD)

Industry Vertical	Year ended March 31, 2024	Year ended March 31, 2023
Banking, Financial Services and Insurance	**4.81**	4.80
Manufacturing	**44.99**	38.86
Energy and Utilities	**24.89**	12.91
Hi-Tech Industry Practice	**1.98**	2.69
Others	**6.15**	8.47
Total	**82.82**	67.73

Agency commission revenue disaggregation by industry vertical is as follows:

(In millions of USD)

Industry vertical	Year ended March 31, 2024	Year ended March 31, 2023
Hi-Tech Industry Practice	**564.58**	542.34
Total	**564.58**	542.34

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in IFRS 15 and 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 USD 130.35 million out of which 46.32 percentage is expected to be recognised as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Notes to Financial Statements

Changes in contract asset are as follows:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**0.93**	0.61
Invoices raised that were included in the contract assets balance at the beginning of the year	**(0.37)**	(0.18)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**(0.06)**	0.50
Balance at the end of the year	**0.49**	0.93

Changes in unearned and deferred revenue are as follows:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**1.50**	3.45
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(0.81)**	(2.13)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**7.10**	0.18
Balance at the end of the year	**7.79**	1.50

18. 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 licenses, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for expected credit losses and doubtful advances(net), facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

Expenses by function

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Cost of revenue	**71.74**	62.33
Selling, general and administrative expenses	**410.82**	398.77
Total	**482.56**	461.09

Notes to Financial Statements

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation expense and other expenses. Employee benefit expenses include salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other expenses mainly include sub-contracting cost, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as fees to external consultants, commission and brokerage, recruitment and training, entertainment, etc.

Refer Note 21 for employee benefit expenses.

Other expenses by nature

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Sub-contacting cost	**1.40**	0.67
Fees to external consultants	**15.40**	13.61
Facility expenses	**9.43**	8.29
Travel expenses	**21.31**	21.75
Communication expenses	**2.75**	3.36
Bad debts and advances written off, allowance for expected credit losses and doubtdful advances (net)	**0.07**	0.91
Marketing, Advertising and Sales Promotion	**35.49**	36.67
Other expenses	**32.24**	26.85
Total	**118.09**	112.13

19. OTHER INCOME

a. Finance and other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using effective interest method.

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Dividend received from mutual funds	**1.73**	0.30
Rental revenue	**9.40**	13.67
Interest received	**1.24**	0.13
Total	**12.37**	14.10

b. Finance costs

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest on loans other than banks*	**0.01**	0.00
Other interest expense	**0.08**	0.03
Interest on lease liabilities	**2.79**	3.25
Total	**2.88**	3.28

*The Interest on loans other than banks for Mar 31, 2023 is less than USD 0.01 million.

Notes to Financial Statements

c. Other gains (net)

(in millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Net foreign exchange gains / (losses)	**0.04**	(0.03)
Others	**0.02**	0.07
Total	**0.06**	0.04

20. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted, by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Company intends 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, affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Notes to Financial Statements

The income tax expense consists of the following:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense for current year	**42.76**	37.33
Current tax expenses / benefit pertaining to prior years	**(9.91)**	1.67
	32.85	39.00
Deferred tax		
Deferred tax expense for current year	**0.25**	1.95
	0.25	1.95
Total	**33.10**	40.95

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statements of profit or loss is as follows:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes	**174.39**	159.83
Statutory income tax rate	**21.00%**	21.00%
Expected income tax expense	**36.62**	33.56
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Income exempt from tax	**(5.41)**	(4.74)
State tax (net of federal tax benefit)	**11.35**	9.93
Tax pertaining to prior years	**(9.91)**	1.67
Others (net)	**0.45**	0.52
Total income tax expense	**33.10**	40.95

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(In millions of USD)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**1.76**	**0.59**	**2.35**
Provision for employee benefits	**3.75**	**(0.11)**	**3.64**
Receivables, financial assets at amortised cost	**1.01**	**(0.18)**	**0.83**
Lease liability and right-of-use assets	**5.44**	**(0.54)**	**4.90**
Others	**(1.47)**	**(0.00)**	**(1.47)**
Total deferred tax asset / (liabilities)	**10.49**	**(0.24)**	**10.25**

Notes to Financial Statements

Gross deferred tax assets and liabilities are as follows:

(In millions of USD)

As at March 31, 2024	Assets	Laibilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**2.35**	**-**	**2.35**
Provision for employee benefits	**3.64**	**-**	**3.64**
Receivables, financial assets at amortised cost	**0.83**	**-**	**0.83**
Right-of-use asset	**(16.09)**	**-**	**(16.09)**
Lease liabilities	**20.99**	**-**	**20.99**
Others	**-**	**(1.47)**	**(1.47)**
Total deferred tax asset / (liabilities)	**11.72**	**(1.47)**	**10.25**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

(In millions of USD)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	0.46	1.30	1.76
Provision for employee benefits	3.88	(0.13)	3.75
Receivables, financial assets at amortised cost	3.73	(2.72)	1.01
Lease liability and right-of-use assets	5.50	(0.06)	5.44
Others	(1.13)	(0.34)	(1.47)
Total deferred tax asset / (liabilities)	12.44	(1.95)	10.49

Gross deferred tax assets and liabilities are as follows:

(In millions of USD)

As at March 31, 2023	Assets	Laibilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	1.76	-	1.76
Provision for employee benefits	3.75	-	3.75
Receivables, financial assets at amortised cost	1.01	-	1.01
Right-of-use asset	(20.73)	-	(20.73)
Lease liabilities	26.17	-	26.17
Others	-	(1.47)	(1.47)
Total deferred tax asset / (liabilities)	11.96	(1.47)	10.49

Notes to Financial Statements

21. EMPLOYEE BENEFITS

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company has a 401(k) plan with profit sharing feature. Eligible employees may elect to defer up to 50 percent of their total compensation each year, not to exceed the annual limitations established by the Internal Revenue Code. The Company's contributions were USD 6.42 million and USD 5.80 million for the years ended March 31, 2024 and March 31, 2023 respectively.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are 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 financial position.

Employee benefit expenses consists of the following:

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	**312.53**	298.54
Contribution to provident and other funds	**19.38**	17.67
Staff welfare expenses	**11.00**	10.38
Total	**342.91**	326.59

Employee benefit obligations consist of the following:

(a) Employee benefit obligations – Current

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Compensated absences	**13.41**	13.39
Other employee benefit obligations	**0.01**	0.01
Total	**13.42**	13.40

(b) Employee benefit obligations – Non-current

(In millions of USD)

	Year ended March 31, 2024	Year ended March 31, 2023
Other employee benefit obligations	**0.03**	0.03
Total	**0.03**	0.03

Notes to Financial Statements

22. COMMITMENTS AND CONTINGENCIES

- **Capital commitments**

  The Company has contractually committed (net of advances) USD 1.76 million and USD 1.47 million as at March 31, 2024 and 2023 respectively, for purchase of property, plant and equipment.

- **Contingencies**

  In October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company and its parent in the Court of Western District Madison, Wisconsin alleging unauthorized access to and download of their confidential information and use thereof in the development of the parent Company's product MedMantra.

  Pursuant to an initial unfavorable judgment from the District Court, the Appeals court re-affirmed the order of compensatory damages of USD 140 million and remanded back to the District Court to reassess matter relating to punitive damages (to limit maximum up to USD 140 million), the parent Company has already paid the compensatory damages of USD 140 million along with interest in April 2022. The Company's second appeal in the Appeals Court to reduce the punitive damages subsequently affirmed by the District Court was disposed on July 14, 2023, with a re-affirmation of the District Court order awarding punitive damages of USD140 million. The Company's petition to the Supreme Court to review the entire judgement including both the compensatory and punitive damages re-affirmed by the Appeals Court was rejected by the Supreme Court on November 20, 2023, pursuant to which, punitive damages of USD 140 million was paid by the parent Company on December 1, 2023. Pursuant to encashment of the Letter of Credit towards compensatory and punitive damages, the value of Letter of Credit made available to Epic stands reduced to USD 11.9 million to cover interest charges on the punitive damages.

  Any obligation out of this litigation will be fulfilled by the parent Company. Accordingly, Tata America International Corporation has no potential liability arising out of this litigation.

23. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its holding company Tata Consultancy Services Limited and its subsidiaries of Tata Consultancy Services Limited and the key management personnel. The ultimate holding company of Tata America International Corporation is Tata Sons Private Limited. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(In millions of USD)

		Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations			
	Tata Consultancy Services Limited	**564.58**	542.34
Other income			
	Tata Sons Private Limited, its subsidiaries and associates		
	Tata Steel International (Americas) Inc	**0.01**	0.01
	Tata Consultancy Services Limited	**9.10**	13.66
	Subsidiaries of Tata Consultancy Services Limited		
	TCS e-Serve International Ltd	**0.39**	0.13

Notes to Financial Statements

(In millions of USD)

		Year ended March 31, 2024	Year ended March 31, 2023
Purchases of goods and services			
	Tata Consultancy Services Limited	**(0.27)**	23.93
	Subsidiaries of Tata Consultancy Services Limited		
	Tata Consultancy Services (Philippines) Inc.	**(0.00)***	-
	Tata Consultancy Services Canada Inc.	**-**	0.01
	Tata Consultancy Services De Mexico S.A.,De C.V.	**0.05**	-
	Tata Consultancy Services France	**0.00***	(0.02)
	Tata Communications (America) Inc.	**-**	(0.02)
Purchases of goods and services (reimbursements)	**Tata Consultancy Services Limited**	**72.31**	64.97
	Subsidiaries of Tata Consultancy Services Limited		
	Tata Consultancy Services Canada Inc.	**1.28**	0.21
	Tata Consultancy Services De Espana S.A.	**0.00***	-
	Tata Consultancy Services De Mexico S.A.,De C.V.	**0.09**	0.05
	Tata Consultancy Services Deutschland GmbH	**0.00***	-
	Tata Consultancy Services Do Brasil Ltda	**0.14**	0.11
	TCS e-Serve International Ltd	**(0.20)**	(0.67)
	Tata Consultancy Services Italia s.r.l.	**0.00***	0.00*
	Tata Consultancy Services Netherlands BV	**0.00***	(0.00)*
	TCS Solution Center S.A.	**-**	0.00*
	Tata Consultancy Services Switzerland Ltd.	**(0.00)***	0.45
	TCS Uruguay S.A.	**0.01**	0.00*
	Tata Consultancy Services Luxembourg S.A.	**-**	(0.01)
Brand equity contribution	**Tata Sons Private Limited, its subsidiaries and associates**		
	Tata Sons Private Limited	**0.21**	0.17
Dividend paid	**Tata Consultancy Services Limited**	**140.00**	80.00

Notes to Financial Statements

Balances with related parties are as follows:

(In millions of USD)

		As at March 31, 2024	As at March 31, 2023
Trade receivables and contract assets			
	Tata Consultancy Services Limited	**357.63**	326.86
	Subsidiaries of Tata Consultancy Services Limited		
	Tata Consultancy Services (Philippines) Inc.	**0.00***	0.01
	Tata Consultancy Services Argentina S.A.	**0.00***	0.00*
	Tata Consultancy Services Canada Inc.	**0.12**	0.26
	Tata Consultancy Services (China) Co., Ltd.	**0.02**	0.02
	Tata Consultancy Services De Espana S.A.	**0.00***	0.00*
	Tata Consultancy Services De Mexico S.A.,De C.V.	**-**	0.05
	Tata Consultancy Services Deutschland GmbH	**-**	0.00*
	TCS Japan Limited	**0.00***	0.00*
	Tata Consultancy Services Do Brasil Ltda	**0.00***	0.00*
	TCS e-Serve International Ltd	**0.26**	0.09
	Tata Consultancy Services Switzerland Ltd.	**-**	0.09
	PT Tata Consultancy Services Indonesia	**0.00***	0.00*
	Tata Consultancy Services Luxembourg S.A.	**-**	0.00*
	Tata Consultancy Services (Portugal), Unipessoal Limitada	**0.01**	0.01
Loans, other financial assets and other assets			
	Tata Consultancy Services Limited	**2.18**	1.47
	Subsidiaries of Tata Consultancy Services Limited		
	Tata Consultancy Services De Mexico S.A.,De C.V.	**0.01**	0.01
	Tata Consultancy Services Deutschland GmbH	**0.02**	0.02
	Tata Consultancy Services Do Brasil Ltda	**0.00***	0.00*
	TCS e-Serve International Ltd	**0.05**	0.14

Notes to Financial Statements

(In millions of USD)

		As at March 31, 2024	As at March 31, 2023
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities			
	Tata Sons Private Limited, its subsidiaries and associates		
	Tata Sons Private Limited	**0.20**	0.17
	Tata Communications (America) Inc.	**-**	-
	Tata Consultancy Services Limited	**238.54**	167.59
	Subsidiaries of Tata Consultancy Services Limited		
	Tata Consultancy Services (Philippines) Inc.	**0.00***	0.00*
	Tata Consultancy Services Asia Pacific Pte Ltd.	**0.00***	0.00*
	Tata Consultancy Services Canada Inc.	**0.15**	0.06
	Tata Consultancy Services (China) Co., Ltd.	0.00*	-
	Tata Consultancy Services De Mexico S.A.,De C.V.	**0.20**	-
	Tata Consultancy Services Do Brasil Ltda	**0.01**	0.05
	Tata Consultancy Services France	**0.00***	-
	Tata Consultancy Services Italia s.r.l.	**0.00***	-
	Tata Consultancy Services Netherlands BV	**0.40**	0.18
	TCS Solution Center S.A.	**0.00***	0.00*
	Tata Consultancy Services Switzerland Ltd.	**0.06**	-
	TCS Japan Limited	**0.00***	-
	Tata Consultancy Services De Espana S.A.	**0.00***	-
	TCS Uruguay S.A.	**0.01**	-

Transactions with key management personal are as follows:

(In millions of USD)

Compensation to Key Management Personnel	Year ended March 31, 2024	Year ended March 31, 2023
Short-term benefits	**0.87**	1.08

*Amount is less than USD 0.01 million.

24. DIVIDENDS

Dividends paid during the year ended March 31, 2024 and March 31, 2023 include an amount of USD 4,500 (Total Dividend USD 140 million) and USD 4,000 (Total Dividend USD 80 million) per equity share towards interim dividends respectively.

25. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through May 03, 2024 the date on which the financials were available for issue. On April 26, 2024, the Board of Directors of the Company declared a cash dividend payable by the Company in the aggregate amount of USD 100 Million, subject to applicable withholdings required under applicable law (the "Dividend"), which was paid to the sole stockholder of the Company of record as of the date hereof, Tata Consultancy Services Limited (TCSL), on April 29, 2024.

TATA CONSULTANCY SERVICES CANADA INC.

(Company Registration Number: 887750719)

FINANCIAL STATEMENTS

For the year ended
March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND SHAREHOLDER OF TATA CONSULTANCY SERVICES CANADA INC.

Opinion

We have audited the financial statements of Tata Consultancy Services Canada Inc. (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of profit and loss and other comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For KPMG
Chartered Professional Accountants,
Licensed Public Accountants

Place: Toronto, Canada
Date: May 8, 2024

Statement of Financial Position

(In millions of CAD)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**77.97**	64.92
Bank deposits		**45.00**	45.00
Trade receivables			
Billed	7(b)	**345.13**	262.66
Unbilled		**93.15**	95.82
Other financial assets	7(c)	**15.10**	16.67
Other assets	9(b)	**52.06**	33.41
Total current assets		**628.41**	518.48
Non-current assets			
Income tax assets		**0.05**	-
Deferred tax assets (net)	13	**0.47**	5.69
Property, plant and equipment	9(a)	**5.20**	6.16
Intangible asset		**0.01**	0.01
Right-of- use assets	8	**11.39**	1.45
Other assets		**2.43**	2.45
Total non-current assets		**19.55**	15.76
TOTAL ASSETS		**647.96**	534.24
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		**146.85**	144.92
Lease liabilities		**0.22**	1.36
Other financial liabilities	7(d)	**74.97**	83.68
Unearned and deferred revenue		**17.03**	18.61
Employee benefit obligations	14	**50.45**	33.54
Provisions		**0.05**	0.11
Income tax liabilities		**2.96**	0.59
Other liabilities	9(c)	**30.80**	25.27
Total current liabilities		**323.33**	308.08
Non-current liabilities			
Unearned and deferred revenue		**2.19**	-
Lease liabilities		**11.58**	0.77
Total non-current liabilities		**13.77**	0.77
Total liabilities		**337.10**	308.85
Equity			
Share capital		**7.07**	7.07
Retained earnings		**303.79**	218.32
Total equity		**310.86**	225.39
TOTAL LIABILITIES AND EQUITY		**647.96**	534.24

See accompanying notes to financial statements

Statement of Profit or Loss and Other Comprehensive Income

(In millions of CAD)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue	10	**1,910.42**	1,684.22
Expenses			
Employee benefits expenses	14	**966.00**	761.25
Cost of equipment and software licenses		**(0.05)**	0.28
Depreciation and amortisation expense	8, 9(a)	**4.28**	3.49
Other expenses	11	**715.76**	741.49
TOTAL EXPENSES		**1,685.99**	1,506.51
OPERATING PROFIT		**224.43**	177.71
Other income			
Finance and other income		**5.48**	2.05
Finance costs		**(0.50)**	(0.10)
Other gains(net)	12	**2.02**	7.08
OTHER INCOME (NET)		**7.00**	9.03
PROFIT BEFORE TAXES		**231.43**	186.74
Income tax expense	13	**60.96**	49.26
PROFIT FOR THE YEAR		**170.47**	137.48
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**170.47**	137.48

See accompanying notes to financial statements

Statement of Changes in Equity

(In millions of CAD, except share data)

	Number of shares	Share capital	Retained earnings	Total equity
Balance as at April 1, 2023	**1,100**	**7.07**	**218.32**	**225.39**
Profit for the year	**-**	**-**	**170.47**	**170.47**
Total comprehensive income	**-**	**-**	**170.47**	**170.47**
Dividend (including tax on dividend of CAD 12.75 million) (Refer note 17)	**-**	**-**	**(85.00)**	**(85.00)**
Balance as at March 31, 2024	**1,100**	**7.07**	**303.79**	**310.86**
Balance as at April 1, 2022	1,100	7.07	130.84	137.91
Profit for the year	-	-	137.48	137.48
Total comprehensive income	-	-	137.48	137.48
Dividend (including tax on dividend of CAD 7.50 million) (Refer note 17)	-	-	(50.00)	(50.00)
Balance as at March 31, 2023	1,100	7.07	218.32	225.39

See accompanying notes to financial statements

Statement of Cash Flows

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**170.47**	137.48
Adjustment for:		
Depreciation and amortisation expenses (Refer note 8, 9(a))	**4.28**	3.49
Income tax expense (Refer note 13)	**60.96**	49.26
Net gain on lease modification	**(0.61)**	(0.01)
Net gain loss on disposal of property, plant and equipment	**(0.00)**	-
Bad debts and advances written off, allowances for doubtful trade receivables and advances (net) (Refer note 11)	**0.19**	0.42
Unrealised foreign exchange gain	**0.39**	0.94
Operating profit before working capital changes	**235.68**	191.58
Net change in		
Trade receivables		
Billed	**(82.50)**	(78.83)
Unbilled	**2.67**	(22.34)
Other financial assets	**1.40**	(6.39)
Other assets	**(18.63)**	(5.72)
Trade payables	**1.92**	21.80
Unearned and deferred revenue	**0.63**	(0.35)
Other financial liabilities	**(8.42)**	23.07
Other liabilities and provisions	**22.38**	3.78
Cash generated from operations	**155.13**	126.60
Taxes paid (net of refunds)	**(53.41)**	(50.43)
Net cash generated from operating activities	**101.72**	76.16
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	**(2.37)**	(2.39)
Proceeds from bank deposits	**170.30**	-
Proceeds from disposal of property, plant and equipment	**0.00**	-
Investment in bank deposit	**(170.30)**	(45.00)
Net cash generated used in investing activities	**(2.37)**	(47.39)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including tax on dividend)	**(85.00)**	(50.00)
Repayment of lease liabilities	**(0.91)**	(1.33)
Net cash used in financing activities	**(85.91)**	(51.33)
Net change in cash and cash equivalents	**13.44**	(22.56)
Cash and cash equivalents at the beginning of the year	**64.92**	88.42
Exchange difference on translation of foreign currency cash and cash equivalents	**(0.39)**	(0.94)
Cash and cash equivalents at the end of the year (Refer note 7(a))	**77.97**	64.92
Components of cash and cash equivalents		
Cash at banks and in hand	**15.37**	2.51
Bank deposits (original maturity less than three months)	**62.60**	62.41
	77.97	64.92
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	**0.50**	0.10
Interest received	**5.34**	1.81

See accompanying notes to financial statements

Notes to Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Canada Inc. ("the Company") a Toronto based Canadian corporation, is an information technology (IT) consulting, services and business process outsourcing organisation. The Company provides services in the area of IT application development and maintenance, asset-based solutions, IT infrastructure management, engineering and industrial services and business process outsourcing. The Company is a wholly owned subsidiary of Tata Consultancy Services Limited ("TCS Limited") and Tata Sons Private Limited is the ultimate parent company.

The Company is incorporated under the *Canada Business Corporations Act* and is domiciled in Canada. The address of its corporate office is 400 University Avenue, 25th Floor Toronto, Ontario M5G 1S5, Canada. The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 8, 2024.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB").

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Canadian Dollar ("CAD"). The functional currency of the Company is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policy information used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Notes to Financial Statements

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its financial statements:

a. Revenue recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company estimates the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

The Company exercises judgement for identification of performance obligations, determination of transaction price, ascribing the transaction price to each distinct performance obligation and in determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the revenue(Refer note 10).

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (Refer note 9(a)).

c. Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value) (Refer note 7).

d. Provision for income tax and deferred tax assets

The Company uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provision and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

5. NATURE AND PURPOSE OF RESERVES

Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

Notes to Financial Statements

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRS that have been issued but are not yet effective.

Amendments to IFRS 16 Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1 Non-current Liabilities with Covenants[1]
Amendments to IAS 1 Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements[1]
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates[2]
IFRS 18 – Presentation and Disclosures in Financial Statements[3]

[1] Effective for annual periods beginning on or after January 1, 2024.
[2] Effective for annual periods beginning on or after January 1, 2025.
[3] Effective for annual periods beginning on or after January 1, 2027.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued its new standard IFRS 18 – Presentation and Disclosures in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard aims at improving how entities communicate in their financial statements. The Company will evaluate the standard and implement it accordingly.

Notes to Financial Statements

The Company has applied the following new and revised IFRS that have been issued and is effective from current year.

Amendment to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

In accordance with the amendments in IAS 1 and IFRS Practice Statements 2 relating to Disclosure of Accounting Policies, the accounting policies were reviewed, and material accounting policies information used in preparation of the financial statements have been discussed in the respective note.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Derivative accounting

Instruments not in hedging relationship

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in profit or loss.

Notes to Financial Statements

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9- Financial Instruments requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for expected credit loss the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Cash at banks	**15.37**	2.51
Bank deposits (original maturity less than three months)	**62.60**	62.41
Total	**77.97**	64.92

b. Trade receivables – Billed

Trade receivables - Billed consist of the following:

Trade receivables – Billed - Current

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Trade receivables - Billed	**346.26**	263.76
Less: Allowance for expected credit losses	**(1.13)**	(1.10)
Total	**345.13**	262.66

c. Other financial assets

Other financial assets consist of the following:

Other financial assets – Current

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Interest receivable	**0.43**	0.29
Loans and advances to employees (net of allowances of CAD 0.21 million)	**3.98**	6.80
Security deposits	**0.01**	0.01
Volume discount receivable	**10.68**	9.57
Total	**15.10**	16.67

Notes to Financial Statements

d. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Capital creditors	**0.11**	0.40
Liabilities towards customer contracts	**17.35**	29.14
Accrued payroll	**57.17**	54.14
Fair value of foreign exchange derivatives liabilities	**0.34**	-
Total	**74.97**	83.68

e. Financial instrument by category

The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

(In millions of CAD)

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	**-**	**77.97**	**77.97**
Bank deposits	**-**	**45.00**	**45.00**
Trade receivables			
Billed	**-**	**345.13**	**345.13**
Unbilled	**-**	**93.15**	**93.15**
Other financial assets	**-**	**15.10**	**15.10**
Total	**-**	**576.35**	**576.35**
Financial liabilities			
Trade payables	**-**	**146.85**	**146.85**
Lease liabilities	**-**	**11.81**	**11.81**
Other financial liabilities	**0.34**	**74.63**	**74.96**
Total	**0.34**	**233.29**	**233.63**

Notes to Financial Statements

The carrying value of financial instruments by categories as at March 31, 2023 is as follows:

(In millions of CAD)

	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	64.92	64.92
Bank deposits	-	45.00	45.00
Trade receivables			
Billed	-	262.66	262.66
Unbilled	-	95.82	95.82
Other financial assets	-	16.67	16.67
Total	-	485.07	485.07
Financial liabilities			
Trade payables	-	144.92	144.92
Lease liabilities	-	2.14	2.14
Other financial liabilities	-	83.68	83.68
Total	-	230.74	230.74

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2024 and March 31, 2023 approximate the fair value due to their nature. Carrying amounts of bank deposits, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

f. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices, included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

(In millions of CAD)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value of foreign exchange derivative assets	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	**-**	**0.34**	**-**	**0.34**
Total	**-**	**0.34**	**-**	**0.34**

Notes to Financial Statements

The Company did not have any balance as at March 31, 2023.

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forwards. As at March 31, 2024 the notional amount of outstanding contracts aggregated to CAD 108.81 million and the fair value of these contracts have a net loss of CAD 0.34 million.

Exchange loss of CAD 0.34 million on foreign exchange forwards that do not qualify for hedge accounting have been recognised in profit or loss for the period ended March 31, 2024.

g. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company, 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 Company against major foreign currencies may impact the Company's revenue in international business.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percentage against the functional currency of the Company.

  The following analysis has been worked out based on the net exposures for the Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

  The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2024:

(In millions of CAD)

	USD	Others[1]	Total
Net financial assets	**43.68**	**2.16**	**45.84**
Net financial liabilities	**20.72**	**0.34**	**21.06**

10 percentage appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in decrease / increase in the Company's profit before taxes by approximately CAD 2.48 million and equity approximately by CAD 1.82 million for the year ended March 31, 2024.

Notes to Financial Statements

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2023:

(In millions of CAD)

	USD	Others[1]	Total
Net financial assets	99.16	1.60	100.76
Net financial liabilities	13.07	0.37	13.44

10 percentage appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in decrease / increase in the Company's profit before taxes by approximately CAD 8.73 million and equity approximately by CAD 6.44 million for the year ended March 31, 2023.

[1]Others include currencies such as Australian Dollar, South Korean Won, Great Britain Pound, Euro and Swiss Franc, Singapore Dollar, Hong Kong Dollar, Mexican Peso, Swedish Krona

- **Interest rate risk**

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to credit risk principally consist of trade receivables, derivative financial instruments, unbilled receivables, cash and cash equivalents, bank deposits and other financial assets. Cash and cash equivalent include an amount of CAD 77.97 million held with a bank having high credit ratings which are in excess of 10 percent or more of the Company's total cash and cash equivalent as at March 31, 2024 (CAD 64.92 million as at March 31, 2023). None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was CAD 617.36 million and CAD 511.34 million as at March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, contract assets and other financial assets.

Company's exposure to customers is diversified, and customer's which contribute individually to more than 10 percentage of outstanding trade receivable and contract assets as at March 31, 2024 and March 31, 2023 are as follows

	As at March 31, 2024		As at March 31, 2023	
	Gross percentage	Net percentage	Gross percentage	Net percentage
Customer E	**30.44**	**30.51**	24.13	24.20
Customer F	**9.24**	**9.26**	10.50	10.53
Customer B	**8.99**	**9.02**	11.78	11.81

- **Geographic concentration of credit risk**

The Company's cash and cash equivalents, trade receivables and contract assets are allocated based on the location of the customer and are substantially held in the Americas.

Notes to Financial Statements

The allowance charged and written back for lifetime expected credit loss on trade receivables for the years ended March 31, 2024 and 2023 was CAD 0.04 million and CAD 0.42 million, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	**1.09**	0.68
Change during the year	**0.04**	0.42
Bad debts written off	**(0.00)**	(0.01)
Balance at the end of the year	**1.13**	1.09

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(In millions of CAD)

As at March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade payables	**146.85**	**-**	**-**	**-**	**146.85**
Lease liabilities	**0.78**	**0.90**	**0.77**	**13.17**	**15.62**
Other financial liabilities	**74.62**	**-**	**-**	**-**	**74.62**
Total	**222.25**	**0.90**	**0.77**	**13.17**	**237.09**

(In millions of CAD)

As at March 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade payables	144.92	-	-	-	144.92
Lease liabilities	1.42	0.78	-	-	2.20
Other financial liabilities	83.68	-	-	-	83.68
Total	230.02	0.78	-	-	230.80

h. Equity instruments

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.

Notes to Financial Statements

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses an incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 "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.

Depreciation on right-of-assets is as follows:

(In millions of CAD)

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Buildings	**11.20**	**11.39**
Computer equipment	**-**	**0.00**
Total	**11.20**	**11.39**

Notes to Financial Statements

(In millions of CAD)

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Buildings	0.05	1.43
Computer equipment	-	0.02
Total	0.05	1.45

Depreciation on right-of-assets is as follows:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Buildings	**1.24**	0.97
Computer equipment	**0.01**	0.01
Total	**1.25**	0.98

Interest on lease liabilities is CAD 0.50 million and CAD 0.10 million for the year ended on March 31, 2024 and March 31, 2023 respectively.

The Company incurred CAD 0.29 million and CAD 0.33 million for the year ended March 31, 2024 and March 31, 2023 towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is CAD 1.70 million and CAD 1.76 million for the year ended March 31, 2024 and March 31, 2023, including cash outflow for short term and low value leases. The Company has no lease term extension options.

Lease contracts entered by the Company pertain for buildings and office equipment taken on lease to conduct its business in the ordinary course.

The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. NON-FINANCIAL ASSETS AND NON FINANCIAL LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture , fixtures and office equipment	5 years
Electrical installation	10 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Notes to Financial Statements

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:

(In millions of CAD)

	Leasehold improvement	Computer equipment	Electrical installation	Furniture and fixture	Office equipment	Total
Cost as at April 1, 2023	8.25	4.04	0.05	1.42	2.19	15.95
Additions	-	2.42	0.00	0.03	0.13	2.58
Disposals	-	(0.01)	-	(0.02)	-	(0.03)
Cost as at March 31, 2024	8.25	6.45	0.05	1.43	2.32	18.50
Accumulated depreciation as at April 1, 2023	5.83	2.15	0.01	1.06	1.30	10.35
Disposals	-	-	-	-	-	-
Depreciation	1.55	1.07	0.00	0.11	0.29	3.02
Eliminated on disposals of assets	-	(0.01)	-	(0.02)	-	(0.03)
Accumulated depreciation as at March 31, 2024	7.38	3.21	0.01	1.15	1.59	13.34
Net carrying amount as at March 31, 2024	0.87	3.24	0.04	0.28	0.73	5.16
Capital work-in-progress[1]						0.04
Total						5.20

[1]CAD 2.58 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2024.

(In millions of CAD)

	Leasehold improvement	Computer equipment	Electrical installation	Furniture and fixture	Office equipment	Total
Cost as at April 1, 2022	7.37	2.73	0.05	1.25	2.05	13.45
Additions	0.88	1.31	0.00	0.17	0.14	2.50
Cost as at March 31, 2023	8.25	4.04	0.05	1.42	2.19	15.95
Accumulated depreciation as at April 1, 2022	4.38	1.44	0.01	0.97	1.04	7.84
Depreciation	1.45	0.71	-	0.09	0.26	2.51
Accumulated depreciation as at March 31, 2023	5.83	2.15	0.01	1.06	1.30	10.35
Net carrying amount as at March 31, 2023	2.42	1.89	0.04	0.36	0.89	5.60
Capital work-in-progress[1]						0.56
Total						6.16

[1]CAD 2.50 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2023.

Notes to Financial Statements

b. Other assets

Other assets consist of the following:

Other assets - Current

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Advances to suppliers	**0.63**	0.02
Prepaid expenses	**11.29**	8.65
Contract asset	**38.59**	23.81
Contract fulfillment costs	**0.13**	0.04
Others	**1.42**	0.89
Total	**52.06**	33.41

Contract fulfillment costs of CAD 0.04 million and CAD 0.08 million for the years ended March 31, 2024 and March 31, 2023, respectively, have been amortised in the profit or loss. Refer note 10 for changes in contract assets.

c. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Advance received from customers	**0.14**	0.95
Indirect tax payable and other statutory liabilities	**30.66**	24.32
Total	**30.80**	25.27

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ("POC method") of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

Notes to Financial Statements

- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of license whichever is less. The assessment of these criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37- Provisions, Contingent Liabilities, and Contingent Assets, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or the transaction price of an existing obligation could undergo a change. In the event the transaction price is revised for an existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Notes to Financial Statements

Revenue disaggregation by nature of service is as follows:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services	**1,910.17**	1,683.46
Sale of equipment and software licenses	**0.25**	0.76
Total	**1,910.42**	1,684.22

Revenue disaggregation by industry vertical is as follows:

(In millions of CAD)

Industry Vertical	Year ended March 31, 2024	Year ended March 31, 2023
Banking, Financial Services and Insurance	**1,197.98**	1,093.37
Communication, Media and Technology	**115.60**	182.48
Others	**596.84**	408.37
Total	**1,910.42**	1,684.22

Revenue disaggregation by geography is as follows:

(In millions of CAD)

Geography	Year ended March 31, 2024	Year ended March 31, 2023
Americas	**1,884.27**	1,665.24
Rest of the world	**26.15**	18.98
Total	**1,910.42**	1,684.22

Information about major customers

Customers representing 10 percentage or more of the Company's total revenue for the year ended March 31, 2024 and 2023 are:

	Year ended March 31, 2024		Year ended March 31, 2023	
	(In millions of CAD)	Percentage	(In millions of CAD)	Percentage
Customer E	**416.58**	**21.81**	282.17	16.75
Customer B	**227.18**	**11.89**	252.54	14.99
Customer F	**197.19**	**10.32**	193.61	11.50

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event-based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations, other than those meeting the exclusion criteria mentioned above is CAD 733.15 million out of which 63.46 percentage 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.

Notes to Financial Statements

Changes in contract assets are as follows:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**26.26**	17.08
Increase due to revenue recognised during the year, excluding amounts billed during the year	**36.83**	20.34
Invoice raised that was included in the contract asset balance at the beginning of the period	**(20.49)**	(11.35)
Translation exchange difference	**(1.60)**	0.19
Balance at the end of the year	**41.00**	26.26

Changes in unearned and deferred revenue are as follows:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**18.62**	18.95
Revenue recognised that was included in the unearned and deffered revenue at the beginning of the period	**(17.92)**	(18.37)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**18.48**	18.04
Translation exchange difference	**0.04**	(0.00)
Balance at the end of the year	**19.22**	18.62

11. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licenses, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for expected credit losses and doubtful advances(net), facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

Expenses by function

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Cost of revenue	**1,533.44**	1,381.50
Selling, general and administrative expenses	**152.54**	124.72
Total	**1,685.98**	1,506.22

Notes to Financial Statements

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised into employee benefit expenses, cost of equipment and software license, depreciation and other expenses. Employee benefit expenses include salaries, incentives, allowances, contribution to various funds and staff welfare expenses. Other expenses mainly include sub-contracting cost, fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts, cost paid for shared services, royalty paid and other expenses. Other expenses is an aggregation of costs which are individually not material such as marketing, education recruitment and training expense, printing and stationery, bank charges, insurance etc.

Refer note 14 for employee benefit expenses.

Other expenses consist of the following:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Sub-contracting cost	**593.26**	577.99
Fees to external consultants	**74.64**	118.73
Facility expenses	**1.38**	1.18
Travel expenses	**10.04**	10.43
Communication expenses	**4.24**	3.76
Bad debts and advances written off/(back), allowance for doubtful trade receivable and advances (net)	**0.19**	0.42
Cost paid for shared services	**20.79**	18.49
Royalty paid	**3.70**	3.48
Other expenses	**7.52**	7.01
Total	**715.76**	741.49

12. OTHER GAINS(NET)

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Net foreign exchange gain/(loss)	**(0.17)**	5.15
Others	**2.19**	1.93
Total	**2.02**	7.08

13. INCOME TAXES

Income tax expense comprises current tax expenses and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted, by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the Company intend to settle the asset and liability on a net basis.

Notes to Financial Statements

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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 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 income tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The income tax expense consists of the following:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense for current year	**60.91**	51.34
Current tax benefit pertaining to prior years	**(5.18)**	(0.10)
	55.73	51.24
Deferred tax		
Deferred tax expense/(benefit) for current year	**0.08**	(2.08)
Deferred tax expense pertaining to prior years	**5.15**	0.10
	5.23	(1.98)
Total	**60.96**	49.26

Notes to Financial Statements

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statements of profit or loss is as follows:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes	**231.43**	186.74
Statutory income tax rate	**26.29 %**	26.30 %
Expected income tax expense	**60.84**	49.12
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Current tax (benefit) pertaining to prior years	**(5.18)**	-
Deferred tax expense pertaining to current and prior years	**5.23**	-
Non-deductible items and others	**0.07**	0.14
Total income tax expense	**60.96**	49.26

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:

(In millions of CAD)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**0.02**	**(0.06)**	**(0.04)**
Net asset adjustment for tax purpose on purchase of Canadian Branch	**0.25**	**(0.02)**	**0.23**
Lease liability and right-of-use assets	**0.24**	**0.03**	**0.27**
Others including volume discount payable	**5.18**	**(5.17)**	**0.01**
Total deferred tax assets / (liabilities)	**5.69**	**(5.22)**	**0.47**

Gross deferred tax assets and liabilities are as follows:

(In millions of CAD)

As at March 31, 2024	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**-**	**0.04**	**(0.04)**
Net asset adjustment for tax purpose on purchase of Canadian Branch	**0.23**	**-**	**0.23**
Right-of-use asset	**4.53**	**-**	**4.53**
Lease liabilities	**-**	**4.26**	**(4.26)**
Others including volume discount payable	**0.01**	**-**	**0.01**
Total deferred tax assets / (liabilities)	**4.77**	**4.30**	**0.47**

Notes to Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

(In millions of CAD)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	(0.02)	0.04	0.02
Net asset adjustment for tax purpose on purchase of Canadian Branch	0.27	(0.02)	0.25
Lease liability and right-of-use assets	0.34	(0.10)	0.24
Others including volume discount payable	3.12	2.06	5.18
Total deferred tax assets / (liabilities)	3.71	1.98	5.69

Gross deferred tax assets and liabilities are as follows:

(In millions of CAD)

As at March 31, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	0.02	-	0.02
Net asset adjustment for tax purpose on purchase of Canadian Branch	0.25	-	0.25
Right-of-use asset	1.91	-	1.91
Lease liabilities	-	1.67	(1.67)
Others including volume discount payable	5.18	-	5.18
Total deferred tax assets / (liabilities)	7.36	1.67	5.69

14. EMPLOYEE BENEFIT

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are 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.

Registered Retirement Savings Plan

The Company has a Registered Retirement Savings Plan ("RRSP") for local staff of Canada referred to as Employer Sponsored RRSP. Under such plan, as per written instruction of each employee a fixed percentage of their base salary per pay cycle is deducted as employee contribution to the plan and employer also matches the employee contribution with a cap of 4 percentage of the base salary of the employee. The Company's contribution was CAD 9.82 million and CAD 8.71 million for the year ended March 31, 2024 and March 31, 2023 respectively.

Notes to Financial Statements

Employee cost consist of the following:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	**901.87**	706.61
Contribution to RRSP and other funds	**42.93**	37.92
Staff welfare expenses	**21.20**	16.72
Total	**966.00**	761.25

Employee benefit obligations consist of the following:

Employee benefit obligation – Current

(In millions of CAD)

	As at March 31, 2024	As at March 31, 2023
Compensated absences	**50.45**	33.25
Other employee benefit obligations	**-**	0.29
Total	**50.45**	33.54

15. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has contractually committed (net of advances) CAD 0.52 million and CAD 0.45 million as at March 31, 2024 and March 31, 2023 respectively, for purchase of property, plant and equipment.

Contingencies

The contingencies as of March 31, 2024 and March 31, 2023 were CAD 0.85 million and Nil.

Notes to Financial Statements

16. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its holding company Tata Consultancy Services Limited, the subsidiaries of Tata Consultancy Services Limited and the key management personnel. The ultimate holding company is Tata Sons Private Limited. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Tata Sons Private Limited, its subsidiaries and associates		
Jaguar Land Rover Canada ULC	**0.10**	0.10
Tata Global Beverages Canada Inc.	**-**	0.03
Tata Communications (Canada) Limited	**2.52**	2.60
Tata Consultancy Services Limited	**416.58**	282.17
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**-**	0.01
Tata Consultancy Services Asia Pacific Pte Ltd.	**1.02**	0.29
Tata Consultancy Services De Mexico S.A.,De C.V.	**0.19**	0.13
Tata Consultancy Services Deutschland GmbH	**1.35**	1.67
Tata Consultancy Services Netherlands BV	**0.59**	0.57
Tata Consultancy Services Switzerland Ltd.	**6.71**	5.60
Tata Consultancy Services Belgium	**0.39**	0.12
Tata Consultancy Services France	**0.62**	0.45
Tata Consultancy Services Ireland Limited	**2.92**	1.47
Tata Consultancy Services Sverige AB	**0.45**	0.03
Tata Consultancy Services Osterreich GmbH	**0.09**	-
Purchases of goods and services (including reimbursements)		
Tata Sons Private Limited, its subsidiaries and associates		
Jaguar Land Rover Limited	**-**	(0.19)
Tata Communications (Canada) Limited	**2.20**	2.80
Tata Consultancy Services Limited	**698.17**	654.78
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**(1.72)**	(0.27)
Tata Consultancy Services De Mexico S.A.,De C.V.	**9.39**	7.10
Tata Consultancy Services Deutschland GmbH	**0.19**	-
Tata Consultancy Services Do Brasil Ltda	**0.39**	0.30
Tata Consultancy Services Belgium	**(0.00)**	(0.01)
Tata Consultancy Services Netherlands BV	**0.12**	0.06
TCS Uruguay S. A.	**5.07**	4.88
Tata Consultancy Services Switzerland Ltd.	**(0.00)**	0.06
Tata Consultancy Services (China) Co., Ltd.	**0.01**	(0.04)

Notes to Financial Statements

Transactions with related parties are as follows:

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Tata Consultancy Services Luxembourg S.A.	**-**	0.14
Tata Consultancy Services (Portugal), Unipessoal Limitada	**1.03**	0.83
Tata Consultancy Services Ireland Limited	**0.10**	0.08
Tata Consultancy Services France	**0.10**	(0.00)
TCS Solution Center S.A.	**0.00**	0.10
Tata Consultancy Services Asia Pacific Pte Ltd.	**-**	(0.13)
Tata Consultancy Services (Philippines) Inc.	**0.79**	-
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**3.70**	3.48
Dividend paid		
Tata Consultancy Services Limited	**85.00**	50.00

Balance receivable/ payable from/to related parties are as follows.

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Trade receivables and contract assets		
Tata Sons Private Limited, its subsidiaries and associates		
Jaguar Land Rover Canada ULC	**0.02**	0.02
Tata Communications (Canada) Limited	**0.73**	0.77
Tata Consultancy Services Limited	**171.32**	97.00
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**0.21**	0.09
Tata Consultancy Services Asia Pacific Pte Ltd.	**0.15**	0.14
Tata Consultancy Services De Mexico S.A.,De C.V.	**0.01**	0.00
Tata Consultancy Services Deutschland GmbH	**0.18**	0.23
Tata Consultancy Services Netherlands BV	**0.09**	0.31
Tata Consultancy Services Sverige AB	**0.02**	0.01
Tata Consultancy Services Belgium	**0.04**	0.05
Tata Consultancy Services Switzerland Ltd.	**0.89**	0.94
Tata Consultancy Services France	**0.14**	0.19
Tata Consultancy Services Ireland Limited	**0.20**	-
Tata Consultancy Services Osterreich GmbH	**0.09**	-
Other financial assets and other assets		
Tata Consultancy Services Limited	**21.31**	17.77
Subsidiaries of Tata Consultancy Services Limited		
TCS Uruguay S. A.	**0.12**	0.10
Tata Consultancy Services (China) Co., Ltd.	**0.04**	0.05

Notes to Financial Statements

Balance receivable/ payable from/to related parties are as follows.

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Tata Consultancy Services Luxembourg S.A.	**0.00**	0.03
Tata Consultancy Services De Mexico S.A.,De C.V.	**0.14**	0.05
Tata Consultancy Services Asia Pacific Pte Ltd.	**0.13**	0.13
Tata Consultancy Services (Philippines) Inc.	**0.00**	-
Tata Consultancy Services Deutschland GmbH	**0.02**	-
Tata Consultancy Services Ireland Limited	**0.01**	-
Tata Consultancy Services Netherlands BV	**0.01**	-
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**3.65**	3.48
Tata Communications (Canada) Limited	**0.37**	0.72
Tata Consultancy Services Limited	**138.56**	104.00
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**0.17**	0.35
Tata Consultancy Services Asia Pacific Pte Ltd.	**0.01**	0.01
Tata Consultancy Services De Mexico S.A.,De C.V.	**1.95**	1.65
Tata Consultancy Services Deutschland GmbH	**0.03**	(0.02)
Tata Consultancy Services Do Brasil Ltda	**0.04**	0.07
Tata Consultancy Services Netherlands BV	**0.03**	(0.00)
Tata Consultancy Services Switzerland Ltd.	**0.30**	0.39
TCS Solution Center S.A.	**0.00**	-
TCS Uruguay S. A.	**0.41**	0.45
Tata Consultancy Services Luxembourg S.A.	**-**	0.00
Tata Consultancy Services (Portugal), Unipessoal Limitada	**0.13**	0.23
Tata Consultancy Services (Philippines) Inc.	**0.35**	-
Tata Consultancy Services Belgium	**0.01**	-
Tata Consultancy Services France	**0.01**	-
Tata Consultancy Services Ireland Limited	**0.00**	-

(In millions of CAD)

	Year ended March 31, 2024	Year ended March 31, 2023
Compensation to key management personnel		
Short-term benefits	**0.61**	0.57
Professional fees	**0.01**	0.01

17. DIVIDEND

Dividend (including tax on dividend) paid during the year ended March 31, 2024 includes an amount of CAD 85 million (March 31, 2023: CAD 50 million) i.e. CAD 77,272.72 (March 31, 2023: CAD 45,454.5) per equity share towards interim dividend.

18. SUBSEQUENT EVENT

The Company has evaluated subsequent events from the balance sheet date through May 8, 2024 the date on which the financials were available for issue and determined that there is no material event to be disclosed.

TATA CONSULTANCY SERVICES UK LIMITED

REGISTERED NUMBER: 08055387

DIRECTORS' REPORT AND

AUDITED FINANCIAL STATEMENTS

For the year ended
31 December 2023

COMPANY INFORMATION

DIRECTORS

S. Sankaranarayanan

R. Krishnan

Registered number

08055387

REGISTERED OFFICE

75 Bayham Street
London
NW1 0AA

Independent auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

S Sankaranarayanan

R Krishnan

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 April 2024 and signed on its behalf.

S Sankaranarayanan
Director

Independent Auditor's Report

TO THE MEMBERS OF

TATA CONSULTANCY SERVICES UK LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Tata Consultancy Services UK Limited (the 'company') for the year ended 31 December 2023, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act, 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act, 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act, 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 19.1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage and during the audit;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act, 2006, and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting bank statements throughout the period for any potential undisclosed litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal enteries throughout the period to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- carried out substantive testing to check the occurrence and cut-off of expenditure; and
- carried out substantive testing to check the occurrence, completeness and cut-off of income with reference to signed contracts with clients.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act, 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Wax (Senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 29 April 2024

Statement of comprehensive income
For the year ended 31 December 2023

(Amount in GBP)

	31 December 2023	31 December 2022
Billing*	**1,697,779**	-
Recharges	**(1,450,813)**	-
Turnover	**246,966**	-
GROSS PROFIT	**246,966**	-
Administrative expenses	**(59,160)**	49,212
OPERATING PROFIT	**187,806**	49,212
Interest receivable and similar income	**9,561**	2,322
PROFIT BEFORE TAX	**197,367**	51,534
Tax on profit	**(111,228)**	63,664
PROFIT FOR THE FINANCIAL YEAR	**86,139**	115,198
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**86,139**	115,198

All amounts relate to continuing operations.

There was no other comprehensive income in 2023 or 2022.

The notes on pages 19.7 to 19.8 form part of these financial statements.

* Billings is the total amount of income earned by the group to which the company is party to the contract. This amount is recognised within the parent company. See note 6.

Statement of financial position
As at 31 December 2023

(Amount in GBP)

	Note	31 December 2023	31 December 2022
CURRENT ASSETS			
Debtors Within One Year	4	**252,963**	69,568
Cash At Bank And In Hand		**2,769,495**	2,801,768
		3,022,458	2,871,336
Creditors: Amounts Falling Due Within One Year	5	**(65,403)**	(422)
NET CURRENT ASSETS		**2,957,055**	2,870,914
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,957,055**	2,870,914
NET ASSETS		**2,957,055**	2,870,914
CAPITAL AND RESERVES			
Called up share capital		**1**	1
Other Reserves		**5,090**	5,090
Profit And Loss Account		**2,951,964**	2,865,823
		2,957,055	2,870,914

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2024.

S Sankaranarayanan
Director

The notes on pages 19.7 to 19.8 form part of these financial statements.

Notes forming part of the Financial Statements

1. GENERAL INFORMATION

Tata Consultancy Services UK Limited is a private company limited by shares, incorporated in England and Wales.

The address of the company's registered office is 75 Bayham Street, London, England, NW1 0AA. The registration number is 08055387.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act, 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.4 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.5 Creditors

Short term creditors are measured at the transaction price.

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Notes forming part of the Financial Statements

3. EMPLOYEES

The average monthly number of employees, including directors, during the period was 0 (year ended 31 December 2022: 0).

4. DEBTORS

(Amount in GBP)

	31 December 2023	31 December 2022
Other debtors	**5,997**	69,568
Prepayments and accrued income	**246,966**	-
	252,963	69,568

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

(Amount in GBP)

	31 December 2023	31 December 2022
Amounts owed to group undertakings	**2**	2
Corporation tax	**47,657**	-
Accruals and deferred income	**17,744**	420
	65,403	422

6. INCLUSION IN GROUP FINANCIAL STATEMENTS

The smallest and largest entity for which group accounts are prepared, which include the company, is Tata Consultancy Services Limited ('TCS'). These consolidated accounts can be found at www.tcs.com. The registered office of TCS is 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, India.

TATA CONSULTANCY SERVICES IRELAND LIMITED

(Registration Number: 683660)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
December 31, 2023

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended December 31, 2023

DIRECTORS' AND OTHER INFORMATION

For the year ended December 31, 2023

Directors

Amit Kapur

Director
(Indian national, British resident)

Pradeep Manohar Gaitonde

Director
(Indian national, Indian resident)

Kunchitham Krithivasan

Director
(Indian national, Indian resident)

Company secretary

Hariharan Subramanian

Director
(Indian national, British resident)

Auditor

KPMG

Chartered Accountants

Dockgate, Dock Road

Galway

Bankers

Citibank Europe plc, Ireland branch

1 North Wall Quay, Dublin 1

Registered office

29 Earlsfort Terrace

Dublin 2 D02 AY28

Registered number

683660

DIRECTORS' REPORT

For the year ended December 31, 2023

Principal activities and business review including key performance indicators

Tata Consultancy Services Ireland Limited ("the Company") was incorporated on 2 December, 2020 as a subsidiary of Tata Consultancy Services Limited India to insource approximately 1500 associates and selected assets of Pramerica Systems Ireland Limited (subsidiary of Prudential Financial Inc, US) based in Letterkenny, Ireland. The Company became operational in December 2020.

The business purpose of the Company is to provide its main customer, Prudential Financial Inc with a range of IT business, digital and technology services, while also expanding the Company's nearshore capabilities to provide the multifunctional, digital services and solutions to other customers in Ireland, the UK, Europe and the US.

The principal key performance indicators used by management to monitor performance are as follows:

- Actual financial results versus forecasts
- Regulatory filings
- Employee turnover
- Customer satisfaction
- Operational efficiencies

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are as follows:

- the movement in currency rates between USD and EUR.
- current attrition levels and increases in labour costs in the local market.

The Company and its parent have a strong management team in place to address and manage these risks.

Results and dividends

Profit on ordinary activities before taxation for the year ended December 31, 2023, amounted to EUR 11,163,625 (December 31, 2022, EUR 8,124,647).

The directors do not recommend the payment of a dividend.

Future developments

The Company is expected to increase its level of operations throughout 2024.

Events since the end of the financial year

There have been no significant events affecting the Company since the balance sheet date.

Financial Risk Management

The Company is exposed to financial risk through both its financial assets and liabilities. The most important components of this financial risk for the Company are credit risk, foreign exchange risk, interest rate risk and liquidity risk.

Risk Management Framework

The Company's internal organisational and management structure and its system of internal financial reporting to the board of directors is the basis for identifying the predominant source and nature of the differing risks facing the entity.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is controlled by the Company by ensuring credit limits and the credit worthiness of customers are monitored on an ongoing basis.

The Company has identified the credit risks associated with the cash and deposits it has placed with third party banking institutions.

Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost, the Company maintains a significant proportion of its funds in liquid form and maintains sufficient liquidity even at unexpected levels of demand.

Interest Rate Risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in interest rates. Based on current Company operations it is not envisaged that the entity is exposed to significant interest rate risk.

Foreign exchange risk

The Company conducts business in foreign countries with certain transactions denominated in currencies other than the functional currency of the Company (euros). The purpose of the Company's foreign currency management is to manage the effect of exchange rate fluctuations on transactions denominated in foreign currencies (US dollars).

Accounting Records

The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at TCS Drive, Letterkenny Business and Technology Park, Letterkenny, Co Donegal, F92 W8CY.

The names of the persons who were directors and secretary at any time during the period ended 31 December 2023 are set out below.

1. **Amit Kapur (Appointed 02/12/2020)**
   (Director)
2. **Pradeep Manohar Gaitonde (Appointed 02/12/2020)**
   (Director)
3. **Hariharan Subramanian (Appointed 18/01/2022)**
   (Company secretary)
4. **Kunchitham Krithivasan (Appointed 02/12/2020)**
   (Director)

Directors' and secretary's interests

The directors and secretary who held office at 31 December, 2023 had no disclosable interests in the shares, debentures or loan stock of the Company or group companies.

Political contribution

The Company made no political contributions or incurred any political expenditure during the period.

Directors Compliance Statement

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act 2014 and Tax Laws.

The directors confirm that:

- A compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- Appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations have been put in place; and
- A review of the arrangements and structures referred to above has been conducted during the financial period ended 31 December 2023.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Audit Committee

The Company has decided not to establish an audit committee for the following reasons:

- the Company's parent company has an Audit Committee in place;
- internal audits are carried out; and
- the Company has a risk department in place.

Going concern

Management has made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

Statutory Auditors

During the period, KPMG Chartered Accountants, will continue in office as auditor, in accordance with Section 383(2) of the Companies Act.

For and on behalf of board of directors of
Tata Consultancy Services Ireland Limited

Pradeep Manohar Gaitonde	**Amit Kapur**
Director	Director
Mumbai	United Kingdom

Date: April 1, 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

For the year ended December 31, 2023

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union and applicable law.

Under Company law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial period and the profit or loss of the Company for the financial period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

For and on behalf of board of directors of
Tata Consultancy Services Ireland Limited

Pradeep Manohar Gaitonde
Director
Mumbai

Amit Kapur
Director
United Kingdom

Date: April 1, 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA CONSULTANCY SERVICES IRELAND LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tata Consultancy Services Ireland Limited ('the Company') for the year ended December 31, 2023 set out on pages 9 to 38, which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and related notes, including the material accounting policies set out in the notes to the financial statements.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at

https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Wood
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
Dockgate, Dock Road, Galway
H91 V6RR

Date: April 5, 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amount in EUR)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	6	**153,635,288**	140,058,227
Cost of sales	7	**(120,737,365)**	(110,201,087)
Gross profit		**32,897,923**	29,857,140
Other income	8 (a)	**316,380**	1,319,200
Selling, general and administrative expenses	7	**(20,701,086)**	(23,035,960)
Operating profit		**12,513,217**	8,140,380
Finance cost and other expense	9	**(1,349,592)**	(15,733)
Profit before taxes		**11,163,625**	8,124,647
Income tax expense	10	**(1,282,269)**	(979,670)
Profit for the period		**9,881,356**	7,144,977
Other comprehensive income		**-**	-
Total comprehensive income for the period		**9,881,356**	7,144,977

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

(Amount in EUR)

	Share capital	Retained earnings	Total equity
Balance as at January 1st, 2022	25,000,000	2,516,226	27,516,226
Profit for the period	-	7,144,977	7,144,977
Balance as at December 31, 2022	25,000,000	9,661,204	34,661,204

(Amount in EUR)

	Share capital	Retained earnings	Total equity
Balance as at January 1st, 2023	**25,000,000**	**9,661,203**	**34,661,203**
Profit for the period	**-**	**9,881,356**	**9,881,356**
Balance as at December 31, 2023	**25,000,000**	**19,542,559**	**44,542,559**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

(Amount in EUR)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Investments	12(b)	**1**	1
Deferred tax assets (net)	10	**541,534**	360,700
Property, plant, and equipment	13(a)	**3,487,303**	3,997,548
Other intangible assets	13(b)	**-**	-
Other assets	13(c)	**14,907**	591,443
Total non-current assets		**4,043,745**	4,949,692
Current assets			
Cash and cash equivalents	12(a)	**16,867,259**	11,636,567
Trade and other receivables	12(c)	**36,065,045**	42,319,049
Other financial assets	12(d)	**701,682**	533,848
Income tax assets (net)		**5,360**	334,035
Other assets	13(c)	**2,940,054**	3,488,242
Total current assets		**56,579,400**	58,311,741
TOTAL ASSETS		**60,623,145**	63,261,433
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	12(e)	**8,007,668**	18,487,720
Other financial liabilities	12(f)	**3,008,004**	4,687,999
Deferred income		**1,298,602**	1,603,778
Employee benefit obligations	11	**478,048**	697,874
Provisions	13(e)	**581**	925
Other liabilities	13(d)	**3,287,683**	3,121,934
Total current liabilities		**16,080,586**	28,600,230
TOTAL LIABILITIES		**16,080,586**	28,600,230
Equity			
Share capital	12(j)	**25,000,000**	25,000,000
Retained earnings		**19,542,559**	9,661,203
Total equity		**44,542,559**	34,661,203
TOTAL LIABILITIES AND EQUITY		**60,623,145**	63,261,433

The accompanying notes form an integral part of the financial statements.

For and on behalf of board of directors of
Tata Consultancy Services Ireland Limited

Pradeep Manohar Gaitonde
Director
Mumbai

Amit Kapur
Director
United Kingdom

Date: April 1, 2024

STATEMENT OF CASH FLOWS

(Amount in EUR)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Cash flows from operating activities:			
Profit for the year		**9,881,356**	7,144,977
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation and amortization expenses	13(a & b)	**1,044,578**	1,338,843
Income tax expense	10	**1,282,269**	979,670
Gain on disposal of property, plant and equipment		**-**	(6,368)
Finance cost		**81**	15,733
Unrealised exchange loss/(gain)		**1,349,511**	(1,308,491)
Operating profit before working capital changes		**13,557,795**	8,164,364
Net change in:			
Trade receivables		**6,254,004**	(11,710,517)
Other financial assets		**(167,834)**	(528,585)
Other assets		**1,124,724**	(1,240,897)
Trade and other payables		**(10,480,052)**	10,535,929
Other financial liabilities		**(1,679,995)**	1,040,298
Unearned and deferred revenues		**(305,176)**	1,205,124
Employee benefit obligations		**(219,826)**	(619,612)
Other liabilities and provisions		**165,405**	657,785
Cash generated / (used in) from operating activities		**8,249,045**	7,503,889
Taxes paid (net of refunds)		**(1,134,428)**	(1,400,000)
Net cash generated / (used in) from operating activities		**7,114,617**	6,103,889
Cash flows from investing activities:			
Purchase of property, plant and equipment		**(534,333)**	(172,361)
Disposal of property, plant and equipment		**-**	35,000
Net cash used in investing activities		**(534,333)**	(137,361)
Cash flows from financing activities:			
Proceeds from issue of share capital		**-**	-
Finance cost		**(81)**	(15,733)
Net cash (used in) / generated from financing activities		**(81)**	(15,733)
Net change in cash and cash equivalents		**6,580,202**	5,950,795
Cash and cash equivalents, beginning of the period		**11,636,567**	4,377,281
Exchange difference on translation of foreign currency cash and cash equivalents		**(1,349,511)**	1,308,491
Cash and cash equivalents, end of the period	12(a)	**16,867,259**	11,636,567

The accompanying notes form an integral part of the financial statements.

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Ireland Limited ("the Company") provides IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model, recognised as a benchmark of excellence in software development.

The Company was incorporated on 2 December, 2020 in Ireland as a subsidiary of Tata Consultancy Services Limited India to insource approximately 1500 associates and selected assets of Pramerica Systems Ireland Limited (subsidiary of Prudential Financials Inc, US) based in Letterkenny, Ireland. The Company became operational in December 2020. The registered address of the Company is 29 Earlsfort Terrace, Dublin 2, D02 AY28. Tata Consultancy Services Ireland Limited is a 100% subsidiary of Tata Consultancy Services Limited. The business address of the Company is TCS Drive, Letterkenny Business & Technology Park, Letterkenny, Co Donegal, Ireland, F92 W8CY.

The Company's immediate parent undertaking and controlling entity is Tata Consultancy Services Limited ("TCSL"), a company incorporated in India, which is registered as an external company in Ireland. The registered office is 9th Floor, Nirmal Building, Nariman Point, Mumbai, 400 021, India. The Company's ultimate parent undertaking and controlling entity is Tata Sons Private Limited whose registered office is Bombay House, 24 Homi Mody Street, Mumbai 400 001.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union.

3. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of the Company is EURO ("EUR")

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non- monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policy information used in preparation of the financial statements have been discussed in the respective notes.

Consolidation exemption

The Company has a wholly owned subsidiary, Tata Consultancy Services Bulgaria EOOD. In preparation of these financial statements, the Company is exempt by virtue of section 300 of Companies Act 2014 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual and undertaking and not about its group.

Notes forming part of the Financial Statements

4. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

5. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which requires an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the Financial Statements

6. REVENUE RECOGNITION

The Company earns revenue primarily from providing information technology, consultancy services and business solutions. The Company offers a consulting-led, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third-party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Notes forming part of the Financial Statements

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance-based payments and/or milestone based progress payments. Invoices are payable within a contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from consultancy services	**153,635,288**	140,058,227
Total	**153,635,288**	140,058,227

Revenue disaggregation by industry vertical is as follows:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Industry vertical		
Banking, financial services and insurance	**97,205,166**	97,663,366
Manufacturing	**19,551,823**	15,851,609
Retail and consumer business	**1,560,064**	2,569,173
Communication, media and technology	**127,350**	1,504,660
Energy & Utilities	**1,626,345**	459,430
Hi-Tech Industry Practice	**2,516,912**	2,546,392
Life Sciences & Healthcare	**23,599,195**	15,747,401
Transportation	**2,401,375**	2,251,371
Others	**5,047,058**	1,416,077
S_Governance	**-**	48,748
Total	**153,635,288**	140,058,227

Notes forming part of the Financial Statements

Revenue disaggregation by geography is as follows:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Geography		
America	**66,738,519**	72,981,357
UK	**82,793,012**	64,323,567
Europe	**4,102,657**	2,751,217
India	**1,100**	1,597
Asia Pacific	**-**	489
Total	**153,635,288**	140,058,227

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 79,570,810 out of which 41.56% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets is given below:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**1,388,136**	215,041
Invoices raised that were included in the contract assets balance at the beginning of the year	**(895,663)**	(129,870)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**324,439**	1,336,604
Translation exchange difference	**9,808**	(33,639)
Balance at the end of the year	**826,720**	1,388,136

Notes forming part of the Financial Statements

Changes in unearned and deferred revenue is as given below:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**1,603,778**	398,653
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(1,566,616)**	(401,751)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**1,312,462**	1,590,953
Translation exchange difference	**(51,022)**	15,923
Balance at the end of the year	**1,298,602**	1,603,778

7. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licences, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Expenses by function		
Cost of sales	**120,737,365**	110,201,087
Selling, general and administrative expenses	**20,701,086**	23,035,960
Total	**141,438,451**	133,237,047

8. OTHER INCOME

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Gain disposal of property, plant and equipment	**-**	6,368
Net foreign exchange gain	**-**	1,308,491
Interest from banks	**316,380**	4,341
Total	**316,380**	1,319,200

Notes forming part of the Financial Statements

9. FINANCE COST AND OTHER EXPENSES

Finance costs and other expenses consist of the following:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest on bank overdrafts and loans	**81**	15,733
Net foreign exchange loss	**1,349,511**	-
Total	**1,349,592**	15,733

10. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The income tax expense consists of the following:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax		
Current tax expense for current year	**1,463,103**	1,117,952
Current tax (benefit) / expense pertaining to prior years	**-**	-
	1,463,103	1,117,952
Deferred tax		
Deferred tax credit for current year	**(180,834)**	(138,282)
Total tax expense	**1,282,269**	979,670

Notes forming part of the Financial Statements

The reconciliation of estimated income tax expense at the statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax expenses		
Income before taxes	**11,163,625**	8,124,647
Statutory tax rate	**12.50%**	12.50%
Expected income tax expense	**1,395,453**	1,015,581
Temporary disallowed expenses		
Impact of higher tax rate	**1,345**	5,599
Capital allowances versus depreciation	**(160,290)**	(107,652)
Expenses adjustments	**45,761**	66,142
Total tax expense	**1,282,269**	979,670

Note: Income is taxable at Irish corporate tax rate which is 12.5% except income from leased office which taxable at higher tax rate i.e. 25%.

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2023 are as follows:

(Amount in EUR)

	Opening balance	Recognised through profit or loss	Closing balance as on December, 2023
Deferred tax assets			
Deferred tax assets in relation to:			
Property, plant and equipments	**325,109**	**156,325**	**481,434**
Others	**35,591**	**24,509**	**60,100**
Total deferred tax asset (net)	**360,700**	**180,834**	**541,534**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2022 are as follows:

(Amount in EUR)

	Opening balance	Recognised through profit or loss	Closing balance as on December, 2022
Deferred tax assets			
Deferred tax assets in relation to:			
Property, plant and equipments	157,980	167,129	325,109
Others	64,437	(28,846)	35,591
Total deferred tax asset (net)	222,417	138,283	360,700

The Company has recognised a deferred tax asset on the basis that it will be recovered through future profitability.

Notes forming part of the Financial Statements

11. EMPLOYEE BENEFITS

The Company provides for amount payable to employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee costs consist of the following:

(Amount in EUR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Salaries & wages	**41,618,980**	45,781,436
Contributions to defined contribution plans	**1,836,731**	2,113,149
Social Security contributions	**4,229,279**	4,698,532
Total	**47,684,990**	52,593,117

Staff numbers

Average number of persons employed by the company (including directors) during the year, analysed by category are as follows:

(Amount in EUR)

	Year ended December 31, 2023	Year ended December 31, 2022
Billable roles	**818**	957
Support staff	**57**	78
	875	1,035

Employee benefit obligation consist of the following:

(Amount in EUR)

	As at Dec 31, 2023	As at Dec 31, 2022
Employee benefit obligations - current		
Compensated absences	**478,048**	697,874
Total	**478,048**	697,874

12. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value 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 Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Notes forming part of the Financial Statements

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

(Amount in EUR)

	As at Dec 31, 2023	As at Dec 31, 2022
Balances with bank	**16,867,259**	11,636,567
	16,867,259	11,636,567

b. Investments

(Amount in EUR)

	As at Dec 31, 2023	As at Dec 31, 2022
Investments Non-current		
Investment carried at cost		
Equity shares	**1**	1
	1	1

Notes forming part of the Financial Statements

Investments carried at cost includes investments made in Equity shares of Tata Consultancy Services Bulgaria EOOD on 31 August, 2021, which is wholly owned subsidiary of the Company, having registered address Sofia Business Park, Building 3, 1 Floor, 1766 Sofia, Bulgaria.

Tata Consultancy Services Bulgaria EOOD ("the Company") provides IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development. The Company will provide F&A operations supporting EU region for Xerox for the F&A consolidation / transformation initiative.

c. Trade and other receivables

Trade receivables consist of the following:

(Amount in EUR)

Trade receivables - Current	As at Dec 31, 2023	As at Dec 31, 2022
Trade receivables*	**33,919,383**	35,844,025
Less: Allowance for doubtful trade receivables	**(32,536)**	-
	33,886,847	35,844,025
Unbilled receivables*	**2,178,198**	6,475,024
Total	**36,065,045**	42,319,049

* Trade receivables and unbilled receivables includes balances with related party of EUR 11,853,193 as at December 31, 2023 (EUR 5,884,556 as at December 31, 2022). (Refer Note No. 14)

d. Other financial assets

Other financial asset consists of the following:

(Amount in EUR)

Other financial assets - current	As at Dec 31, 2023	As at Dec 31, 2022
Employee advances (net of allowance)	**14,143**	24,294
Other Advance (Back-to-Back Provision for Volume Discount)	**687,539**	509,554
Total	**701,682**	533,848

e. Trade payables

Trade payables consist of the following:

(Amount in EUR)

Trade payables - Current	As at Dec 31, 2023	As at Dec 31, 2022
Trade payables*	**5,555,673**	12,593,077
Accrued expenses*	**2,451,995**	5,894,643
Total	**8,007,668**	18,487,720

* Trade payables and accrued expenses include balances with related party of EUR 7,316,414 as at December 31, 2023 (EUR 16,747,705 as at December 31, 2022) (Refer Note No. 14)

Notes forming part of the Financial Statements

f. Other financial liabilities

(Amount in EUR)

Other financial liabilities -current	As at Dec 31, 2023	As at Dec 31, 2022
Capital creditors	**114,272**	60,843
Accrued payroll	**2,513,955**	3,239,643
Liabilities towards customer contracts	**379,777**	1,387,513
Total	**3,008,004**	4,687,999

g. Financial instruments by category

The carrying value of financial assets and financial liabilities as at December 31, 2023 is as follows:

(Amount in EUR)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**16,867,259**	**16,867,259**
Trade receivables and other receivables	**36,065,045**	**36,065,045**
Other financial assets	**701,682**	**701,682**
Total	**53,633,986**	**53,633,986**
Financial liabilities		
Trade payables	**8,007,668**	**8,007,668**
Other financial liabilities	**3,008,004**	**3,008,004**
Total	**11,015,672**	**11,015,672**

The carrying value of financial assets and financial liabilities as at December 31, 2022 is as follows:

(Amount in EUR)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	11,636,567	11,636,567
Trade receivables and other receivables	42,319,049	42,319,049
Other financial assets	533,848	533,848
Total	54,489,464	54,489,464
Financial liabilities		
Trade payables	18,487,720	18,487,720
Other financial liabilities	4,687,999	4,687,999
Total	23,175,719	23,175,719

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2023 approximate the fair value.

h. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Notes forming part of the Financial Statements

- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

- **Market risk**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

  The risk primarily relate to fluctuation of USD, GBP and EUR against the functional currency of the Company.

  The following table sets forth information relating to foreign currency exposure as at December 31, 2023:

(equivalent EUR)

	USD	GBP	NOK	CAD
Net financial assets	**33,854,358**	**5,134,028**	**719,478**	**-**
Net financial liabilities	**3,525,198**	**184,794**	**8,172**	**5,709**

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Ireland Limited Company would result in decrease / increase in the Company's profit before taxes by approximately EUR 3,598,399 for the period ended December 31, 2023.

(equivalent EUR)

	USD	GBP	NOK	CHF	CAD
Net financial assets	35,396,803	1,675,740	797,518	23,442	7,893
Net financial liabilities	10,161,589	224,388	1,038	-	710

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Ireland Limited Company would result in decrease / increase in the Company's profit before taxes by approximately EUR 2,751,367 for the period ended December 31, 2022.

The following table sets forth information relating to foreign currency exposure as at December 31, 2022:

- **Interest rate risk**

  The Company is not exposed to interest rate risk.

Notes forming part of the Financial Statements

- **Credit risk**

  Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

  Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 54,460,705 as of December 31, 2023 (EUR 55,877,599 as of December 31, 2022) being the total of the carrying amount of balances with bank, bank deposit, trade receivable, unbilled receivables, contract assets and other financial assets.

  The Company's exposure to customers is diversified and following customers contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2023.

(Amount in EUR)

Client Name	As at Dec 31, 2023	
	Total trade receivables, Unbilled revenue and Contract assets.	Percentage
Customer A	**7,934,453**	**22%**
Customer B	**6,493,953**	**18%**
Customer D	**11,087,177**	**30%**

The Company's exposure to customers is diversified and following customers contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2022.

(Amount in EUR)

Client Name	As at Dec 31, 2022	
	Total trade receivables, Unbilled revenue and Contract assets.	Percentage
Customer A	16,589,926	38%
Customer B	6,945,413	16%
Customer C	4,877,743	11%
Customer D	4,400,699	10%

Geographic concentration of credit risk

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets as given below:

(Amount in EUR)

Geography	As at December 31, 2023	
	Gross	Net
America	**30%**	**30%**
UK	**66%**	**66%**
Europe	**4%**	**4%**

Notes forming part of the Financial Statements

(Amount in EUR)

Geography	As at December 31, 2022	
	Gross	Net
America	42%	42%
UK	54%	54%
Europe	4%	4%

The geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in EUR)

Dec 31, 2023	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	**8,007,668**	**-**	**8,007,668**
Other financial liabilities	**3,008,004**	**-**	**3,008,004**
Total	**11,015,672**	**-**	**11,015,672**

(Amount in EUR)

Dec 31, 2022	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	18,487,720	-	18,487,720
Other financial liabilities	4,687,999	-	4,687,999
Total	23,175,719	-	23,175,719

j. Equity instruments

(Amount in EUR)

	As at Dec 31, 2023	As at Dec 31, 2022
Authorised		
25,000,000 ordinary shares of EUR 1 each	**25,000,000**	25,000,000
Issued, Subscribed and Fully paid up*		
25,000,000 ordinary shares of EUR 1 each	**25,000,000**	25,000,000

*100 ordinary shares of EUR 1 each were originally issued at par to Stembridge Limited, 22 Northumberland Road, Ballsbridge, Dublin 4 on incorporation. These were transferred to Tata Consultancy Services Limited on 2 December 2020.

* 24,999,900 ordinary shares of EUR 1 each were issued at par to Tata Consultancy Services Limited on 17 December 2020.

Notes forming part of the Financial Statements

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

13. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

The Company has taken over the running business from a vendor including the fixed assets deployed in the Business. Total Consideration paid for the all the fixed assets has been allocated to each asset based on the value of the assets as assessed by the Company.

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful life (in years)
Automobiles	4 years
Computer and equipment	3-4 years
Furniture and fixtures	3-5 years
Office equipment	3-5 years
Electrical installations	5-10 years
Leasehold improvements	Lease term

Depreciation is not recorded on capital work in progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Notes forming part of the Financial Statements

Property, Plant and equipment consist of the following:

(Amount in EUR)

	Land	Leasehold improvements	Computer equipment	Furniture and fixtures	Auto-mobiles	Office equipment	Electrical installations	Total
Cost as at January 1, 2023	**557,226**	**3,891,941**	**1,968,473**	**562,030**	**-**	**300,410**	**69,165**	**7,349,245**
Additions	**-**	**-**	**61,451**	**-**	**-**	**4,090**	**-**	**65,541**
Disposals	**-**	**-**	**(71)**	**-**	**-**	**-**	**-**	**(71)**
Cost as at December 31, 2023	**557,226**	**3,891,941**	**2,029,853**	**562,030**	**-**	**304,500**	**69,165**	**7,414,715**
Accumulated depreciation as at January 1, 2023	**-**	**(1,377,823)**	**(1,401,368)**	**(465,094)**	**-**	**(262,894)**	**(58,734)**	**(3,565,913)**
Depreciation for the year	**-**	**(675,467)**	**(269,753)**	**(57,947)**	**-**	**(34,325)**	**(7,086)**	**(1,044,578)**
On disposals	**-**	**-**	**71**	**-**	**-**	**-**	**-**	**71**
Accumulated depreciation as at December 31, 2023	**-**	**(2,053,290)**	**(1,671,050)**	**(523,041)**	**-**	**(297,219)**	**(65,820)**	**(4,610,420)**
Net carrying amount as at December 31, 2023	**557,226**	**1,838,651**	**358,803**	**38,989**	**-**	**7,281**	**3,345**	**2,804,295**
Capital work in progress								**683,008**
Total								**3,487,303**

(Amount in EUR)

	Land	Leasehold improvements	Computer equipment	Furniture and fixtures	Auto-mobiles	Office equipment	Electrical installations	Total
Cost as at January 1, 2022	557,226	3,891,941	1,898,502	534,332	47,667	300,410	69,165	7,299,243
Additions	-	-	69,971	27,698	-	-	-	97,669
Disposals	-	-	-	-	(47,667)	-	-	(47,667)
Cost as at December 31, 2022	557,226	3,891,941	1,968,473	562,030	-	300,410	69,165	7,349,245
Accumulated depreciation as at January 1, 2022	-	(700,965)	(981,152)	(320,567)	(14,449)	(183,815)	(45,157)	(2,246,105)
Depreciation for the year	-	(676,858)	(420,216)	(144,527)	(4,586)	(79,079)	(13,577)	(1,338,843)
On disposals	-	-	-	-	19,035	-	-	19,035
Accumulated depreciation as at December 31, 2022	-	(1,377,823)	(1,401,368)	(465,094)	-	(262,894)	(58,734)	(3,565,913)
Net carrying amount as at December 31, 2022	557,226	2,514,118	567,105	96,936	-	37,516	10,431	3,783,332
Capital work in progress								214,216
Total								3,997,548

b. Intangible assets

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis.

Intangible assets consist of software licenses.

Nature of intangible	Useful lives
Software licenses	Lower of licenses period and 4 years

Notes forming part of the Financial Statements

(Amount in EUR)

	Software Licences
Cost as at January 1, 2023	**17**
Additions	**-**
Disposals	**-**
Cost as at December 31, 2023	**17**
Accumulated amortisation as at January 1, 2023	**(17)**
Amortisation	**-**
Disposals	**-**
Accumulated amortisation as at December 31, 2023	**(17)**
Net carrying amount as at December 31, 2023	**-**

(Amount in EUR)

	Software Licences
Cost as at January 1, 2022	17
Additions	-
Disposals	-
Cost as at December 31, 2022	17
Accumulated amortisation as at January 1, 2022	(17)
Amortisation	-
Disposals	-
Accumulated amortisation as at December 31, 2022	(17)
Net carrying amount as at December 31, 2022	-

c. Other assets

Other assets consist of the following:

(Amount in EUR)

Other assets - Current	As at Dec 31, 2023	As at Dec 31, 2022
Contract assets	**813,436**	1,388,136
Advance to suppliers	**485,119**	520,103
Prepaid expenses	**1,044,793**	1,160,914
Contract fulfillment cost	**596,685**	79,714
Other advances	**21**	339,375
Total	**2,940,054**	3,488,242

(Amount in EUR)

Other assets - non-current	As at Dec 31, 2023	As at Dec 31, 2022
Contract assets	**13,284**	-
Contract fulfillment costs	**1,623**	13,273
Other	**-**	578,170
Total	**14,907**	591,443

Notes forming part of the Financial Statements

d. Other liabilities

Other liabilities consist of the following:

(Amount in EUR)

Other liabilities – Current	As at Dec 31, 2023	As at Dec 31, 2022
Indirect tax payable and other statutory liabilities	**3,250,343**	2,943,374
Other current liabilities - Others	**31,640**	21,638
Provision for rent	**5,700**	156,922
Total	**3,287,683**	3,121,934

e. Provisions

Provisions consist of the following:

(Amount in EUR)

	As at Dec 31, 2023	As at Dec 31, 2022
Provision for foreseeable loss	**581**	925
	581	925

14. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Ireland Limited principal related parties consist of its ultimate holding company Tata Sons Private Limited, its immediate parent company Tata Consultancy Services Limited and its subsidiaries, affiliates, and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business. The Company has not entered into any transaction with its key managerial personnel for the year ended 31 December 2023.

Transactions with related parties

(Amount in EUR)

Particulars	For the period Jan 1, 2023 to Dec 31, 2023			
	With Tata Sons Private Limited (Ultimate Holding Company)	With Tata Consultancy Services Limited (Parent of Holding Company)	With Subsidiaries of Tata Consultancy Services Limited	Total
Revenue	**-**	**27,675,642**	**3,296,293**	**30,971,935**
Purchases of goods and services (including reimbursement)	**-**	**83,419,675**	**3,785,719**	**87,205,394**
Facility expenses	**-**	**1,791,469**	**-**	**1,791,469**
Brand equity contribution	**307,035**	**-**	**-**	**307,035**

(Amount in EUR)

Particulars	For the period Jan 1, 2022 to Dec 31, 2022			
	With Tata Sons Private Limited (Ultimate Holding Company)	With Tata Consultancy Services Limited (Parent of Holding Company)	With Subsidiaries of Tata Consultancy Services Limited	Total
Revenue	-	18,295,094	2,150,699	20,445,793
Purchases of goods and services (including reimbursement)	-	71,254,235	1,415,964	72,670,199
Facility expenses	-	1,787,645	-	1,787,645
Brand equity contribution	311,254	-	-	311,254

Notes forming part of the Financial Statements

Balances with related parties

(Amount in EUR)

Particulars	For the year ended Dec 31, 2023			
	With Tata Sons Private Limited (Ultimate Holding Company)	With Tata Consultancy Services Limited (Parent of Holding Company)	With Subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables and unbilled receivables	**-**	**11,087,175**	**766,018**	**11,853,193**
Other assets*	**-**	**1,602,052**	**28,689**	**1,630,741**
Trade Payables and accrued expenses	**761,228**	**6,192,391**	**362,795**	**7,316,414**
Unearned and deferred revenue	**-**	**303,042**	**-**	**303,042**
Other liabilities**	**-**	**310,840**	**61,540**	**372,380**

(Amount in EUR)

Particulars	For the year ended Dec 31, 2022			
	With Tata Sons Private Limited (Ultimate Holding Company)	With Tata Consultancy Services Limited (Parent of Holding Company)	With Subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables and unbilled receivables	-	5,336,083	548,473	5,884,556
Other assets*	-	1,608,230	6,659	1,614,889
Trade Payables and accrued expenses	454,277	15,999,022	294,406	16,747,705
Unearned and deferred revenue	-	449,268	3,288	452,556
Other liabilities**	-	193,989	23,041	217,030

*Includes prepayment and volume discount asset which arise in the normal course of business.

**Includes volume discount liability, which arise in the normal course of business and do not have any specific terms of repayment.

15. DIRECTOR'S REMUNERATION

Remuneration paid/ payable to directors for the period ended 31 December 2023 is EUR Nil and 31 December 2022 is EUR Nil.

16. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

17. CONTINGENCIES

The Company has contractually committed (net of advances) for EUR 8,106 as at 31 December, 2023 and EUR 551 as at 31 December, 2022 for purchase of property, plant and equipment.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on April 1, 2024.

TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD

(Registration Number: 2007/031334/07)

ANNUAL FINANCIAL STATEMENTS

For the year ended December 31, 2023

Audited in compliance with section 30 of the Companies Act of South Africa

Prepared under the supervision of Gilroy Fernandes

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
For the year ended December 31, 2023

Directors' Statement of Responsibility

The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with Internal Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The directors are also responsible for the Company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the Company's assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review.

The financial statements have been prepared on the going concern basis since the directors believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

Directors' approval of the annual financial statements

The annual financial statements and directors report were approved by the Directors on March 20, 2024 and are signed on their behalf by:

Lakshminarayanan Gomatam Seshadri

Authorised Director

Henry Langa Dube

Authorised Director

Directors' Report

The directors have pleasure in presenting their report on the activities of the Company for the year ended December 31, 2023. This financial report covers the period 1st January 2023 to 31st December 2023. Comparative figures are for the year ended 31st December 2022.

Nature of business

The Company provides IT consulting services.

General review of operations

The financial position of the Company and the results of its operations for the year under review are set out in the attached financial statements and in the opinion of the directors require no further comment. Profit after tax for the Company amounted to ZAR 104,438,080 for the year ended December 2023 (December 2022: ZAR 77,628,310).

Dividends

A dividend of ZAR 77,760,004 was paid during the year ended December 31, 2023 (December 31, 2022: ZAR 56,160,003)

Shareholders

The current shareholders of TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD are:

	As at December 31, 2023	As at December 31, 2022
TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD	**100%**	100%

Directors and secretary

The directors of the Company during the year under review and up to the date of this report are:

Henry Langa Dube (Reappointed on September 11, 2019)

Lakshminarayanan Gomatam Seshadri* (Appointed on July 22, 2019)

*Indian

Registered office and postal address

The registered office and postal address of the Company are:

Registered Address: 39, Ferguson Road, Illovo, 2196

Postal address: P.O. Box 706, Melrose Arch, 2076

Independent Auditor's Report

KPMG Inc
KPMG Crescent
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Docex 472 Johannesburg
Web http://www.kpmg.co.za

To the shareholder of TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD

Opinion

We have audited the financial statements of TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD (the Company) set out on pages 1 to 24, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD Annual Financial Statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.
Registered Auditor

Per DW Matthews
Chartered Accountant (SA)
Registered Auditor Director
22 March 2024

Statement of Financial Position as at December 31, 2023 and December 31, 2022

[Amount in : ZAR]

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**139,847,399**	146,542,204
Trade receivables	7(b)	**444,472,535**	447,333,803
Unbilled receivables		**11,830,669**	7,066,202
Other financial assets	7(c)	**3,811,117**	4,664,006
Income tax assets (net)		**35,099,042**	25,336,951
Other assets	9(b)	**221,534,276**	272,359,869
Total current assets		**856,595,038**	903,303,035
Non-current assets			
Deferred tax assets (net)	13	**38,429,791**	36,169,358
Property, plant and equipment	9(a)	**4,340,792**	4,418,618
Other financial assets	7(c)	**16,699**	-
Total non-current assets		**42,787,282**	40,587,976
TOTAL ASSETS		**899,382,320**	943,891,011
LIABILITIES AND EQUITY			
Liabilities			
Borrowings			
Trade payables	7(d)	**547,983,992**	656,607,718
Other financial liabilities	7(e)	**601,978**	551,109
Unearned and deferred revenue		**121,059,177**	82,572,908
Employee benefit obligations	14	**3,933,610**	3,759,070
Provisions		**79,942**	70,239
Other liabilities	9(c)	**23,154,268**	24,438,689
Total current liabilities		**696,812,967**	767,999,733
TOTAL LIABILITIES		**696,812,967**	767,999,733
Equity			
Share capital	7(i)	**18,000,001**	18,000,001
Retained earnings		**184,569,352**	157,891,276
TOTAL EQUITY		**202,569,353**	175,891,277
TOTAL LIABILITIES AND EQUITY		**899,382,320**	943,891,011

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income
For the years ended December 31, 2023 and December 31, 2022

[Amount in : ZAR]

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	10	**2,150,129,597**	2,092,508,239
Operating expenses			
Employee cost	14	**141,412,389**	130,011,669
Other operating expenses	11	**1,875,233,897**	1,857,183,389
Depreciation	9(a)	**1,629,729**	1,310,212
Bad debts		**153,811**	1,013,807
Total operating expenses		**2,018,429,826**	1,989,519,077
Operating profit		**131,699,771**	102,989,162
Other income			
Net foreign exchange losses		**(169,878)**	(699,187)
Finance costs		**-**	(11,858)
Finance income	12(a)	**12,149,404**	6,381,359
Total other income		**11,979,526**	5,670,314
Profit before taxes		**143,679,297**	108,659,476
Income tax expense	13	**39,241,217**	31,031,166
Profit for the year		**104,438,080**	77,628,310
Other comprehensive income (OCI)		**-**	-
Total comprehensive income for the year		**104,438,080**	77,628,310

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Changes in Equity
For the years ended December 31, 2023 and December 31, 2022

[Amount in : ZAR]

	Share capital	Retained earnings	Total equity
Balance as at January 1, 2022	18,000,001	136,422,969	154,422,970
Total comprehensive income for the year	-	77,628,310	77,628,310
Dividend paid (Per share : 3.12)	-	(56,160,003)	(56,160,003)
Balance as at December 31, 2022	**18,000,001**	**157,891,276**	**175,891,277**
Total comprehensive income for the year	**-**	**104,438,080**	**104,438,080**
Dividend paid (Per share : 4.32)	**-**	**(77,760,004)**	**(77,760,004)**
Balance as at December 31, 2023	**18,000,001**	**184,569,352**	**202,569,353**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Cash Flows
For the years ended December 31, 2023 and December 31, 2022

[Amount in : ZAR]

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year		**104,438,080**	77,628,310
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation	9(a)	**1,629,729**	1,310,212
Income tax expense		**39,241,217**	31,031,166
Provision for foreseeable losses		**9,702**	70,935
Provision for doubtful debts (net)		**(25,566,764)**	(2,528,111)
Operating profit before working capital changes		**119,751,964**	107,512,512
Net change in:			
Trade receivables		**28,428,032**	(50,254,593)
Unbilled receivables		**(4,764,467)**	(1,717,270)
Other financial assets		**836,190**	(134,472)
Other assets		**50,825,593**	16,045,899
Trade and other payables		**(108,623,726)**	111,006,093
Other financial liabilities		**50,869**	(580,383)
Unearned and deferred revenues		**38,486,270**	(49,800,307)
Employee benefit obligations		**174,540**	(15,156)
Other liabilities		**(1,284,419)**	(5,489,109)
Cash generated from operating activities		**123,880,846**	126,573,216
Taxes paid (net of refunds)		**(51,263,744)**	(27,171,076)
Net cash generated from operating activities		**72,617,102**	99,402,140
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(1,551,903)**	(3,752,440)
Net cash used in investing activities		**(1,551,903)**	(3,752,440)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of dividend		**(77,760,004)**	(56,160,003)
Net cash used in financing activities		**(77,760,004)**	(56,160,003)
Net change in cash and cash equivalents		**(6,694,805)**	39,489,697
Cash and cash equivalents, beginning of the year		**146,542,204**	107,052,507
Cash and cash equivalents, end of the year	7(a)	**139,847,399**	146,542,204

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes forming part of the Financial Statements for the year ended December 31, 2023

1. CORPORATE INFORMATION

TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD (the "Company") is registered under Companies Act of South Africa having registration number 2007/031334/07.

The Company is engaged in a wide range of information technology and consultancy services including systems hardware and software, communications and networking, hardware sizing and capacity planning, software project management solutions, technology education services and business process outsourcing.

The address of the Company's registered office is 39 Ferguson road, Illovo, 2196

The financial statements were approved and authorised for issue on March 20, 2024.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Companies Act of South Africa. The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instrument which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD is Rands ("ZAR").

Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Notes forming part of the Financial Statements for the year ended December 31, 2023

b. Useful lives of property, plant and equipment

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. The carrying amount of property, plant and equipment as on December 31, 2023 was ZAR 4,340,792 (December 31, 2022: ZAR 4,418,618).

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

6. RECENT ACCOUNTING STANDARDS

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

Notes forming part of the Financial Statements for the year ended December 31, 2023

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Trade receivable

Trade recoverable without a significant financing component is initially measured at transaction price.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Notes forming part of the Financial Statements for the year ended December 31, 2023

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition

(a) Financial asset

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the risks and rewards of the ownership of financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

(b) Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises financial liability when its terms are modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of financial liability the difference between the carrying amount extinguished and the consideration paid (including any non cash asset transferred or liabilities assumed) is recognised in profit or loss.

Notes forming part of the Financial Statements for the year ended December 31, 2023

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

a. Cash and cash equivalents

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Cash in hand	**16,000**	16,000
Balances with bank	**139,831,399**	66,526,204
Short term bank deposits	**-**	80,000,000
Total	**139,847,399**	146,542,204

b. Trade receivables

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Trade receivables - current		
Trade receivables*	**445,665,075**	474,093,107
Less: Allowance for doubtful trade receivables	**(1,192,540)**	(26,759,304)
Total	**444,472,535**	447,333,803

* Trade receivables include balances with related party of ZAR 44,746,419 as at December 31, 2023 (ZAR 48,067,443 as at December 31, 2022) (Refer Note No. 15)

Movement in the provision for doubtful debt

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
At January 1	**26,759,304**	29,287,415
Additional provision/(reversal) during the year	**(25,566,764)**	(2,528,111)
Recovered during the year	**-**	-
Add/Less: Exchange difference	**-**	-
At December 31	**1,192,540**	26,759,304

Notes forming part of the Financial Statements for the year ended December 31, 2023

c. Other financial assets

Other financial asset consist of the following:

[Amount in : ZAR]

Other financial assets - current	As at December 31, 2023	As at December 31, 2022
Employee advances (net of allowance)	**357,659**	662,417
Premises deposits (net of allowance)	**3,396,083**	3,601,218
Other*	**57,375**	400,371
Total	**3,811,117**	4,664,006

[Amount in : ZAR]

Other financial assets - non current	As at December 31, 2023	As at December 31, 2022
Other deposits	**16,699**	-
Total	**16,699**	-

* Other include balances with related party of ZAR 57,375 as at December 31, 2023 (ZAR 94,829 as at December 31, 2022) (Refer Note No. 15)

d. Trade payables

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Trade payables*	**392,991,332**	411,196,663
Accrued expenses	**154,992,660**	245,411,055
Total	**547,983,992**	656,607,718

* Trade payables and Accrued expenses include balances with related party of ZAR 516,797,363 as at December 31, 2023 (ZAR 609,685,350 as at December 31, 2022) (Refer Note No. 15)

e. Other financial liabilities - current

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Accrued payroll	**601,978**	445,313
Liabilities towards customer contracts	**-**	105,796
Total	**601,978**	551,109

Notes forming part of the Financial Statements for the year ended December 31, 2023

f. Financial instruments by category

The carrying value of financial assets and financial liabilities as at December 31, 2023 is as follows:

[Amount in : ZAR]

	Amortised cost	Total carrying Value
Financial assets		
Cash and cash equivalents	**139,847,399**	**139,847,399**
Trade receivables	**444,472,535**	**444,472,535**
Unbilled receivables	**11,830,669**	**11,830,669**
Other financial assets	**3,827,816**	**3,827,816**
Total	**599,978,419**	**599,978,419**
Financial liabilities		
Trade payables	**547,983,992**	**547,983,992**
Other financial liabilities	**601,978**	**601,978**
Total	**548,585,970**	**548,585,970**

The carrying value of financial assets and financial liabilities as at December 31, 2022 is as follows:

	Amortised cost	Total carrying Value
Financial assets		
Cash and cash equivalents	146,542,204	146,542,204
Trade receivables	447,333,803	447,333,803
Unbilled receivables	7,066,202	7,066,202
Other financial assets	4,664,006	4,664,006
Total	605,606,215	605,606,215
Financial liabilities		
Trade payables	656,607,718	656,607,718
Other financial liabilities	551,109	551,109
Total	657,158,827	657,158,827

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2023 and December 31, 2022 approximate the fair value.

g. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes forming part of the Financial Statements for the year ended December 31, 2023

- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following table sets forth information relating to foreign currency exposure as at December 31, 2023:

	USD (equivalent ZAR)	EUR (equivalent ZAR)	GBP (equivalent ZAR)
Net financial assets	**483,034**	**(6,383)**	**473,986**
Net financial liabilities	**887,101**	**-**	**1,327,242**

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD Company would result in decrease / increase in the Company's profit before taxes by approximately ZAR 126,371 for the year ended December 31, 2023.

The following table sets forth information relating to foreign currency exposure as at December 31, 2022:

	USD (equivalent ZAR)	EUR (equivalent ZAR)	GBP (equivalent ZAR)
Net financial assets	45,401	59,365	-
Net financial liabilities	5,451,992	65,968	-

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD Company would result in decrease / increase in the Company's profit before taxes by approximately ZAR 541,319 for the year ended December 31, 2022.

- **Interest rate risk**

Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company does not hedge its interest rate exposure. The Company's exposure to interest rate risk is limited to its balance maintained with bank.

Notes forming part of the Financial Statements for the year ended December 31, 2023

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

The Company considers that its receivables from related parties, has low credit risk based on the credit rating of the counter parties.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ZAR 671,966,838 and ZAR 727,057,336 as of December 31, 2023 and December 31, 2022, respectively being the total of the carrying amount of balances with bank, bank deposit, trade receivable, unbilled receivables, contract assets and other financial assets. Balance with bank are held with banks with high credit ratings. As of December 31, 2023 there were no indications that any defaults will occur on trade receivable, unbilled revenues contract assets, or other financial assets.

  TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD Company's exposure to customers is diversified and single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2023 and December 31, 2022.

[Amount in : ZAR]

Client Name	As at December 31, 2023		As at December 31, 2022	
	Total trade receivables and Unbilled revenue	Percentage	Total trade receivables and Unbilled revenue	Percentage
Customer A	-	-	-	-
Customer B	-	-	63,696,639	11%
Customer C	**83,695,544**	**16%**	-	-

- **Geographic concentration of credit risk**

  The Company has a geographic concentration of trade receivables (net of allowances), unbilled revenue and contract assets as given below:

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Africa	**99.79%**	100.00%
America	**0.10%**	0.00%
UK	**0.11%**	0.00%

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

Notes forming part of the Financial Statements for the year ended December 31, 2023

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(Amount in : ZAR)

December 31, 2023	Weighted average loss rate	Gross carrying amount*	Loss allowance	Credit impaired
No Due	**0.74%**	**300,909,674**	**(2,225,170)**	**No**
1-90	**2.09%**	**89,643,794**	**(1,875,183)**	**No**
91-180	**8.50%**	**13,291,963**	**(1,130,070)**	**No**
181-272	**71.91%**	**-**	**-**	**No**
>273	**100.00%**	**-**	**-**	**Yes**

December 31, 2022	Weighted average loss rate	Gross carrying amount*	Loss allowance	Credit impaired
No Due	0.50%	227,802,030	(1,144,198)	No
1-90	1.42%	147,242,209	(2,093,508)	No
91-180	8.32%	18,480,386	(1,537,287)	No
181-272	84.44%	451,701	(381,413)	No
>273	100.00%	9,911,152	(9,911,152)	Yes

*Gross carrying amount excludes inter-company receivables and receivable against which specific allowance has been made.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in : ZAR)

	Due in 1st year	Due in 2nd to 5th year	Total
December 31, 2023			
Financial liabilities			
Trade and other payables	**547,983,992**	**-**	**547,983,992**
Other financial liabilities	**601,978**	**-**	**601,978**
Total	**548,585,970**	**-**	**548,585,970**

	Due in 1st year	Due in 2nd to 5th year	Total
December 31, 2022			
Financial liabilities			
Trade and other payables	656,607,718	-	656,607,718
Other financial liabilities	551,109	-	551,109
Total	657,158,827	-	657,158,827

Notes forming part of the Financial Statements for the year ended December 31, 2023

i. Equity instruments

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Authorised		
20,000,000 ordinary shares of ZAR 1 each	**20,000,000**	20,000,000
Issued, Subscribed and Fully paid up		
18,000,001 ordinary shares of ZAR 1 each	**18,000,001**	18,000,001

The remaining unissued ordinary shares are under the unrestricted control of the directors until the forthcoming annual general meeting.

	As at December 31, 2023	As at December 31, 2022
Share holding	Percentage	Percentage
TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD	**100%**	100%

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the

Notes forming part of the Financial Statements for the year ended December 31, 2023

lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Operating leases

For transition, the Company has elected not to apply the requirements of IFRS 16 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

The Company incurred ZAR 49,164,821 and ZAR 50,285,724 for year ended December 31, 2023 and for the year ended December 31, 2022, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ZAR 49,156,882 and ZAR 50,285,724 for year ended December 31, 2023, and for the year ended December 31, 2022, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful life (in years)
Computer and equipment	Straight line method	4 years
Furniture and fixtures	Straight line method	5 years
Office equipment	Straight line method	5 years
Electrical installations	Straight line method	10 years
Leasehold improvements	Straight line method	Lease term

Depreciation is not recorded on capital work in progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Notes forming part of the Financial Statements for the year ended December 31, 2023

Property, Plant and equipment consist of the following:

[Amount in : ZAR]

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Gross block as at January 1, 2023	**190,000**	**15,614,353**	**281,947**	**881,301**	**697,856**	**17,665,457**
Additions	**-**	**1,354,843**	**-**	**111,783**	**214,592**	**1,681,218**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Gross block as at December 31, 2023	**190,000**	**16,969,196**	**281,947**	**993,084**	**912,448**	**19,346,675**
Accumulated depreciation as at January 1, 2023	**190,000**	**12,228,746**	**264,331**	**649,634**	**43,443**	**13,376,154**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	**-**	**1,456,054**	**8,379**	**80,078**	**85,218**	**1,629,729**
Accumulated depreciation as at December 31, 2023	**190,000**	**13,684,800**	**272,710**	**729,712**	**128,661**	**15,005,883**
Net carrying amount as at December 31, 2023	**-**	**3,284,396**	**9,237**	**263,372**	**783,787**	**4,340,792**
Capital work in progress	**-**	**-**	**-**	**-**	**-**	**-**
Total						**4,340,792**

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Gross block as at January 1, 2022	190,000	12,849,855	281,947	659,359	61,170	14,042,331
Additions	-	2,764,498	-	221,942	636,686	3,623,126
Disposals	-	-	-	-	-	-
Gross block as at December 31, 2022	190,000	15,614,353	281,947	881,301	697,856	17,665,457
Accumulated depreciation as at January 1, 2022	190,000	10,984,945	250,352	623,465	17,180	12,065,942
Disposals	-	-	-	-	-	-
Depreciation for the year	-	1,243,801	13,979	26,169	26,263	1,310,212
Accumulated depreciation as at December 31, 2022	190,000	12,228,746	264,331	649,634	43,443	13,376,154
Net carrying amount as at December 31, 2022	-	3,385,607	17,616	231,667	654,413	4,289,303
Capital work in progress	-	17,532	-	111,783	-	129,315
Total						4,418,618

Notes forming part of the Financial Statements for the year ended December 31, 2023

b. Other assets

Other assets consist of the following:

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Other assets - current		
Advance to suppliers	**1,064,201**	-
Prepaid expenses*	**146,104,110**	145,383,826
Prepaid rent - others	**-**	4,108,414
Contract fulfilment cost**	**2,377,258**	2,412,522
Contract assets	**71,988,420**	120,438,121
Other current assets - others	**287**	16,986
Total	**221,534,276**	272,359,869

* Prepaid expenses include balances with related party of ZAR 146,104,110 as at December 31, 2023 (ZAR 145,365,449 as at December 31, 2022) (Refer Note No. 15)

** Contract fulfilment cost of ZAR 1,429,048 for year ended December 31, 2023 (ZAR 14,149,475 for the year ended December 31, 2022) has been amortized in statement of Profit and Loss.

c. Other liabilities

Other liabilities consist of the following:

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Other liabilities - current		
Advance received from customers	**59,823**	2,333,042
Capital creditors	**-**	94,909
Indirect tax payable and other statutory liabilities	**23,094,445**	22,010,738
Total	**23,154,268**	24,438,689

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

Notes forming part of the Financial Statements for the year ended December 31, 2023

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Notes forming part of the Financial Statements for the year ended December 31, 2023

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue from operations includes ZAR 8,532,684 for the year ended December 31, 2023 (for year ended December 31, 2022: ZAR 19,996,652) towards sale of equipment and software licences.

Revenue disaggregation by nature of services is as follows:

[Amount in : ZAR]

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from consultancy services*	**2,141,596,913**	2,072,511,587
Revenue from sale of equipment and software licences	**8,532,684**	19,996,652
Total	**2,150,129,597**	2,092,508,239

*Revenue includes recovery of expenses from Tata Consultancy Services Limited of ZAR 2,746,139 for December, 2023 (ZAR 16,295,031 for December, 2022) and TCS South Africa Branch of ZAR 248,026,092 for December, 2023 (ZAR 225,349,028 for December, 2022)

Revenue disaggregation by industry vertical is as follows:

[Amount in : ZAR]

Industry vertical	For the year ended December 31, 2023	For the year ended December 31, 2022
Banking, financial services and insurance	**1,051,651,141**	1,119,352,814
Communication, media and technology	**839,712,383**	725,039,448
Retail and consumer business	**133,659,488**	122,749,614
Manufacturing	**9,785,175**	9,338,309
Others	**115,321,410**	116,028,054
Total	**2,150,129,597**	2,092,508,239

Revenue disaggregation by geography is as follows:

[Amount in : ZAR]

Geography	For the year ended December 31, 2023	For the year ended December 31, 2022
Africa	**2,144,138,833**	2,083,083,468
America	**782,248**	376,423
Europe	**1,477,851**	2,164,799
Others	**3,730,665**	6,883,549
Total	**2,150,129,597**	2,092,508,239

Notes forming part of the Financial Statements for the year ended December 31, 2023

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ZAR 1,377,808,011 out of which 65.01% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Movement in contract assets is given below:

[Amount in : ZAR]

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**120,438,121**	106,248,056
Invoices raised that were included in the contract assets balance at the beginning of the year	**(71,213,041)**	(95,566,860)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**22,763,343**	109,756,925
Add / (Less): Translation during the year	**(3)**	-
Balance at the end of the year	**71,988,420**	120,438,121

Changes in unearned and deferred revenue are as follows:

[Amount in : ZAR]

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**82,572,908**	132,373,214
Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year	**(77,805,222)**	(126,055,546)
Increase due to invoicing during the year, excluding amounts recognised as the revenue during the year	**116,291,475**	76,255,240
Add / (Less): Translation during the year	**15**	-
Closing balance as at December 31	**121,059,176**	82,572,908

11. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licences, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Notes forming part of the Financial Statements for the year ended December 31, 2023

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

[Amount in : ZAR]

Expenses by function	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of revenue	**1,918,284,842**	1,898,442,920
Selling, general and administrative expenses	**100,144,984**	91,076,157
Total	**2,018,429,826**	1,989,519,077

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as contribution to brand equity, employee cost recovery, corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

[Amount in : ZAR]

Expenses by nature	For the year ended December 31, 2023	For the year ended December 31, 2022
Other operating expenses		
Project expenses	**16,353,116**	25,806,202
Facility running expenses*	**51,698,861**	55,815,936
Fees to external consultants	**1,759,936,850**	1,722,588,253
Cost of equipment and software licenses	**6,899,029**	21,347,815
Travel expenses*	**4,729,328**	3,629,782
Communication	**2,024,540**	1,893,178
Other expenses	**33,592,173**	26,102,223
Total	**1,875,233,897**	1,857,183,389

*Facility running expenses & Travel expenses includes short term lease expenses amounting ZAR 49,164,821 for December 31, 2023 (ZAR 50,285,724 operating lease rental expenses for year ended December 31, 2022).

12. OTHER INCOME

a. Finance income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Notes forming part of the Financial Statements for the year ended December 31, 2023

[Amount in : ZAR]

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest on balance with bank	**11,926,064**	6,381,191
Others	**223,340**	168
Total	**12,149,404**	6,381,359

13. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The income tax expense consists of the following:

[Amount in : ZAR]

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax		
Current tax expense for current year	**41,437,079**	21,773,022
Current tax (benefit) / expense pertaining to prior years	**64,570**	(694,100)
	41,501,649	21,078,922
Deferred tax		
Deferred tax expense for current year	**(2,198,168)**	8,654,952
Deferred tax expense resulting from reduction in tax rate	**-**	1,339,606
Deferred tax expense pertaining to prior years	**(62,264)**	(42,314)
	(2,260,432)	9,952,244
Total tax expense	**39,241,217**	31,031,166

Notes forming part of the Financial Statements for the year ended December 31, 2023

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

[Amount in : ZAR]

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax expenses		
Income before taxes	**143,679,297**	108,659,476
Statutory tax rate	**27.00%**	28.00%
Expected income tax expense	**38,793,410**	30,424,653
Less: Income exempt from tax	**-**	-
Tax pertaining to prior years:		
Current tax	**64,570**	(694,100)
Deferred tax	**(62,264)**	(42,314)
Temporary disallowed expenses		
Deferred tax expense resulting from reduction in tax rate	**-**	1,339,606
Other non deductible	**445,501**	3,321
Total tax expense	**39,241,217**	31,031,166

Significant components of net deferred tax assets and liabilities for year ended December 31, 2023 are as follows:

[Amount in : ZAR]

	Opening balance	Recognised through profit or loss	Closing balance as on December 31, 2023
Deferred tax assets			
Deferred tax assets in relation to:			
Deferred revenue	**22,294,685**	**10,391,292**	**32,685,977**
Allowances for receivables, loans and advances	**(2,513,048)**	**2,401,053**	**(111,995)**
Provisions	**17,496,993**	**(11,641,184)**	**5,855,809**
Other advance - rent	**(1,109,272)**	**1,109,272**	**-**
Total deferred tax asset (net)	**36,169,358**	**2,260,433**	**38,429,791**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2022 are as follows:

[Amount in : ZAR]

	Opening balance	Recognised through profit or loss	Closing balance as on December 31, 2022
Deferred tax assets			
Deferred tax assets in relation to:			
Deferred revenue	37,064,500	(14,769,815)	22,294,685
Allowances for receivables, loans and advances	(2,852,339)	339,291	(2,513,048)
Provisions	13,059,891	4,437,102	17,496,993
Other advance - rent	(1,150,450)	41,178	(1,109,272)
Total deferred tax asset (net)	**46,121,602**	**(9,952,244)**	**36,169,358**

Notes forming part of the Financial Statements for the year ended December 31, 2023

IFRIC 23 Interpretation uncertainty over income tax treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

14. EMPLOYEE BENEFITS

The Company provides for amount payable to be employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

[Amount in : ZAR]

	For the year ended December 31, 2023	For the year ended December 31, 2022
Contributions to provident and other funds	**15,387,346**	13,375,985
Salaries & bonus	**124,330,969**	115,851,090
Staff welfare	**1,694,074**	784,594
Total	**141,412,389**	130,011,669

Employee benefit obligation consist of the following:

[Amount in : ZAR]

	As at December 31, 2023	As at December 31, 2022
Employee benefit obligations - current		
Compensated absences	**3,914,732**	3,759,070
Other employee benefits	**18,878**	-
Total	**3,933,610**	3,759,070

15. RELATED PARTY TRANSACTIONS

TATA CONSULTANCY SERVICES (SOUTH AFRICA) (PTY) LTD principal related parties consist of its ultimate holding Company Tata Sons Private Limited, its parent of holding company Tata Consultancy Services Limited, its holding Company TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD and its subsidiaries, affiliates and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Notes forming part of the Financial Statements for the year ended December 31, 2023

Transactions with related parties

[Amount in : ZAR]

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With TATA CONSULTANCY SERVICES (AFRICA) (PTY) LTD, Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Limited - South Africa Branch, Holding Company	With Tata Africa Holding (SA) Pty. Ltd. Subsidiary of Ultimate Holding Company	Good Hope Palace Hotels(Pty) Ltd., Subsidiary of Ultimate Holding Company	Total
For the year ended December 31, 2023							
Revenue from sale of services and licences	**-**	**-**	**2,746,139**	**248,026,092**	**-**	**-**	**250,772,231**
Purchases of goods and services (including reimbursement)	**-**	**-**	**931,715,419**	**729,070,695**	**18,809**	**551,400**	**1,661,356,323**
Rent expense	**-**	**-**	**-**	**-**	**3,896,699**	**-**	**3,896,699**
Brand equity contribution	**4,748,393**	**-**	**-**	**-**	**-**	**-**	**4,748,393**
Dividend paid	**-**	**77,760,004**	**-**	**-**	**-**	**-**	**77,760,004**
For the year ended December 31, 2022							
Revenue from sale of services and licences	-	-	16,295,031	225,349,028	-		241,644,059
Purchases of goods and services (including reimbursement)	-	-	916,975,179	701,844,822	19,606	78,642	1,618,918,249
Rent expense	-	-	-	-	4,105,694		4,105,694
Brand equity contribution	4,631,238	-	-	-	-		4,631,238
Dividend paid	-	56,160,003	-	-	-		56,160,003

Notes forming part of the Financial Statements for the year ended December 31, 2023

Balances with related parties

[Amount in : ZAR]

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Limited - South Africa Branch, Holding Company	Good Hope Palace Hotels (Pty) Ltd., Subsidiary of Ultimate Holding Company	Total
As at December 31, 2023					
Trade receivables, unbilled receivables and prepayments (net)	**-**	**995,716**	**43,750,702**	**-**	**44,746,418**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**3,510,609**	**111,092,197**	**402,192,589**	**1,968**	**516,797,363**
Prepaid expenses	**-**	**107,522,247**	**38,581,863**	**-**	**146,104,110**
Volume discount	**-**	**22,435**	**34,940**	**-**	**57,375**
As at December 31, 2022					
Trade receivables, unbilled receivables and prepayments (net)	-	-	48,067,443	-	48,067,443
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	3,515,850	227,867,821	378,301,578	-	609,685,249
Prepaid expenses	-	55,361,107	90,004,341	-	145,365,448
Volume discount	-	36,156	58,673	-	94,829

16. COMPENSATION TO KEY MANAGERIAL PERSONNEL

Mr. Henry Langa Dube (Director)

[Amount in : ZAR]

Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
Basic	**2,089,488**	1,926,393
Bonus	**330,246**	239,414
Other contribution	**525,862**	470,863
Total	**2,945,596**	2,636,670

17. GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

18. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

TCS Financial Solutions Australia Pty Limited
General Purpose Financial Report

ABN 20 001 899 369

Financial Statements And
Independent Auditor's Report

For the year ended

March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

DIRECTORS' REPORT

The directors present their report together with the financial report of TCS Financial Solutions Australia Pty Limited ('' the Company'') for the year ended March 31, 2024 and the auditor's report theron.

1. DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

Neville Joseph Roach	Appointed October 20, 2005
Natarajan Ganapathy Subramaniam	Appointed April 11, 2008
Girish Ramachandran Payangatiri	Appointed November 09, 2015
Venkateshwaran Srinivasan	Appointed June 12, 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were the development and sale of specialist banking software and the provision of implementation and project management services.

No significant change in the nature of these activities occurred during the year.

3. REVIEW OF OPERATIONS

The profit of the Company for the financial year after providing for income tax amounted to AUD$ 5,729,799 (2023: AUD$ 6,418,812).

The Company has continued its focus on its core competency of product development with further growth of its core banking product to capture greater market share of the Banking sector.

4. ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

5. DIVIDENDS

AUD$ 9,500,000 dividend was declared and paid to TCS FNS Pty Limited (Holding Company) during the financial year (2023: AUD$ 8,000,000).

6. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no matters which have arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

7. LIKELY DEVELOPMENTS

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

8. SHARES UNDER OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

9. INDEMNITY AND INSURANCE OF OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

10. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

11. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the financial year ended March 31,2024.

This report is made out in accordance with a resolution of the directors:

Neville J Roach

Director

Date: 01 May, 2024

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of TCS Financial Solutions Australia Pty Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of TCS Financial Solutions Australia Pty Ltd for the financial year ended 31 March 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Adam Bird
Partner
Sydney
1 May 2024

Statement of Profit or Loss and Other Comprehensive Income

(Amount in AUD)

	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue	4	**10,947,024**	10,893,510
Other income, net	4	**216,634**	190,619
Expenses			
Project expenses		**(2,242,669)**	(1,859,913)
Legal and professional fees		**(70,894)**	(45,903)
Facility expenses		**(20,899)**	(12,521)
Other expenses, net		**(32,601)**	(246,144)
Profit before income tax expense		**8,796,595**	8,919,648
Income tax expense	5	**(3,066,796)**	(2,500,836)
Net profit for the year		**5,729,799**	6,418,812
OTHER COMPREHENSIVE INCOME			
Foreign currency translation		**-**	27,260
Other comprehensive (loss)/income for the year, net of tax		**-**	27,260
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,729,799**	6,446,072

SEE ACCOMPANYING NOTES (1 TO 17) FORMING PART OF THE FINANCIAL STATEMENTS.

Statement of Financial Position

(Amount in AUD)

	Note	As at March 31, 2024	As at March 31, 2023
Current assets			
Cash and cash equivalents	7	**8,466,171**	9,287,912
Trade and other receivables	8	**8,341,637**	11,167,718
Other current assets	9	**181,786**	279,536
Total current assets		**16,989,594**	20,735,166
Non-current assets			
Deferred tax assets (net)	10	**71,579**	164,479
Income tax assets (net)		**-**	722,417
Total non-current assets		**71,579**	886,896
Total assets		**17,061,173**	21,622,062
Current liabilities			
Trade and other payables	11	**1,137,740**	1,928,428
Borrowings-Loan from related parties	15	**6,027,421**	6,027,421
Total current liabilities		**7,165,161**	7,955,849
Total liabilities		**7,165,161**	7,955,849
Net Assets		**9,896,012**	13,666,213
Equity			
Share capital	12	**4**	4
Accumulated profits		**9,896,008**	13,666,209
Total equity		**9,896,012**	13,666,213

SEE ACCOMPANYING NOTES (1 TO 17) FORMING PART OF THE FINANCIAL STATEMENTS.

Statement of Changes in Equit

(Amount in AUD)

	Share Capital	Accumulated profits	Foreign Currency Translation reserve	Total
Balance as at March 31, 2022	4	15,247,397	(27,260)	15,220,141
Profit for the year	-	6,418,812	-	6,418,812
Other comprehensive income	-	-	27,260	27,260
Total comprehensive income	-	6,418,812	27,260	6,446,072
Dividend paid	-	(8,000,000)	-	(8,000,000)
Balance as at March 31, 2023	**4**	**13,666,209**	**-**	**13,666,213**
Profit for the year	**-**	**5,729,799**	**-**	**5,729,799**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**5,729,799**	**-**	**5,729,799**
Dividend paid	**-**	**(9,500,000)**	**-**	**(9,500,000)**
Balance as at March 31, 2024	**4**	**9,896,008**	**-**	**9,896,012**

SEE ACCOMPANYING NOTES (1 TO 17) FORMING PART OF THE FINANCIAL STATEMENTS.

Statement of Cash Flow

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Cash received from customers	**13,773,105**	11,629,796
Cash paid to suppliers, employees and others	**(2,923,713)**	(2,917,716)
Income tax paid	**(2,387,767)**	(2,566,955)
Net cash flows generated from operating activities	**8,461,625**	6,145,125
Cash flows from financing activities		
Interest received	**216,634**	11,129
Proceeds from sale of Investment	**-**	7,227,539
Dividends paid	**(9,500,000)**	(8,000,000)
Net cash flows used in financing activities	**(9,283,366)**	(761,332)
Effect of movements in exchange rates on cash held	**-**	27,260
Net increase/(decrease) in cash and cash equivalents	**(821,741)**	5,383,793
Cash and cash equivalents at the beginning of the financial year	**9,287,912**	3,876,859
Cash and cash equivalents at the end of year (Refer Note No.7)	**8,466,171**	9,287,912

SEE ACCOMPANYING NOTES (1 TO 17) FORMING PART OF THE FINANCIAL STATEMENTS.

Notes forming part of the Financial Statements

1. REPORTING ENTITY

TCS Financial Solutions Australia Pty Limited (the "Company") is a Company limited by shares, incorporated and domiciled in Australia. The registered office address is TCS Financial Solutions Australia Pty Limited, Level 6, 76 Berry Street, North Sydney NSW 2060. TCS FNS Pty Ltd is the parent entity holding 100% of shares of the company. The main business of the company is to create computer software for banking and to market and license the software worldwide and to provide maintenance services.

2. BASIS OF PREPARATION

a. Basis of accounting

These financial statements are general purpose financial statements for distribution to the shareholder and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

The statement of cash flows have been prepared under direct method, disclosing major classes of gross cash receipts and payments related to operating activities.The Accounting Standards require cash flows from interest ,Proceeds from sale of Investment and dividends received and paid to be disclosed separately.

The financial statements were authorised for issue by the directors on 01 May, 2024.

b. Basis of measurement

The financial statements have been prepared on historical cost basis at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3. MATERIAL ACCOUNTING POLICIES

The Company also adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023 but they do not have a material effect on the Companies financial statements.

a. Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments,do not meet the definition of income taxes, and therefore accounted for them under AASB 137 Provisions, Contingent Liabilities and Contingent.

Notes forming part of the financial statements

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combina^on; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Tax consolidation

The Company is part of a tax consolidated group headed by the Holding Company within Australia and is not the tax parent of this group.

Current tax expense and deferred tax balances arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate tax payer within the group' approach.

The Company has entered into a tax sharing agreement with the head entity. The tax sharing agreement in the opinion of the directors, limits the joint and several liability of the other entities within the Tax Consolidated Group in case of a default by the Company.

The entities in the Tax Consolidated Group have also entered into a Tax Funding Agreement under which the Company fully compensate the head entity for any current tax payable assumed and is compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred

Notes forming part of the financial statements

to the head entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the Company's financial statements.

b. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of the financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of any direct issue costs.

c. Impairment

Financial assets (other than at fair value)

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. AASB 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes forming part of the financial statements

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

d. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

e. Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on¬costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

f. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

g. Revenue

The Company earns revenue primarily from sale of computer software for banking and to market and license the software worldwide and to provide maintenance services.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Notes forming part of the financial statements

- Revenue from time and material and job contracts is recognised on an output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using the percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues includes the cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue at the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of an enforceable right to payment for performance to date and any alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contracts is recognised using the percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Notes forming part of the financial statements

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is an unconditional right to receive cash, and the only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with AASB 137, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

The billing to customers follow different schedules based upon the nature and type of goods and services being transferred. The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within a contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews any modifications to a contract in conjunction with the original contract on the 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 that the transaction price is revised for an existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

h. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

j. Adoption of new and revised accounting standards

In the current year, the Company has not adopted any new accounting standards.

Notes forming part of the financial statements

4. REVENUE

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities		
Consultancy revenue	**2,178,748**	1,680,422
License fees	**8,768,276**	9,213,088
Total	**10,947,024**	10,893,510
Non operating activities		
Interest received	**216,634**	11,129
Profit on sale of investment	**-**	179,490
Total	**216,634**	190,619

Revenue disaggregation by industry vertical is as follows:

(Amount in AUD)

Industry vertical	For the year ended March 31, 2024	For the year ended March 31, 2023
Banking , financial services and insurance	**10,947,024**	10,893,510
Total	**10,947,024**	10,893,510

Revenue disaggregation by geography is as follows:

(Amount in AUD)

Geography	For the year ended March 31, 2024	For the year ended March 31, 2023
Asia Pacific	**2,216,539**	1,722,298
India	**8,730,485**	9,171,212
Total	**10,947,024**	10,893,510

Geographical revenue is allocated based on the location of the customers.

Revenue disaggregation by timing of revenue recognition is as follows:

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recongnised at a point in time	**8,802,677**	9,213,088
Revenue recongnised over time	**2,144,347**	1,680,422
Total	**10,947,024**	10,893,510

Notes forming part of the financial statements

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in AASB 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to the customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is AUD$ 1,944,773 out of which AUD$ 1,057,308 (54.37%) is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

5. INCOME TAX (EXPENSE) / INCOME

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense	**(2,537,215)**	(2,760,094)
Tax expense related to prior years	**(436,681)**	193,139
Deferred tax (expense)/ benefit	**(92,900)**	66,119
Total	**(3,066,796)**	(2,500,836)
Reconciliation of effective tax rate		
Profit before tax	**8,796,595**	8,919,648
Current tax provision @ 30% (2023: 30%)	**(2,638,979)**	(2,675,895)
Over/(under) provision from prior year	**(436,681)**	193,139
Non-assessable income	**8,864**	(18,080)
Total	**(3,066,796)**	(2,500,836)

6. AUDITOR'S REMUNERATION

Remuneration of the auditor of TCS Financials Solutions Australia Pty Ltd for auditing the financial statements, taxation and other services

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
- For audit of the financial statements	**36,281**	35,438
Total	**36,281**	35,438

Notes forming part of the financial statements

7. CASH AND CASH EQUIVALENTS

(Amount in AUD)

	As at March 31, 2024	As at March 31, 2023
Balances with banks	**1,966,171**	1,987,912
Deposit with banks	**6,500,000**	7,300,000
Total	**8,466,171**	9,287,912

8. TRADE AND OTHER RECEIVABLES

(Amount in AUD)

	As at March 31, 2024	As at March 31, 2023
Trade receivables	**695,185**	683,288
Allowance for impairment of receivables	**-**	(37,137)
Amounts due from related parties	**3,632,968**	6,349,283
Unbilled receivables	**3,986,757**	4,171,984
Other receivables	**26,727**	300
Total	**8,341,637**	11,167,718

9. OTHER CURRENT ASSETS

(Amount in AUD)

	As at March 31, 2024	As at March 31, 2023
Prepayments	**119,321**	217,491
Contract assets	**26,000**	62,045
Other	**36,465**	-
Total	**181,786**	279,536

Movement in contract assets is given below :

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance as on April 1,	**62,045**	80,982
+ Revenue recognised during the year	**13,694**	50,866
- Invoices raised during the year	**(49,137)**	(89,990)
- Translation	**(602)**	20,187
Closing balance as on March 31,	**26,000**	62,045

Notes forming part of the financial statements

10. DEFERRED TAX ASSETS

(Amount in AUD)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Deferred tax assets (net)	**71,579**	164,479
Total	**71,579**	164,479

Movement in deferred tax balance

(Amount in AUD)

March 31, 2024	Opening	Recognised in profit & loss	Closing
Property, plant & equipment	**898**	**(236)**	**662**
Doubtful debts	**5,569**	**(5,569)**	**-**
Unearned and deferred revenue	**126,148**	**(89,057)**	**37,091**
Other temporary differences	**31,864**	**1,962**	**33,826**
Total	**164,479**	**(92,900)**	**71,579**

(Amount in AUD)

March 31, 2023	Opening	Recognised in profit & loss	Closing
Property, plant & equipment	1,260	(362)	898
Doubtful debts	7,889	(2,320)	5,569
Unearned and deferred revenue	50,243	75,905	126,148
Other temporary differences	38,968	(7,104)	31,864
Total	98,360	66,119	164,479

11. TRADE AND OTHER PAYABLES

(Amount in AUD)

	As at March 31, 2024	As at March 31, 2023
Current		
Amounts due to related parties	**865,345**	1,383,906
Amounts due to others	**17,066**	-
Accrued expenses	**131,697**	124,033
Unearned and deferred revenue	**123,632**	420,489
Total	**1,137,740**	1,928,428

Notes forming part of the financial statements

Movement in unearned and deferred revenue is given below :

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance as on April 1,	**420,489**	167,474
- revenue recognised during the year	**(420,236)**	(167,474)
+ Invoices raised during the year	**123,718**	421,326
+/- Translation	**(339)**	(837)
Closing balance as on March 31,	**123,632**	420,489

12. SHARE CAPITAL

(Amount in AUD)

	As at March 31, 2024	As at March 31, 2023
Ordinary shares	**4**	4
Issued and fully paid	**4**	4

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

There has been no movement in ordinary shares on issue during the current or previous two financial years.

Ordinary shares participate in dividends and proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

13. RESERVES

a. Profit reserve

The profit reserve comprises the transfer of profit for the year. Dividend of AUD$ 9,500,000 distributed during the year.

b. Dividend

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Final dividend	**9,500,000**	8,000,000

On 05 September 2023 the Board has declared Dividend of AUD 9,500,000 which was paid on 06 September 2023.

Notes forming part of the financial statements

14. CONTINGENT LIABILITIES

The Company had no contingent liabilities or assets as at March 31, 2024 (as at March 31, 2023-Nil).

15. RELATED PARTY TRANSACTIONS

Transactions with related parties

For the year ended March 31, 2024

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With TCS FNS Pty Limited, Holding Company	With Tata Consultancy Services Limited, Parent Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Revenue from sale of services and licenses	-	-	8,730,486	-	-	8,730,486
Purchases of goods and services (including reimbursement)	-	-	1,601,093	379,873	-	1,980,966
Brand equity contribution	5,541	-	-	-	-	5,541
Rent paid	-	-	18,272	-	-	18,272
Communication expense	-	-	3,600	-	-	3,600
Dividend paid	-	9,500,000	-	-	-	9,500,000
Total	5,541	9,500,000	10,353,451	379,873	-	20,238,865

For the year ended March 31, 2023

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With TCS FNS Pty Limited, Holding Company	With Tata Consultancy Services Limited, Parent Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Revenue from sale of services and licenses	-	-	9,171,213	-	-	9,171,213
Purchases of goods and services (including reimbursement)	-	-	1,373,175	243,822	3,710	1,620,707
Brand equity contribution	4,306	-	-	-	-	4,306
Rent paid	-	-	11,303	-	-	11,303
Communication expense	-	-	3,600	-	-	3,600
Sale of Investment	-	-	-	-	7,407,029	7,407,029
Dividend paid	-	8,000,000	-	-		8,000,000
Total	4,306	8,000,000	10,559,291	243,822	7,410,739	26,218,158

Notes forming part of the financial statements

Balances with related parties

As at March 31, 2024

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With TCS FNS Pty Limited, Holding Company	With Tata Consultancy Services Limited, Parent Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Trade receivables	-	-	3,632,968	-	-	3,632,968
Trade payables, accrued expenses						
Other financial liabilities and Other liabilities	5,541	414,421	445,383	-	-	865,345
Loans from related parties	-	6,027,421	-	-	-	6,027,421
Unbilled receivables	-	-	3,986,757	-	-	3,986,757
Prepaid expenses	-	-	111,269	-	-	111,269
Total	**5,541**	**6,441,842**	**8,176,377**	**-**	**-**	**14,623,760**

As at March 31, 2023

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With TCS FNS Pty Limited, Holding Company	With Tata Consultancy Services Limited, Parent Company	With Tata Consultancy Services (Philippines) Inc, Fellow Subsidiary	With Tata Consultancy Services (China) Co. Ltd., Fellow Subsidiary	Total
Trade receivables	-	-	6,349,282	-	-	6,349,282
Trade payables, accrued expenses	4,306	923,059	387,127	65,700	3,714	1,383,906
Other financial liabilities and Other liabilities						
Loans from related parties	-	6,027,421	-	-	-	6,027,421
Unbilled receivables	-	-	4,171,984	-	-	4,171,984
Prepaid expenses	-	-	181,978	-	-	181,978
Total	4,306	6,950,480	11,090,371	65,700	3,714	18,114,571

16. EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of March 31, 2024, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Notes forming part of the financial statements

17. DEED OF CROSS GUARANTEE

The Company has entered a deed of cross-guarantee with its holding company, TCS FNS Pty Limited.

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the Company guarantees to each creditor payment in full of any debt in the event of winding up of the companies under provisions of the Corporations Act, 2001. If a winding up occurs under the provisions of the Act, the Company will only be liable if after six months any creditor has not been paid in full.

The Company has also given similar guarantees if the Parent is wound up.

A statement of comprehensive income and statement of financial position, comprising the Company which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 31 March 2024 is set out as follows:

Statement of Profit or Loss and Other Comprehensive Income

(Amount in AUD)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue	**10,947,024**	10,893,510
Other income, net	**216,634**	11,129
Expenses		
Selling, general and administrative expenses	**(2,369,161)**	(1,986,216)
Foreign exchange gain/(loss)	**(25,563)**	(205,636)
Finance costs	**(1,662)**	(1,949)
Profit before income tax expense	**8,767,272**	8,710,838
Income tax expense	**(3,353,383)**	(3,022,228)
Profit from continuing operations	**5,413,889**	5,688,610
Discontinued Operation (Disposal of a foreign subsidiary)		
Profit (loss) from discontinued operation, net of tax	**-**	(850,068)
Profit on sale of investment in Discontinued Operation	**-**	1,858,900
Profit for the year	**5,413,889**	6,697,442
Other comprehensive income		
Foreign currency translation	**-**	-
Other comprehensive (loss)/income for the year, net of tax	**-**	-
Total comprehensive income for the year	**5,413,889**	6,697,442

Notes forming part of the financial statements

Statement of Financial Position

(Amount in AUD)

	As at March 31, 2024	As at March 31, 2023
Current assets		
Cash and cash equivalents	**8,468,967**	9,290,762
Trade and other receivables	**8,341,637**	11,167,718
Current tax asset	**-**	115,212
Other current assets	**181,786**	251,026
Total current assets	**16,992,390**	20,824,718
Non-current assets		
Deferred tax assets (net)	**2,141,413**	2,550,154
Total non-current assets	**2,141,413**	2,550,154
Total assets	**19,133,803**	23,374,872
Current liabilities		
Trade and other payables	**723,318**	976,857
Income tax payable (net)	**98,581**	-
Total current liabilities	**821,899**	976,857
Total liabilities	**821,899**	976,857
Net assets	**18,311,904**	22,398,015
Net assets		
Share capital	**37,258,815**	37,258,815
Accumulated profits	**(18,946,911)**	(14,860,800)
Reserve	**-**	-
Total equity	**18,311,904**	22,398,015

Notes forming part of the financial statements

DIRECTORS' DECLARATION

1. In the opinion of the directors of TCS Financial Solutions Australia Pty Limited (" the Company")

   (a) the Company is not publicly accountable.

   (b) the financial statements and notes, set out on pages (6 to 21), are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the financial position of the Company as at March 31, 2024 and of its performance for the financial year ended on that date and

      (ii) complying with Australian Accounting Standards- Simplified Disclosure Requirements and the Corporations Regulations 2001; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the Group entities identified in the Note will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Signed in accordance with a resolution of the directors

____

Neville J Roach Director

Date: 01 May, 2024

INDEPENDENT AUDITOR'S REPORT

To the shareholder of
TCS Financial Solutions Australia Pty Limited

Opinion

We have audited the Financial Report of TCS Financial Solutions Australia Pty Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

The Financial Report comprises:

- Statement of financial position as at 31 March 2024
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of material accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audits of the Financial Report section of our report.

We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in the Company's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinions on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error

- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Adam Bird

Partner

Sydney

1 May 2024

TCS FINANCIAL SOLUTIONS BEIJING CO. LTD

FOR THE YEAR ENDED
31 DECEMBER 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITORS' REPORT

GTCSZ (2024) No. 110C000487

TCS FINANCIAL SOLUTIONS BEIJING CO. LTD:

Opinion

We have audited the financial statements of TCS Financial Solutions Beijing Co. Ltd (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of income, statement of changes in equity and statement of cash flows from January 2023 to December 2023, and the notes to the financial statements.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows from January 2023 to December 2023 in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* Section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charge with Governance for the Financial Statement

Management of the Company is responsible for the preparation and fair presentation of the financial statement in accordance with Enterprises Accounting System , and for such internal control as management determines in necessary to enable the preparation of financial statements that are free form material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregation, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the misstatemment resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify out opinion. Our conclusions ate based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

Beijing China
Date: 18 February 2024

Balance Sheet as at 31 December 2023

(Expressed in RMB)

Item	Note	As at 31/12/2023	As at 31/12/2022
Current assets:			
Cash and cash equivalents	6.1	**14,630,891.85**	5,424,127.67
Financial assets at fair value through profit or loss		**-**	-
Notes receivable		**-**	-
Accounts receivable	6.2	**26,110,426.01**	34,245,147.54
Prepayments		**-**	-
Interest receivable		**4,111.78**	219.18
Dividends receivable		**-**	-
Other receivables	6.3	**3,699.68**	18,510.70
Inventories		**-**	-
Non-current assets maturing within one year		**-**	-
Other current assets	6.4	**68,082.48**	64,355.59
Total current assets		**40,817,211.80**	39,752,360.68
Non-current assets:			
Available-for-sale financial assets		**-**	-
Held-to-maturity investments		**-**	-
Long-term receivables		**-**	-
Long-term equity investments		**-**	-
Investment property		**-**	-
Fixed assets	6.5	**43,940.72**	112,301.00
Construction in progress		**-**	-
Productive biological assets		**-**	-
Oil and gas assets		**-**	-
Intangible assets		**-**	-
Development expenditure		**-**	-
Goodwill		**-**	-
Long-term deferred expenses		**-**	-
Other non-current assets		**-**	-
Total non-current assets		**43,940.72**	112,301.00
TOTAL ASSETS		**40,861,152.52**	39,864,661.68

Balance Sheet (continued)

(Expressed in RMB)

Item	Note	As at 31/12/2023	As at 31/12/2022
Current liabilities:			
Short-term loans		-	-
Financial liabilities at fair value through profit or loss		-	-
Notes payable		-	-
Accounts payable		**1,252,708.36**	2,282,483.48
Advances from customers		**140,735.70**	336,956.62
Salaries and employee benefits payable	6.6	**5,853,385.85**	5,187,849.23
Taxes payable	6.7	**150,451.10**	317,026.68
Other payables		**752,801.20**	495,918.20
Non-current liabilities maturing within one year		-	-
Other current liabilities		-	-
Total current liabilities		**8,150,082.21**	8,620,234.21
Non-current liabilities:		-	-
Long-term loans		-	-
Debentures payable		-	-
Long-term payables		-	-
Long-term employee benefits payable		-	-
Provisions		-	-
Other non-current liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		**8,150,082.21**	8,620,234.21
Share capital	6.8	**36,660,950.00**	36,660,950.00
Capital reserve		-	-
Less: treasury shares		-	-
Other comprehensive income		-	-
Specific reserve		-	-
Surplus reserve	6.9	**1,397,460.41**	1,397,460.41
Retained earnings	6.10	**-5,347,340.10**	-6,813,982.94
Total equity attributable to shareholders of the Company		**32,711,070.31**	31,244,427.47
Non-controlling interests			
Total owners' equity		**32,711,070.31**	31,244,427.47
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**40,861,152.52**	39,864,661.68

THE NOTES ON PAGES 23.10 TO 23.19 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department:**

Income statement for the year ended 31 December 2023

(Expressed in RMB)

Item	Note	Year ended 31/12/2023	Year ended 31/12/2022
I. OPERATING INCOME	6.11	**52,495,115.76**	42,740,490.11
Less:operating costs	6.11	**32,998,685.57**	30,174,996.13
Taxes and surcharges	6.12	**317,036.68**	321,890.18
Selling and distribution expenses		**5,494,852.15**	7,255,451.25
General and administrative expenses		**12,220,266.46**	11,256,762.77
Financial expenses	6.13	**55,406.62**	461,828.18
Including: Interest expenses	6.13	**69,524.39**	419,890.69
Interest income	6.13	**18,823.27**	36,181.24
Net foreign exchange losses ("-" denotes gains)	6.13	**240.40**	72,297.88
Impairment losses		**-**	-840,188.64
Add: Other income		**-**	-
Investment income ("-" for losses)		**-**	-
Including: Income from investment in associates and joint ventures ("-" for losses)		**-**	-
Gains from changes in fair value (''-" for losses)		**-**	-
Gains from assets disposal ("-" for losses)		**-**	-
II. OPERATING PROFIT ("-" FOR LOSSES)		**1,408,868.28**	-5,890,249.76
Add: Non-operating income	6.14	**57,774.56**	16,790.56
Less: Non-operating expenses	6.15	**-**	97,155.22
III. PROFIT BEFORE INCOME TAX ("-" FOR LOSSES)		**1,466,642.84**	-5,970,614.42
Less: Income tax expenses		**-**	-
IV. NET PROFIT FOR THE YEAR ("-" FOR NET LOSSES)		**1,466,642.84**	-5,970,614.42
Including: Net profit from continuing operations ("-" for net loss)		**1,466,642.84**	-5,970,614.42
Net profit from discontinued operations ("-" for net loss)		**-**	-
V. OTHER COMPREHENSIVE INCOME, NET OF TAX		**-**	-
VI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,466,642.84**	-5,970,614.42

THE NOTES ON PAGES 23.10 TO 23.19 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department**:

Cash Flow Statement for the year ended 31 December 2023

(Expressed in RMB)

Item	Note	Year ended 31/12/2023	Year ended 31/12/2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of goods or rendering of services		**64,015,493.93**	49,608,057.66
Refund of taxes		**44,368.67**	
Proceeds from other operating activities		**286,624.69**	330,068.45
Sub-total of cash inflows		**64,346,487.29**	49,938,126.11
Cash paid for goods and services		**3,513,271.56**	9,910,208.70
Cash paid to and on behalf of employees		**45,478,597.41**	44,022,362.87
Tax payments		**4,050,579.45**	3,587,769.06
Cash paid relating to other operating activities		**2,027,509.90**	6,753,202.46
Sub-total of cash outflows		**55,069,958.32**	64,273,543.09
Net cash flows from operating activities		**9,276,528.97**	-14,335,416.98
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from disposal of investments		**-**	-
Cash received from return on investments		**-**	-
Cash received from disposal of fixed assets, intangible assets and other long-term assets		**-**	-
Cash receipts relating to other investing activities		**-**	-
Sub-total of cash inflows		**-**	-
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**-**	49,513.27
Cash paid to acquire investment		**-**	-
Payment for other investing activities		**-**	-
Sub-total of cash outflows		**-**	49,513.27
Net cash flows from investing activities		**-**	-49,513.27
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from capital contributions		**-**	-
Cash received from borrowings		**7,000,000.00**	10,000,000.00
Cash receipts relating to other financing activities		**-**	-
Sub-total of cash inflows		**7,000,000.00**	10,000,000.00
Repayments of borrowings		**7,000,000.00**	10,000,000.00
Dividends paid, profit distribution and interest paid		**69,524.39**	419,890.69
Cash payments relating to other financing activities		**-**	-
Sub-total of cash outflows		**7,069,524.39**	10,419,890.69
Net cash flows from financing activities		**-69,524.39**	-419,890.69
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**-240.40**	-72,297.88
NET INCREASE IN CASH AND CASH EQUIVALENTS		**9,206,764.18**	-14,877,118.82
Add: Cash and cash equivalents at the beginning of the period		**5,424,127.67**	20,301,246.49
Cash and cash equivalents at the end of the period		**14,630,891.85**	5,424,127.67

THE NOTES ON PAGES 23.10 TO 23.19 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department**:

Company's Statement of Changes in Shareholders' Equity

(Expressed in RMB)

Item	For the year ended 31 December 2023							
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
1. BALANCE AS AT THE END OF LAST YEAR	**36,660,950.00**					**1,397,460.41**	**-6,813,982.94**	**31,244,427.47**
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
2. BALANCE AT THE BEGINNING OF THE YEAR	**36,660,950.00**					**1,397,460.41**	**-6,813,982.94**	**31,244,427.47**
3. CHANGES IN EQUITY DURING THE YEAR ("-" FOR DECREASE)							**1,466,642.84**	**1,466,642.84**
3.1 Net profit for the period							**1,466,642.84**	**1,466,642.84**
3.2 Other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
3.3 Share capital by or returned to investors	-	-	-	-	-	-	-	-
a. Share capital injected by investors	-	-	-	-	-	-	-	-
b. Issurance of share pursuant to the exercise of share options	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
3.4 Specific Reserve	-	-	-	-	-	-	-	-
a. Appropriation during the year	-	-	-	-	-	-	-	-
b. Utilisation during the year	-	-	-	-	-	-	-	-
3.5 Appropriation of profits	-	-	-	-	-	-	-	-
a. Transfer to surplus reserves	-	-	-	-	-	-	-	-
Including: Statutory surplus	-	-	-	-	-	-	-	-
Discretionary surplus reserve	-	-	-	-	-	-	-	-
General reserve fund	-	-	-	-	-	-	-	-
Enterprise expansion fund	-	-	-	-	-	-	-	-
b. General risk allowance	-	-	-	-	-	-	-	-
c. Distributions to shareholders	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-	-
3.6 Transfer within equity	-	-	-	-	-	-	-	-
a. Capital reserves converting into share capital	-	-	-	-	-	-	-	-
b. Surplus reserves converting into share capital	-	-	-	-	-	-	-	-
c. Surplus reserves cover the deficit	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-	-
4. BALANCE AT THE END OF THE YEAR	**36,660,950.00**	-	-	-	-	**1,397,460.41**	**-5,347,340.10**	**32,711,070.31**

THE NOTES ON PAGES 23.10 TO 23.19 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: The person in charge of accounting affairs: The head of the accounting department:

Company's Statement of Changes in Shareholders' Equity

Expressed in RMB

Item	For the year ended 31 December 2022							
	Share capital	Capital reserve	Less: treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
1. BALANCE AS AT THE END OF LAST YEAR	36,660,950.00					1,397,460.41	-843,368.52	37,215,041.89
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
2. BALANCE AT THE BEGINNING OF THE YEAR	36,660,950.00	-	-	-	-	1,397,460.41	-843,368.52	37,215,041.89
3. CHANGES IN EQUITY DURING THE YEAR ("-" FOR DECREASE)	-	-	-	-	-	-	-5,970,614.42	-5,970,614.42
3.1 Net profit for the period	-	-	-	-	-	-	-5,970,614.42	-5,970,614.42
3.2 Other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
3.3 Share capital by or returned to investors	-	-	-	-	-	-	-	-
a. Share capital injected by investors	-	-	-	-	-	-	-	-
b. Issurance of share pursuant to the exercise of share options	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
3.4 Specific Reserve	-	-	-	-	-	-	-	-
a. Appropriation during the year	-	-	-	-	-	-	-	-
b. Utilisation during the year	-	-	-	-	-	-	-	-
3.5 Appropriation of profits	-	-	-	-	-	-	-	-
a. Transfer to surplus reserves	-	-	-	-	-	-	-	-
Including: Statutory surplus	-	-	-	-	-	-	-	-
Discretionary surplus reserve	-	-	-	-	-	-	-	-
General reserve fund	-	-	-	-	-	-	-	-
Enterprise expansion fund	-	-	-	-	-	-	-	-
b. General risk allowance	-	-	-	-	-	-	-	-
c. Distributions to shareholders	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-	-
3.6 Transfer within equity	-	-	-	-	-	-	-	-
a. Capital reserves converting into share capital	-	-	-	-	-	-	-	-
b. Surplus reserves converting into share capital	-	-	-	-	-	-	-	-
c. Surplus reserves cover the deficit	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-	-
4. BALANCE AT THE END OF THE YEAR	36,660,950.00	-	-	-	-	1,397,460.41	-6,813,982.94	31,244,427.47

THE NOTES ON PAGES 23.10 TO 23.19 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **The person in charge of accounting affairs:** **The head of the accounting department:**

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

I. COMPANY'S PROFILE

TCS Financial Solutions Beijing Co. Ltd ("the Company") is a wholly owned foreign enterprise incorporated in Beijing on Dec 29, 2006 and approved by People's Government of Beijing. The registered capital of the Company is USD 250,000.00 and obtained the business certificate No. 110000410305201. The registered capital of the Company was increased to USD 5,250,000.00 on Jan 8 2016 and has been verified by Beijing Zhongpingjian Accounting Firm with verification report No. (2007) Zhongpingjian yanzi. The relevant business certificate was amended to No. 911101057967022OXQ.

Investor	Investment%
TCS Financial Solutions Australia Pty Ltd	100%

In accordance with the resolution of the Board of Directors of the Company on March 3, 2023, it was agreed that TCS Financial Solutions Australia Pty Ltd would transfer 100% of its original shareholding in the Company to Tata Consultancy Services (China) Co., Ltd. According to the Shareholders' Decision and the Investment Transfer Agreement signed on 6 March 2023, TCS Financial Solutions Australia Pty Ltd transferred 100% of its shareholding in the Company to Tata Consultancy Services (China) Co., Ltd on 10 March 2023. The agreement stipulates that the articles of association shall be amended and the registered capital of the company shall become RMB 36,660,950.00. And the business certificate is renewed on March 16, 2023. The investors are as follows:

Investor	Investment%
Tata Consultancy Services (China) Co., Ltd	100%

The Company's business scope: research and development of computer hardware and software; computer system integration; technical consultation; technical services; Selling self-developed products. (For projects subject to approval according to law, business activities shall be carried out according to the approved contents after approval by relevant departments.)

II. BASIS OF PREPARATION

The Company implemented the Enterprise Accounting System and its supplementary provisions. The presentation shall be made in accordance with the statement format stipulated in the Notice on Printing and Distributing 2013 Annual Financial and Accounting Statements of Foreign-invested Enterprises (No. Caiqi[2013]323).

The financial statements of the Company have been prepared on going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

[1] Accounting System

The Company implemented the Enterprise Accounting System and its supplementary provisions.

[2] Accounting Period

The accounting period of the Company is from 1 January to 31 December.

[3] Functional currency

The Company use Renminbi ("RMB") as their functional currency

[4] Accounting basis and valuation principles

The Company adopts the accrual basis and the principle of valuation is based on actual cost.

[5] Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates pubished by People's Bank of China on the dates of the transactions. At the end of the period, adjustments shall be made according to the spot exchange rates, and the difference arising from the purchase and construction of fixed assets shall be included in the purchase and construction cost of the relevant fixed assets before they reach the intended use ; The long-term deferred expenses incurred during the preparation period that have nothing to do with the purchase and construction of fixed assets; belong to the period of production and operation into the financial expenses.

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

[6] Cash equivalents

Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

[7] Bad debts

The Company adopts the allowance method to account for bad debt losses. The provision for doubtful accounts (including receivables and other receivables) at the end of the period shall be made by specific identification method.

For related party balance, it is based on specific identification method.

According to the previous experience, the actual financial situation and cash flow of the debtor and other relevant information, for the receivables with obvious differences between the collectibility and other funds, the bad debt reserve shall be calculated and withdrawn by using the specific identification method

The criteria for recognizing bad debts are:

(1) If the debtor is declared bankrupt or revoked according to law, it shall obtain relevant materials such as the bankruptcy declaration, the cancellation of industrial and commercial registration or the revocation of license, or the documents ordered to close down by the government departments, and after deducting the part of the debtor's liquidated property for repayment, the receivables that cannot be recovered shall be regarded as bad debt losses;

(2) If the debtor dies or is declared missing or dead according to law, and his property or estate is insufficient to pay off the debts and there is no heir, the receivables shall be deemed as bad debt losses after obtaining the relevant legal documents;

(3) The receivables related to the lawsuit, where the judgment or order of the effective judgment or order of the people's court is lost, or where the execution is terminated due to the fact that the judgment or order cannot be executed due to the victory of the lawsuit, shall be regarded as the bad debt loss;

[8] Fixed assets and Depreciation

Fixed assets of the Company refer to the houses, buildings, machinery and equipment, transportation equipment and other equipment held for the production of goods, provision of labor services, rental or management with a useful life of more than 1 year and a high unit value. Fixed assets arc recorded at the cost of acquisition.

The cost of a fixed asset is depreciated using the straight-line method, the estimated useful lives, residual value rates (The expected residual value rate is 0%) and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Depreciation rate %
Office Equipment	5-10 years	10-20
Computer and network communication equipment	4years	25
Office furniture	5 years	20%

At the end of the period, the Company shall inspect the fixed assets item by item. If the recoverable amount is lower than the book value due to the continuous decline of market price, obsolete technology, damage, long-term idleage and other reasons, the Company shall make provision for impairment of fixed assets. When making provision for impairment of fixed assets, the difference between the recoverable amount of a single fixed asset and its carrying value shall be recognized.

[9] Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalised borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use. Construction in progress is transferred to fixed asset when it is ready for its intended use.

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

[10] Intangible assets

Intangible assets are stated at actual cost upon acquisition. The company used straight-line method during their useful life. Amortisation method for intangible assets with finite useful lives is as follows:

Categories	Useful life (years)
Software	5 years

At the end of the period, the company should inspect of intangible assets item by item, when following cirnces existed, the impairment of intangible assets should be made:

(i) An intangible assets has been replaced by other new technology, so that the make its ability to create economic benefits for the enterprise suffers a serious adverse effect;

(ii) The market price of a certain intangible asset drops significantly in the current period and is not expected to recover within the remaining amortization year;

(iii) Some intangible assets have exceeded the legal protection period, but still have part of value in use;

(iv) Other circumstances that are sufficient to prove that a certain intangible asset has actually experienced impairment in value.

When making provision for impairment of an intangible asset, it shall be recognized as the difference between the recoverable amount of an individual intangible asset and its carrying value.

At the end of the period, if the company expects that an intangible asset can no longer bring future economic benefits to the enterprise, it shall transfer all the book value of the intangible asset into the current management expense.

[11] Long-term deferred expenses

The expense of improvement of leased fixed assets and amortized using a straight-line method within the benefit period, which is 5 years.

[12] Revenue

(1) Rendering of services

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognised by the percentage of the cost happened over estimated total cost.

If the result of the transaction of providing labor services cannot be estimated reliably, the labor income provided shall be recognized according to the amount of labor cost that has occurred and is expected to be compensated, and the labor cost that has occurred shall be taken as the current expense. If the labor costs that have occurred are not expected to be compensated, the income shall not be recognized.

(2) Revenues from software licenses

Revenues from software licenses is based on the nature of the relevant agreement, usually after the completion of the various stages of software installation. Revenue is recognized when it is probable that the economic benefits will flow to the Company, and the revenue and the cost can be measured reliably.

[13] Leases

In an operating lease, rental expenses are recognized as expenses by the straight-line method during each period of the lease term.

[14] Income Tax

The company uses tax payable method for income taxes.

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

IV. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND CORRECTION OF ERRORS IN PRIOR PERIODS

(1) Changes in accounting policies and estimates

During the reporting period, the Company has no changes in accounting policies and accounting estimates.

(2) Correction of major accounting errors

During the reporting period, the company does not have any correction of major accounting errors.

V. TAXATION

Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate %
VAT	Taxable income	6,13
Urban maintenance and construction tax	Turnover tax payable	7
Education surcharge	Turnover tax payable	3
Local education surcharge	Turnover tax payable	2
Corporate income tax	Taxable profits	25

VI. NOTES TO THE FINANCIAL STATEMENTS

1. Cash and cash equivalents

(Expressed in RMB)

	As at 31/12/2023	As at 31/12/2022
Bank deposits	**14,630,891.85**	5,424,127.67

Including Foreign currency:

(Expressed in Renminbi Yuan)

	As at 31/12/2023			As at 31/12/2022		
Currency	Original Currency	Exchange currency rate	RMB	Original currency	Exchange rate	RMB
USD	**-**	**7.0827**	**-**	3.37	6.9525	23.43

2. Accounts Receivables

(1) Aging analysis and percentage

(Expressed in RMB)

	As at 31/12/2023			
Aging	**Amount**	**Percentage%**	**Bad debt Provision**	**Net Book Value**
Within 1 year	**19,082,768.27**	**73.08**	**-**	**19,082,768.27**
1 to 2 years	**1,746,526.91**	**6.69**	**-**	**1,746,526.91**
More than 2 years	**5,281,130.83**	**20.23**	**-**	**5,281,130.83**
Total	**26,110,426.01**	**100.00**	**-**	**26,110,426.01**

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

(Expressed in RMB)

Aging	As at 31/12/2022			
	Amount	Percentage%	Bad debt Provision	Net Book Value
Within 1 year	15,774,952.92	46.07	-	15,774,952.92
1 to 2 years	13,494,173.76	39.40	-	13,494,173.76
More than 2 years	4,976,020.86	14.53	-	4,976,020.86
Total	34,245,147.54	100.00	-	34,245,147.54

3. Other receivables

(1) Aging analysis and percentage

(Expressed in RMB)

Aging	As at 31/12/2023			
	Amount	Percentage%	Bad debt Provision	Net Book Value
Within 1 year	3,699.68	100.00	-	3,699.68
	As at 31/12/2022			
Within 1 year	18,510.70	100.00	-	18,510.70

4. Other current assets

(Expressed in RMB)

Item	As at 31/12/2023	As at 31/12/2022
Life Insurance	53,597.39	53,819.11
Office rental	11,551.87	10,536.48
Server maintenance cost	2,933.22	-
Total	68,082.48	64,355.59

5. Fixed assets and Depreciation

[1] Recognition of fixed assets

(Expressed in RMB)

Category	As at 01/01/2023	Increase during the period	Decrease during the period	As at 31/12/2023
Computer and network communication equipment	1,398,094.14	-	-	1,398,094.14
Office Equipment	374,583.95	-	-	374,583.95
Office Furniture	60,478.14	-	-	60,478.14
Total	1,833,156.23	-	-	1,833,156.23

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

(2) Accumulated Depreciation

(Expressed in RMB)

Category	As at 01/01/2023	Increase during the period	Decrease during the period	As at 31/12/2023
Computer and network communication equipment	**1,307,609.92**	**63,701.27**	**-**	**1,371,311.19**
Office Equipment	**374,583.95**	**-**	**-**	**374,583.95**
Office Furniture	**38,661.36**	**4,659.01**		**43,320.37**
Total	**1,720,855.23**	**68,360.28**	**-**	**1,789,215.51**

(3) Net book value

Category	As at 01/01/2023	As at 31/12/2023
Computer and network communication equipment	**90,484.22**	**26,782.95**
Office Equipment	**-**	**-**
Office Furniture	**21,816.78**	**17,157.77**
Total	**112,301.00**	**43,940.72**

6. Salaries and employee benefits payable

(Expressed in RMB)

Item	As at 31/12/2023	As at 31/12/2022
Salary Payable	**5,853,385 .85**	5,187,849.23

7. Taxes Payable

(Expressed in RMB)

Item	As at 31/12/2023	As at 31/12/2022
VAT	**141,935 .16**	283,059.57
Urban maintenance and construction tax and education surcharge	**8,515.94**	33,967.11
Total	**150,451.10**	317,026.68

8. Share capital

(Expressed in RMB)

Investor	01/01/2023	Increase	Decrease	31/12/2023
TCS Financial Solutions Australia Pty Ltd	**36,660,950.00**	**-**	**36,660,950.00**	**-**
Tata Consultancy Services (China) Co., Ltd	**-**	**36,660,950.00**	**-**	**36,660,950.00**
Total	**36,660,950.00**	**36,660,950.00**	**36,660,950.00**	**36,660,950.00**

Note: According to the Shareholders' Decision and the Investment Transfer Agreement signed on 6 March 2023, TCS Financial Solutions Australia Pty Ltd transferred 100% of its shareholding in the Company to Tata Consultancy Services (China) Co., Ltd.

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

9. Surplus reserve

Item	01/01/2023	Increase	Decrease	31/12/2023
Statutory surplus	1,397,460.41	-	-	1,397,460.41

10. Retained earnings

(Expressed in Renminbi Yuan)

01/01/2023	Increase during the Period	Decrease during the Period	31/12/2023
-6,813,982.94	1,466,642.84	-	-5,347,340.10

11. Operation income and cost

(Expressed in RMB)

Item	Year 2023		Year 2022	
	Revenue	Cost	Revenue	Cost
Service	52,495,115.76	32,998,685.57	42,740,490.11	30,174,996.13

12. Taxes and Surcharges

(Expressed in RMB)

Item	Year 2023	Year 2022
Urban maintenance and construction tax and education surcharge of VAT	317,036.68	321,890.18

13. Financial expenses

(Expressed in RMB)

Item	Year 2023	Year 2022
Interest expense	69,524.39	419,890.69
Less: interest income	18,823.27	36,181.24
exchange loss	-	-
Less: exchange gain	-240.40	-72,297.88
Bank service charge	4,465.10	5,820.85
Total	55,406.62	461,828.18

14. Non-operating income

(Expressed in RMB)

Item	Year 2023	Year 2022
VAT additional deduction	13,405.89	16,790.56
VAT and individual income tax refund	44,368.67	-
Total	57,774.56	16,790.56

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

15. Non-operating expenses

(Expressed in RMB)

Item	Year 2023	Year 2022
Compensation	-	97,155.22

VII. SUPPLEMENTARY INFORMATION ON CASH FLOW STATEMENT

[1] Supplement to cash flow statement:

(Expressed in RMB)

Item	Year 2023	Year 2022
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	**1,466,642.84**	-5,970,614.42
Less: Investment loss not recognized	-	-
Add: Impairment of assets	-	-840,188.64
Depreciation of fixed assets	**68,360.28**	104,784.37
Amortization of intangible assets	-	4,656.04
Accrued Expenses	-	-283,095.16
Financial expenses ("-" for income)	**69,764.79**	492,188.57
Losses arising from investment ("-" for gains)	-	-
Decrease in gross inventories ("-" for increase)	-	-
Decrease in operating receivables ("-" for increase)	**8,141,913.06**	3,946,756.59
Increase in operating payables ("-" for decrease)	**-470,152.00**	-11,789,904.33
Others	-	-
Net cash flows from operating activities	**9,276,528.97**	-14,335,416.98
2. Investing and financing activities not requiring the use of cash:	-	-
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
Acquisition of fixed assets under finance leases	-	-
3. Change in cash and cash equivalents:	-	-
Cash as at 31/12/2023	**14,630,891.85**	5,424,127.67
Less: cash as at 31/12/2022	**5,424,127.67**	20,301,246.49
Add: cash equivalents as at 31/12/2023	-	-
Less: cash equivalents as at 31/12/2022	-	-
Net increase/decrease in cash and cash equivalents	**9,206,764.18**	-14,877,118.82

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

[2] Details of cash and cash equivalents

(Expressed in RMB)

Item	Year 2023	Year 2022
1. Cash		
Including: Cash in hand	**-**	-
Bank deposits available on demand	**14,630,891.85**	5,424,127.67
Other monetary funds available on demand	**-**	-
2. Cash equivalents	**-**	-
3. Cash and cash equivalents as at the end of the period	**14,630,891.85**	5,424,127.67

VIII. RELATED PARTIES RELATIONSHIP AND TRANSACTION

1. Parent Company

Name	Registration place	Nature of business	Shareholding ratio	Voting proportion
Tata Consultancy Services (China) Co., Ltd	China	Develop and sell professional banking application software	100.00	100.00

2. Information of other related parties

Name	Relationship
Tata Sons Private Limited	Ultimate holding party

3. Related party transaction

(1) Related Purchase and sales

(D) Funding from related party

Related party	Amount	Inception date	Repayment date	Note
Funds received				
Tata Consultancy Services China Co., Ltd	**2,000,000.00**	**27/2/2023**	**3/4/2023**	**Working capital loan**
	1,000,000.00	**27/2/2023**	**24/4/2023**	
	500,000.00	**13/2/2023**	**29/6/2023**	
	500,000.00	**27/2/2023**	**29/6/2023**	
	3,000,000.00	**30/10/2023**	**28/11/2023**	

Note: The company has signed the loan agreement with Tata Consultancy Services (China) Co., Ltd on 2nd April, 2021 with 7% interest rate, and the term of the loan is 36 months. According to the agreement, the loan can be disbursed in various instalments depending upon the company's working capital needs. During calendar year 2023, the Company had borrowed and repaid the loan RMB 7,000,000.00.

[2] Interest expenses

(Expressed in RMB)

Related Party	Year 2023	Year 2022
Tata Consultancy Services (China) Co., Ltd	**65,589.05**	396,123.30

Notes forming part of the Financial Statements

(All amounts in RMB unless otherwise stated) [English Translation for Reference Only]

[3] Rent

(Expressed in RMB)

Related Party	Year 2023	Year 2022
Tata Consultancy Services (China) Co., Ltd	**601,383.91**	616,480.12

[4] Brand equity

(Expressed in RMB)

Related Party	Year 2023	Year 2022
Tata Sons Private Limited	**100,668.16**	24,626.21

4. Payables and receivables from related party

(1) Due to Related parties

(Expressed in RMB)

Related Party	As at 31/12/2023	As at 31/12/2022
Tata Consultancy Services (China) Co., Ltd	**164,744.23**	-
Tata Sons Private Limited	**100,668.16**	-
Total	**265,412.39**	-

IX. CONTINGENCIES

As at 31 December, 2023, the Company has no pending lawsuits, external guarantees or other contingencies that should be disclosed.

X. COMMITMENT

Operating lease commitment

As of the balance sheet date, the company's irrevocable operating lease contracts with other parties are as follows:

(Expressed in RMB)

The minimum lease payment for an irrevocable operating lease	As at 31/12/2023	As at 31/12/2022
First year after the balance sheet date	**12,845.91**	11,400.00

XI. EVENTS AFTER THE BALANCE SHEET DATE

As at February 18, 2024, the Company has no events after the balance sheet date to be disclosed.

TCS Financial Solutions Beijing Co. Ltd
February 18, 2024

TATA Consultancy Services Malaysia Sdn. Bhd.

(Registration No.: 200301022873 (625293-W))

(Incorporated in Malaysia)

Financial statements for the year ended 31 March 2024

TATA CONSULTANCY SERVICES CHILE S.A.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2024.

Principal activities

The Company is principally engaged in the provision of end-to-end information technology consulting and software services. There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Directors regard Tata Sons Limited, a company incorporated in India, as the ultimate holding company, during the financial year and until the date of this report.

Results

	RM
Profit for the year	32,037,779

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the amount of dividends declared and paid by the Company were as follows:

- interim ordinary dividend of RM7.00 per ordinary share in respect of the financial year ended 31 March 2024, totaling RM7,000,000 declared on 29 November 2023 and paid on 01 December 2023; and
- interim ordinary dividend of RM7.00 per ordinary share in respect of the financial year ended 31 March 2024, totaling RM7,000,000 declared on 28 February 2024 and paid on 29 February 2024.

The Directors do not recommend any final dividend in respect of the current financial year.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Vasudevan Rajagopalan (Appointed on 31 May 2023)

Girish Payangatiri Ramachandran

Manoj Ranjitsinh Rajput

Jeevan A/L Sarangam Rajoo

Rajeev Kumar Das (Resigned on 31 May 2023)

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of INR1 each			
	At 1.4.2023	Bought	Sold	At 31.3.2024
Penultimate holding company				
Tata Consultancy Services Limited				
Direct interests:				
Girish Payangatiri Ramachandran	11,000	-	6,000	5,000
Manoj Ranjitsinh Rajput	8,500	-	-	8,500
Vasudevan Rajagopalan	3,734	-	-	3,734

The other Directors holding office at 31 March 2024 did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 March 2024 are as follows:

Directors of the Company:

	RM
Remunerations	1,726,857

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, no indemnity was given to or insurance was effected for Directors, officers and auditors of the Company.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Company during the year is RM35,117.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Girish Payangatiri Ramachandran

Director

Date : 30 April 2024

....

Jeevan A/L Saraijigam Rajoo

Director

Date : 30 April 2024

Statement of financial position as at 31 March 2024

(Amount in RM)

	Note	2024	2023
ASSETS			
Plant and equipment	3	**5,107,672**	5,297,222
Other investments	4	**3,680**	3,680
Deferred tax assets	5	**6,853,838**	2,000,108
Other receivables	6	**1,473,343**	878,315
Total non-current assets		**13,438,533**	8,179,325
Current tax assets		**-**	1,969,803
Trade and other receivables	6	**120,281,278**	101,445,335
Cash and cash equivalents	7	**15,031,294**	33,395,385
Total current assets		**135,312,572**	136,810,523
Total assets		**148,751,105**	144,989,848
EQUITY			
Share capital	8	**2,000,000**	2,000,000
Retained earnings		**55,293,535**	37,255,756
Total equity attributable to the owner of the Company		**57,293,535**	39,255,756
LIABILITIES			
Trade and other payables	9	**84,091,334**	104,718,907
Current tax liabilities		**7,366,236**	1,015,185
Total current liabilities		**91,457,570**	105,734,092
Total liabilities		**91,457,570**	105,734,092
Total equity and liabilities		**148,751,105**	144,989,848

The notes on pages 24.9 to 24.26 are an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 March 2024

(Amount in RM)

	Note	2024	2023
Revenue	10	**313,788,785**	277,650,365
Cost of services		**(229,302,216)**	(222,937,985)
GROSS PROFIT		**84,486,569**	54,712,380
Other income		**908,572**	609,876
Administrative expenses		**(41,315,824)**	(35,493,140)
Other expenses		**(5,247,864)**	(5,042,232)
RESULTS FROM OPERATING ACTIVITIES		**38,831,453**	14,786,884
Finance income		**262,768**	29,770
PROFIT BEFORE TAX	11	**39,094,221**	14,816,654
Tax expense	12	**(7,056,442)**	(2,987,406)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**32,037,779**	11,829,248

The notes on pages 24.9 to 24.20 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2024

(Amount in RM)

	Note	Non- distributable Share capital	Distributable Retained earnings	Total equity
At 1 April 2022		2,000,000	38,426,508	52,515,965
Profit and total comprehensive income for the year		-	11,829,248	11,829,248
Dividend to owner of the Company	13	-	(13,000,000)	(13,000,000)
At 31 March 2023 / 1 April 2023		**2,000,000**	**37,255,756**	**39,255,756**
Profit and total comprehensive income for the year		**-**	**32,037,779**	**32,037,779**
Dividend to owner of the Company	13	**-**	**(14,000,000)**	**(14,000,000)**
At 31 March 2024		**2,000,000**	**55,293,535**	**57,293,535**
		Note 8		

The notes on pages 24.9 to 24.20 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 March 2024

(Amount in RM)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**39,094,221**	14,816,654
Adjustments for:			
Depreciation of plant and equipment	3	**2,631,157**	2,134,516
Dividend income	11	**(71,353)**	(90,212)
Finance income	11	**(262,768)**	(29,770)
Plant and equipment written-off		**-**	6,241
Unrealised foreign exchange loss	11	**4,149,481**	29,741
Operating profit before changes in working capital		**45,540,738**	16,867,170
Change in trade and other receivables		**(19,231,959)**	(25,519,657)
Change in trade and other payables		**(20,862,540)**	38,130,645
Cash generated from operations		**5,446,239**	29,478,158
Tax paid		**(3,589,318)**	(850,000)
Net cash from operating activities		**1,856,921**	28,628,158
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment	3	**(2,441,607)**	(2,581,658)
Dividends received from investment in unquoted shares		**71,353**	90,212
Interest received		**262,768**	29,770
Net cash used in investing activities		**(2,107,486)**	(2,461,676)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends to owner of the Company	13	**(14,000,000)**	(13,000,000)
Net cash used in financing activities		**(14,000,000)**	(13,000,000)
Net (decrease) / increase in cash and cash equivalents		**(14,250,565)**	13,166,482
Effect of exchange rate fluctuations on cash held		**(4,113,526)**	(50,136)
Cash and cash equivalents at 1 April 2023/2022		**33,395,385**	20,279,039
Cash and cash equivalents at 31 March 2024	7	**15,031,294**	33,395,385

The notes on pages 24.9 to 24.20 are an integral part of these financial statements.

Notes forming part of the financial statements

TATA Consultancy Services Malaysia Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Level 22A, Axiata Tower
No. 9, Jalan Stesen Sentral 5
50470 Kuala Lumpur Sentral
Kuala Lumpur, Malaysia

Registered office
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia

The Company is principally engaged in the provision of end-to-end information technology consulting and software services.

The immediate holding company during the financial year was Tata Consultancy Services Asia Pacific Pte. Ltd., a company incorporated in Singapore. The penultimate and ultimate holding companies during the financial year were Tata Consultancy Services Limited and Tata Sons Limited. Both companies were incorporated in India.

These financial statements were authorised for issue by the Board of Directors on 30 April 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act, 2016 in Malaysia.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Notes forming part of the financial statements

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

All foreign currency differences are recognised in profit or loss.

(b) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction for the Company (for a financial liability) or the counterparty (for a financial asset) to the arrangement. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition.

(ii) Subsequent measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

(a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;

(b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current period or prior periods; and

(c) prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying

Notes forming part of the financial statements

amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Construction-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives are as follows:

• Computers	4 years
• Furniture and fittings	5-10 years
• Leasehold improvements	Lease period
• Office equipment	5 years

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits, the Company would review its present depreciation method and, if current expectations differ, the Company would amend the residual value, depreciation method or useful life to reflect the new pattern.

(d) Leased assets

Operating leases

Leases, where the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Notes forming part of the financial statements

(e) Amount due from/to contract customers

Amount due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of trade and other payables in the statement of financial position.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks.

(g) Impairment of non-financial assets

The carrying amounts of non-financial assets (i.e. plant and equipment) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash¬generating units.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes forming part of the financial statements

(ii) State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre¬tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(k) Revenue and other income

(i) Goods sold and services

The Company earns revenue from services rendered in relation to information technology and consultancy services. Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured. Revenue is reported net of discounts and goods and services tax.

Revenue from bundled contracts that involve supplying computer equipment, licensing software and providing services is allocated separately based on their fair value.

Revenue from contract priced on a time and material basis is recognised as services are rendered and as related costs are incurred.

Revenue from software development contracts, which are generally time bound fixed price contracts, is recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses of such contracts are recognised when probable.

Revenue from Business Process Services contracts priced on the basis of time and material or unit of delivery is recognised as services are rendered or related obligation is performed.

Revenue from sale of internally developed software systems is recognised upon delivery, which is when the absolute right to use passes to the customer and the Company does not have material remaining service obligations.

Revenue from maintenance contracts is recognised on a pro-rate basis over the period of the contract.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Notes forming part of the financial statements

Deferred tax assets and liabilities are offset if, and only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they plan to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. PLANT AND EQUIPMENT

(Amount in RM)

	Computers	Furniture and fittings	Leasehold improvement	Office equipment	Construction-in-progress*	Total
Cost						
As at 1 April 2023	**9,458,662**	**733,446**	**2,469,278**	**705,240**	**193,500**	**13,560,126**
Additions	**2,337,220**	**27,000**	**-**	**12,050**	**65,337**	**2,441,607**
Written-off	**(3,023)**	**-**	**-**	**-**	**-**	**(3,023)**
As at 31 March 2024	**11,792,859**	**760,446**	**2,469,278**	**717,290**	**258,837**	**15,998,710**
Depreciation						
As at 1 April 2023	**5,198,330**	**691,630**	**1,904,867**	**468,077**	**-**	**8,262,904**
Depreciation for the year	**2,036,830**	**14,635**	**473,563**	**106,129**	**-**	**2,631,157**
Written-off	**(3,023)**	**-**	**-**	**-**	**-**	**(3,023)**
As at 31 March 2024	**7,232,137**	**706,265**	**2,378,430**	**574,206**	**-**	**10,891,038**
Carrying amounts						
As at 1 April 2023	**4,260,332**	**41,816**	**564,411**	**237,163**	**193,500**	**5,297,222**
As at 31 March 2024	**4,560,722**	**54,181**	**90,848**	**143,084**	**258,837**	**5,107,672**

4. OTHER INVESTMENTS

(Amount in RM)

	2024	2023
At cost		
Unquoted shares	**3,680**	3,680

5. DEFERRED TAX ASSETS

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities attributable to the following:

(Amount in RM)

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Plant and equipment	**-**	-	**(401,941)**	(612,867)	**(401,941)**	(612,867)
Provisions	**5,620,302**	2,034,939	**-**	-	**5,620,302**	2,034,939
Other items	**1,635,477**	578,036	**-**	-	**1,635,477**	578,036
	7,255,779	2,612,975	**(401,941)**	(612,867)	**6,853,838**	2,000,108

Notes forming part of the financial statements

Movement in temporary differences during the year

	At 1.4.2023	Recognised in profit or loss (Note 12)	At 31.3.2024
Plant and equipment	(612,867)	210,926	**(401,941)**
Provisions	2,034,939	3,585,363	**5,620,302**
Other items	578,036	1,057,441	**1,635,477**
	2,000,108	4,853,730	**6,853,838**

6. TRADE AND OTHER RECEIVABLES

(Amount in RM)

	Note	2024	2023
Non-current			
Trade			
Amount due from contract customers		**1,141,248**	799,411
Non-trade			
Refundable deposits		**332,095**	78,904
		1,473,343	878,315
Current			
Trade			
Trade receivables		**65,929,220**	49,893,075
Amounts due from:			
- immediate holding company	6.1	**1,333,922**	1,034,517
- penultimate holding company	6.1	**21,289,187**	13,828,490
- related companies	6.1	**3,781,710**	4,260,232
Amount due from contract customers		**25,545,132**	26,894,500
		117,879,171	95,910,815
Non-trade			
Other receivables		**983,829**	2,244,370
Refundable deposits		**49,394**	237,378
Prepayments:			
- third parties		**371,877**	2,131,775
- penultimate holding company	6.2	**997,007**	920,998
		2,402,107	5,534,521
		120,281,278	101,445,336
		121,754,621	102,323,650

6.1 The trade balances due from immediate holding company, penultimate holding company and related companies are unsecured and subject to normal trade credit terms of 30 days (2023: 30 days).

6.2 The non-trade prepayments from penultimate holding company are unsecured and interest free.

Notes forming part of the financial statements

7. CASH AND CASH EQUIVALENTS

(Amount in RM)

	2024	2023
Cash and bank balances	**3,531,294**	7,275,885
Short-term deposits	**11,500,000**	26,119,500
	15,031,294	33,395,385

7.1 The short-term deposits with licensed bank have a tenure of less than 3 months.

8. SHARE CAPITAL

(Amount in RM)

	Number of shares	Amount
Ordinary shares		
Issued and fully paid shares with no par value classified as equity instruments:		
At 1 April 2023/31 March 2024	**2,000,000**	2,000,000

Ordinary shares

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

9. TRADE AND OTHER PAYABLES

(Amount in RM)

	Note	2024	2023
Trade			
Amount due to contract customers		**2,630,735**	2,255,869
Non-trade			
Other payables		**18,614,469**	17,336,264
Amounts due to:			
- immediate holding company	**9.1**	**6,070,040**	6,885,328
- penultimate holding company	**9.1**	**40,247,819**	60,061,489
- ultimate holding company	**9.1**	**623,142**	580,079
- related companies	**9.1**	**48,899**	350,616
Accruals		**15,856,230**	17,249,262
		81,460,599	102,463,037
		84,091,334	104,718,905

9.1 The non-trade balances due to immediate holding company, penultimate holding company, ultimate holding company and related companies represent payments made on behalf, which are unsecured, interest free and repayable on demand.

Notes forming part of the financial statements

10. REVENUE

(Amount in RM)

	2024	2023
Rendering of consultancy services	**311,861,615**	270,836,655
Sale of equipment and software licenses	**1,927,170**	6,813,710
	313,788,785	277,650,365

11. PROFIT BEFORE TAX

(Amount in RM)

	2024	2023
Profit before tax is arrived at after charging/(crediting):		
Auditors' remuneration		
- KPMG PLT	**35,117**	35,117
Material expense/(income):		
Depreciation on plant and equipment	**2,631,157**	2,134,516
Dividend income from investments in unquoted shares	**(71,353)**	(90,212)
Interest income of financial assets that are not measured at fair value through profit or loss	**(262,768)**	(29,770)
Impairment loss/(Reversal of impairment loss) on receivables	**1,250,030**	(196)
Personnel expenses:		
- Salaries and bonuses	**130,185,645**	107,854,383
- Contributions to defined contribution plan	**8,069,368**	6,600,240
- Social security contributions	**1,297,165**	1,026,160
- Other employees benefits	**1,108,053**	5,629,127
Realised gain on foreign exchange	**(4,831,960)**	(276,958)
Unrealised loss for foreign exchange	**4,149,481**	29,741

Notes forming part of the financial statements

12. TAX EXPENSE

(Amount in RM)

	2024	2023
Current tax expense		
- Current year	**12,602,486**	3,565,185
- (Over) / Under provision in prior year	**(692,314)**	1,013,633
	11,910,172	4,578,818
Deferred tax expense		
- Origination and reversal of temporary differences	**(2,859,098)**	403,221
- Over provision in prior year	**(1,994,632)**	(1,994,633)
	(4,853,730)	(1,591,412)
	7,056,442	2,987,406

Income tax expense of RM7,056,442 is lower than the statutory tax rate of 24% mainly due to over provision of tax expense in prior year.

13. DIVIDENDS

Dividends recognised by the Company:

(Amount in RM)

	Total amount	Date of payment
2024		
Interim ordinary dividend	**7,000,000**	**01-Dec-23**
Interim ordinary dividend	**7,000,000**	**29-Feb-24**
2023		
Interim ordinary dividend	**13,000,000**	**15-Mar-23**

The Directors do not recommend any final dividend in respect of the current financial year.

14. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

(Amount in RM)

	2024	2023
Not later than 1 year	**763,905**	651,114
Later than one year but not later than five years	**1,074,382**	85,348
	1,838,287	**736,462**

The Company leases a number of office premises, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

Notes forming part of the financial statements

15. FINANCIAL INSTRUMENTS

15.1 Categories of financial instruments

The trade and other receivables (excluding prepayments), cash and cash equivalents and trade and other payables are categorised as financial assets and financial liabilities measured at amortised cost, while the other investments are categorised as financial assets that are equity instruments measured at cost less impairment.

15.2 Net gains and losses arising from financial instruments

(Amount in RM)

	2024	2023
Net (losses)/gains on:		
Financial assets measured at amortised cost	**(4,475,070)**	259,561
Financial liabilities measured at amortised cost	**4,170,287**	17,622
Financial assets that are equity instruments measured at cost less impairment	**71,353**	90,212
	(233,430)	367,395

16. RELATED PARTIES

Significant related party transactions

The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in Notes 6 and 9.

(Amount in RM)

	2024	2023
Project costs and other expenses charged for the financial year:		
- Related companies	**(26,597,860)**	(18,516,315)
- Penultimate holding company	**(30,882,831)**	(22,352,163)
- Immediate holding company	**(8,174,103)**	(5,723,427)
Project costs and other expenses incurred for the financial year:		
- Penultimate holding company	**78,682,508**	86,338,626
- Immediate holding company	**4,394,501**	4,427,380
- Ultimate holding company	**623,250**	580,079
- Related companies	**635,886**	372,213
Staff costs incurred for the financial year		
- Penultimate holding company	**24,650,897**	20,115,227
- Immediate holding company	**68,361**	2,375
Dividend income		
- Related company	**(71,353)**	(90,212)
Key management personnel Directors		
Remunerations	**1,726,857**	60,000

Notes forming part of the financial statements

17. COMMITMENTS

(Amount in RM)

	2024	2023
Capital expenditure commitments Plant and equipment		
Contracted but not provided for	**69,944**	1,716,298

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 24.5 to 24.20 are drawn up in accordance with Malaysia Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Girish Payangatiri Ramachandran

Director

Date : 30 April 2024

....

Jeevan A/L Saraijigam Rajoo

Director

Date : 30 April 2024

Statutory declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, Jeevan A/L Sarangam Rajoo, the Director primarily responsible for the financial management of TATA Consultancy Services Malaysia Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 24.5 to 24.20 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Jeevan A/L Sarangam Rajoo, NRIC : 720628-14-5519, at Batu Caves instate of Selangor on 30 April 2024.

....

JeevanA/L Saraijigam Rajoo

Director

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF

TATA CONSULTANCY SERVICES MALAYSIA SDN. BHD.
(Registration No.: 200301022873 (625293-W))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TATA Consultancy Services Malaysia Sdn. Bhd., which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 24.5 to 24.20.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Eric Kuo Sze-Wei
Approval Number: 03473/11/2025 J
Chartered Accountant

Petaling Jaya
Date : 30 April 2024

TATA CONSULTANCY SERVICES (CHINA) CO., LTD.

ANNUAL FINANCIAL STATEMENTS

**For the year ended
December 31, 2023**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

GTCNSZ (2024) NO.110C007356

TO THE BOARD OF DIRECTORS OF TATA CONSULTANCY SERVICES (CHINA) CO., LTD ,

Opinion

We have audited the accompanying financial statements of TATA Consultancy Services (China) Co., Ltd (hereinafter "the Company") according to the preparation basis stated in Note 2 to the financial statements., which comprise the balance sheets as at 31 Dec 2023, and the income statement, the cash flow statement and the statement of changes in equity for the period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in all material respects on the basis of preparation as stated in Note 2 to the financial statements. It fairly reflects the financial status of the Company on December 31, 2023 and its operating results and cash flow in 2023.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement Section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis-The basis of compilation

We remind users of financial statements to pay attention to the explanation of the preparation basis in Note 2 to the financial statements. The preparation of individual financial statements according to the preparation basis stated in Note 2 to the financial statements was prepared by the Company to meet the requirements of the regulatory authorities. Therefore, the above financial statements may not be suitable for other purposes. The contents of this paragraph do not affect the published audit opinions.

Other Matters

Our audit report is only for the use of the company and regulators, and should not be sent to or used by other parties except the company and regulators.

The company has prepared consolidated financial statements in accordance with the provisions of the accounting system for business enterprises. On April 2, 2024, we issued an unqualified audit report to the company shareholders on the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of the financial statement in accordance with Enterprises Accounting System, and for such internal control as management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company ot to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregation, could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
Beijing, China
2 April 2024

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Balance sheet as at 31 December 2023

(RMB)

	Note	As at December 31, 2023	As at December 31, 2022
CURRENT ASSETS:			
Cash and cash equivalents	VI.1	**171,773,529.40**	111,083,826.81
Notes receivable		**-**	-
Accounts receivable	VI.2	**188,979,347.07**	212,897,102.74
Prepayments	VI.3	**340,341.13**	347,494.31
Interest receivable		**-**	-
Dividends receivable		**-**	-
Other receivables	VI.4	**6,685,742.70**	6,029,939.70
Inventories		**-**	-
Non-current assets maturing within one year		**-**	-
Other current assets	VI.5	**6,535,236.23**	8,519,205.56
TOTAL NON-CURRENT ASSETS		**374,314,196.53**	338,877,569.12
NON-CURRENT ASSETS:			
Available-for-sale financial assets		**-**	-
Held-to-maturity investments		**-**	-
Long-term receivables		**-**	-
Long-term equity investments	VI.6	**38,651,699.66**	-
Investment property		**-**	-
Fixed assets - original cost	VI.7	**114,243,514.43**	107,610,224.13
Less: accumulated depreciation	VI.7	**90,511,478.93**	80,231,392.12
Fixed assets - net book value	VI.7	**23,732,035.50**	27,378,832.01
Less: provision for impairment		**-**	-
Fixed assets - carrying amount	VI.7	**23,732,035.50**	27,378,832.01
Construction in progress		**132,500.00**	-
Materials for projects		**-**	-
Fixed assets pending disposal		**-**	-
Productive biological assets		**-**	-
Oil and gas assets		**-**	-
Intangible assets		**-**	-
Development expenditure		**-**	-
Goodwill		**-**	-
Long-term deferred expenses	VI.8	**132,006.87**	661,485.00
Other non-current assets		**-**	-
TOTAL NON-CURRENT ASSETS		**62,648,242.03**	28,040,317.01
TOTAL ASSETS		**436,962,438.56**	366,917,886.13

THE NOTES ON PAGES 25.10 TO 25.23 FORM PART OF THESE FINANCIAL STATEMENTS

(RMB)

	Note	As at December 31, 2023	As at December 31, 2022
CURRENT LIABILITIES:			
Short-term loans		**-**	-
Notes payable		**-**	-
Accounts payable	VI.9	**18,488,323.48**	14,205,739.95
Advances from customers		**4,767,110.72**	1,493,614.40
Salaries and employee benefits payable	VI. 10	**56,326,309.36**	52,470,580.79
Taxes payable	VI.11	**23,576,959.26**	9,730,054.59
Interest payable		**-**	-
Dividends payable		**-**	-
Other payables	VI.12	**30,765,621.79**	36,063,624.16
Non-current liabilities maturing within one year		**-**	-
Other current liabilities		**-**	-
TOTAL CURRENT LIABILITIES		**133,924,324.61**	113,963,613.89
NON-CURRENT LIABILITIES:			
Long-term loans		**-**	-
Debentures payable		**-**	-
Long-term payables		**-**	-
Specific accounts payable		**-**	-
Provisions		**-**	-
Other non-current liabilities		**-**	-
TOTAL NON-CURRENT LIABILITIES		**-**	-
TOTAL LIABILITIES		**133,924,324.61**	113,963,613.89
Shareholder's equity:			
Share capital	VI.13	**201,936,346.00**	201,936,346.00
Capital reserves	VI.14	**91,094.00**	91,094.00
Less: Treasury shares		**-**	-
Specific reserve		**-**	-
Surplus reserves	VI.15	**74,087.59**	74,087.59
Retained earnings	VI.16	**100,936,586.36**	50,852,744.65
Total owners' equity		**303,038,113.95**	252,954,272.24
TOTAL LIABILITIES AND OWNERS' EQUITY		**436,962,438.56**	366,917,886.13

THE NOTES ON PAGES 25.10 TO 25.23 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Income Statement For the year ended 31 December 2023

(RMB)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
REVENUE		**900,743,499.16**	858,619,985.87
Including: Revenue from operations	VI.17	**900,743,499.16**	858,619,985.87
Including: Revenue from main operations	VI.17	**900,743,499.16**	858,619,985.87
Revenue from other operations		**-**	-
LESS: COST OF SALES		**833,674,172.63**	812,659,186.81
Including: Operating costs	VI.17	**670,282,861.06**	680,639,834.72
Including: Operating cost from main operations	VI.17	**670,282,861.06**	680,639,834.72
Operating cost from other operations		**-**	-
Taxes and surcharges		**2,358,036.56**	2,787,370.60
Selling and distribution expenses		**18,848,009.09**	19,317,963.51
General and administrative expenses		**140,404,086.68**	111,901,003.20
Research and development expenses		**-**	-
Finance expenses	VI.18	**1,781,179.24**	-1,986,985.22
Including: Interest expenses		**-**	-
Interest income	VI.18	**2,613,147.71**	2,064,706.17
Net exchange losses/gains	VI.18	**4,292,367.02**	-14,887.53
Other		**-**	-
Add: Gains from changes in fair value ("-" denotes losses)		**-**	-
Investment income ("-" denotes losses)	VI.19	**4,272,638.62**	-
Including: Share of profits in associates and joint ventures		**-**	-
PROFIT FROM OPERATIONS ("-" DENOTES LOSSES)		**71,341,965.15**	45,960,799.06
Add: Non-operating income	VI .20	**2,044,569.40**	3,336,428.08
Less: Non-operating expenses	VI.21	**77,023.10**	56,695.49
PROFIT BEFORE TAX ("-" DENOTES LOSSES)		**73,309,511.45**	49,240,531.65
Less: Income taxes		**23,225,669.74**	13,228,880.30
NET PROFIT FOR THE YEAR ("-" denotes losses)		**50,083,841.71**	36,011,651.35
TOTAL COMPREHENSIVE INCOME		**50,083,841.71**	36,011,651.35

THE NOTES ON PAGES 25.10 TO 25.23 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Cash flow statement For the year ended 31 December 2023

(RMB)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from sales of goods or rendering of services		**963,499,877.81**	834,272,500.52
Refunds of taxes		**769,239.78**	1,011,425.18
Cash received relating to other operating activities		**3,888,477.33**	8,378,452.68
Sub-total of cash inflows from operating activities		**968,157,594.92**	843,662,378.38
Cash paid for goods and services		**238,931,576.86**	239,378,341.82
Cash paid to and on behalf of employees		**539,434,776.03**	499,840,107.34
Tax payments		**33,892,313.10**	33,763,451.84
Cash paid relating to other operating activities		**49,772,007.98**	52,597,139.15
Sub-total of cash outflows from operating activities		**862,030,673.97**	825,579,040.15
Net Cash Flows from / (used in) Operating Activities		**106,126,920.95**	18,083,338.23
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from disposal of investments		**-**	-
Cash received from return on investments		**-**	-
Cash received from disposal of fixed assets, intangible assets and other long-term assets		**-**	7,500.00
Net cash received from disposal of subsidiaries and other business units		**-**	-
Cash receipts relating to other investing activities		**-**	-
Sub-total of cash inflows from investing activities		**-**	7,500.00
Cash paid to acquire fixed assets, intangible assets and other long¬term assets		**6,765,790.30**	14,158,664.65
Cash paid to acquire investment		**34,379,061.04**	-
Cash paid relating to other investing activities		**-**	-
Sub-total of cash outflows from investing activities		**41,144,851.34**	14,158,664.65
Net Cash Flows from / (used in) Investing Activities		**-41,144,851.34**	-14,151,164.65
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received from capital contributions		**-**	-
Cash received from borrowings		**-**	-
Cash receipts relating to other financing activities		**-**	-
Sub-total of cash inflows from financing activities		**-**	-
Repayments of borrowings		**-**	-
Dividends paid, profit distribution and interest paid		**-**	-
Cash payments relating to other financing activities		**-**	-
Sub-total of cash outflows from financing activities		**-**	-
Net Cash Flows from / (used in) Financing Activities		**-**	-
Effect of Foreign Exchange Rate Changes on Cash		**-4,292,367.02**	14,887.53
Net Increase / (Decrease) in Cash and Cash Equivalents		**60,689,702.59**	3,947,061.11
Add: Cash and cash equivalents at the beginning of the period		**111,083,826.81**	107,136,765.70
Cash and cash equivalents at the end of the period		**171,773,529.40**	111,083,826.81

THE NOTES ON PAGES 25.10 TO 25.23 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

STATEMENT OF CHANGES IN EQUITY

(RMB))

	2023						
	Share capital	Capital reserves	Less: Treasury Share	Specific reserve	Surplus reserves	Retained earnings	Total
1. Balance at the end of last year	**201,936,346.00**	**91,094.00**	-	-	**74,087.59**	**50,852,744.65**	**252,954,272.24**
Add: Changes in accounting policy	-	-	-	-	-	-	-
Adjustments in prior years	-	-	-	-	-	-	-
2. Balance at the beginning of the period	**201,936,346.00**	**91,094.00**	-	-	**74,087.59**	**50,852,744.65**	**252,954,272.24**
3. Movement during the period ("-" denotes less)	-	-	-	-	-	**50,083,841.71**	**50,083,841.71**
3.1 Net profit for the period	-	-	-	-	-	**50,083,841.71**	**50,083,841.71**
3.2 Other comprehensive income	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	**45,811,203.09**	**45,811,203.09**
3.3 Share capital by or returned to investors	-	-	-	-	-	-	-
a. Share capital injected by investors	-	-	-	-	-	-	-
b. Issurance of share pursuant to the exercise of share options	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-
3.4 Specific Reserve	-	-	-	-	-	-	-
a. Appropriation during the year	-	-	-	-	-	-	-
b. Utilisation during the year	-	-	-	-	-	-	-
3.5 Appropriation of profits	-	-	-	-	-	-	-
a. Transfer to surplus reserves	-	-	-	-	-	-	-
Including: Statutory surplus	-	-	-	-	-	-	-
Discretionary surplus reserve	-	-	-	-	-	-	-
General reserve fund	-	-	-	-	-	-	-
Enterprise expansion fund	-	-	-	-	-	-	-
b. General risk allowance	-	-	-	-	-	-	-
c. Distributions to shareholders	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-
3.6 Transfer within equity	-	-	-	-	-	-	-
a. Capital reserves converting into share capital	-	-	-	-	-	-	-
b. Surplus reserves converting into share capital	-	-	-	-	-	-	-
c. Surplus reserves cover the deficit	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-
4. Balance at the end of the period	**201,936,346.00**	**91,094.00**	-	-	**74,087.59**	**100,936,586.36**	**303,038,113.95**

THE NOTES ON PAGES 25.10 TO 25.23 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

STATEMENT OF CHANGES IN EQUITY

(RMB)

	2022						
	Share capital	Capital reserves	Less: Treasury Share	Specific reserve	Surplus reserves	Retained earnings	Total
1. Balance at the end of last year	201,936,346.00	91,094.00	-	-	74,087.59	14,841,093.30	216,942,620.89
Add: Changes in accounting policy	-	-	-	-	-	-	-
Adjustments in prior years	-	-	-	-	-	-	-
2. Balance at the beginning of the period	201,936,346.00	91,094.00	-	-	74,087.59	14,841,093.30	216,942,620.89
3. Movement during the period ("-" denotes less)	-	-	-	-	-	36,011,651.35	36,011,651.35
3.1 Net profit for the period	-	-	-	-	-	36,011,651.35	36,011,651.35
3.2 Other comprehensive income	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	36,011,651.35	36,011,651.35
3.3 Share capital by or returned to investors	-	-	-	-	-	-	-
a. Share capital injected by investors	-	-	-	-	-	-	-
b. Issurance of share pursuant to the exercise of share options	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-
3.4 Specific Reserve	-	-	-	-	-	-	-
a. Appropriation during the year	-	-	-	-	-	-	-
b. Utilisation during the year	-	-	-	-	-	-	-
3.5 Appropriation of profits	-	-	-	-	-	-	-
a. Transfer to surplus reserves	-	-	-	-	-	-	-
Including: Statutory surplus	-	-	-	-	-	-	-
Discretionary surplus reserve	-	-	-	-	-	-	-
General reserve fund	-	-	-	-	-	-	-
Enterprise expansion fund	-	-	-	-	-	-	-
b. General risk allowance	-	-	-	-	-	-	-
c. Distributions to shareholders	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-
3.6 Transfer within equity	-	-	-	-	-	-	-
a. Capital reserves converting into share capital	-	-	-	-	-	-	-
b. Surplus reserves converting into share capital	-	-	-	-	-	-	-
c. Surplus reserves cover the deficit	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-
4. Balance at the end of the period	201,936,346.00	91,094.00	-	-	74,087.59	50,852,744.65	252,954,272.24

THE NOTES ON PAGES 25.10 TO 25.23 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Notes forming part of the Financial Statements

I. COMPANY BACKGROUND AND PRINCIPAL ACTIVITIES

TATA Consultancy Services (China) Co., Ltd. (hereafter the "Company") is a foreign owned investment enterprise registered on 18 October 2006 with the approval from Ministry of Commerce of PRC (Shang Zi Pi No. [2006] 1936) and Beijing Municipal People's Government (Shang Wai Zi Jing Zi No. [2006] 20517) in 2006. The Company is located in Tower D, 3rd District, No.9 Building, Zhongguancun, Software Park, 8 Dongbeiwang West Road, Haidian District, Beijing. The registered capital of the Company is RMB 100,800,000 and the Company obtained its business license with the registered number of 110000410302580 (Register on 16 November 2006) . In 2008, the registered capital changed to RMB 110,400,000 with the approval from Beijing Bureau of Commerce (Jing Shang Zi No. [2008] 1748). The Company obtained the new business license (No. 110000410302580) which was reissued by Beijing municipal people's government.

In 2010, according to the Resolution of interim shareholders' meeting, the Company merged TITL. After that, the registered capital increase to RMB 201,936,246.00, with the approval from Beijing Municipal Commission of Commerce Qing Shangwu Zi Zi No. [2010] 1077). On 21 December 2010, the Company received the renewal certificate of approval (Shang Waizi Jing Zi No. [2006] 20517) and business license (No. 110000410302580) from Beijing Municipal People's Government.

On November 28, 2016, the Company changed the basic information include the change of ownership, cooperation rights and interests, with the record of Jing Hai Wai Zi Bei 201600099. The capital contributions of investors after changes shown as follow:

Invetors	**% of investment**
TATA Consultancy Services Asia Pacific Pte Ltd	93.20
Beijing Zhongguancun Software Park	3.60
Development Co.,Ltd	-
Tianjin Huayuan Software Area Construction and	3.20
Development Co.,Ltd	-
Total	**100.00**

On November 26, 2021, according to the "TCS(China) (2021) Shareholder's Circular Resolution No. SH- 2021-01" of the company, agree that Beijing Zhongguancun Software Park Development Co., Ltd. (hereinafter referred to as the "BZS") transfer all 7,269,709 shares and Tianjin Huayuan Software Area Construction and Development Co., Ltd. (hereinafter referred to as the "THS") transfer 6,461,963 shares held by it in the Company in accordance with Chinese relevant laws and regulations, the Promoters' Agreement relating to the establishment of (a Foreign-Invested Joint Stock Company) TATA Consultancy Services Asia Pacific Pte Ltd (hereinafter referred to as the "THS"), BZS and THS waive the preemptive right over the shares transferred by each other. While TCS does not waive the right of preemption of transferred shares.

The company's chinese name was changed with the approval from Beijing Haidian District Market Supervision and Administration Bureau on 18 May 2022. The company submitted the "Registration Notice" (JHDZ [2012] No. 0090313) on the same day, changed the contents of the responsible person, shareholder equity, personnel equity and enterprise type. The company obtained a revised business licence No.91110108717867162U on 18 May 2022. The capital contributions of investors after changes shown as follow:

Invetors	**% of investment**
TATA Consultancy Services Asia Pacific Pte Ltd	100.00

In accordance with the resolution of the Board of Directors of the Company on the "Resolution on the Acquisition of the Share Capital of TCS Financial Solutions Beijing Co. Ltd " made in March 2023, it is agreed that in accordance with the appraisal report issued by Zoomlion Asset Appraisal Group Co., LTD in March 2023, at the consideration of RMB 34,090,100.00, to purchase 100% of the equity held by Tata Consultancy Services Financial Solutions Australia Pte LTD in TCS Financial Solutions Beijing Co. Ltd (hereinafter "FSBJ").

On 6 March 2023, the Company entered into a tripartite Equity Transfer Agreement with Tata Consultancy Services Financial Solutions Australia Pte LTD and FSBJ, under which the underlying equity transferred is 100% of the equity in FSBJ held by Tata Consultancy Services Financial Solutions Australia Pte LTD. The registered capital of FSBJ is US $5.25 million, the paid-in investment is US $5.25 million, and the transfer price of the underlying equity is RMB 34,090,100.00.

Notes forming part of the Financial Statements

The approved scope of business operations includes the development and production of software; the production and sale of self-product; the development, consultation, service and transfer of technology; the service of data processing and electronic information storage; the development, consultation and transfer of network technology; the integration of computer system; the wholesale and commission agent (apart from auctions) of computer and component, electronic products as well as office supplies; the import and export business of product and technology; the agent of import and export business; the business process outsourcing services (not related to state trading management of goods, involving quotas, licenses, and the management of commodity in accordance with relevant state provisions application).

The subsidiary of the Company included in the merger scope is TCS Financial Solutions Beijing Co. Ltd.

II. BASIS OF PREPARATION

This financial statement is only an individual financial statement of the Company in 2023, excluding consolidated financial statements, and is prepared in accordance with the Accounting System for Business Enterprises and its supplementary provisions, including the balance sheet of the Company on December 31, 2023, the income statement for 2023, the cash flow statement, the statement of changes in shareholders' equity and the notes to the financial statements.

The financial statements of the Company have been prepared on a going concern basis.

III. STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

Statement on the basis of preparation as described in Note 2.

Except for the consolidated financial statements, these financial statements meet the requirements of the accounting system for enterprises, and truly and completely reflect the financial status of the Company on December 31, 2023, as well as the operating results and cash flow in 2023.

It is suggested that this financial statement should be read together with the consolidated financial statement for 2023 approved by the board of directors of the Company at the same time.

VI. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting System

The Company adopts the Enterprises Accounting and all relevant supplementary regulations.

2. Accounting Period

The accounting period of the Company is from 1 January to 31 December.

3. Functional currency

The Company uses Renminbi ("RMB") as its functional currency.

4. Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. The financial statements have been prepared under historical cost convention.

5. Foreign currency transactions

Foreign currency transactions during the year are translated into Renminbi at the exchange rates quoted by the People's Bank of China ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currenciens are translated into Renminbi at the exchange rates quoted by the People's Bank of China and the exchange rates recognized by the State ruling at the balance sheet date. Exchange gains and losses on foreign currency translation, except for the exchange gains and losses directly relating to the construction of fixed assets, are dealt with in the income statement.

6. Cash and cash equivalents

Cash equivalents refer to short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes forming part of the Financial Statements

7. Long-term investments

(1) Long-term equity investments

Long-term equity investments are stated at acquisition cost. The cost method is used to account for long¬term equity investments with less than 20% of the voting rights, or with over 20% voting rights but without significant influence over the investees' financial and operating policies. The equity method is used to account for long-term equity investments with over 20% of the voting rights, or with less than 20% of the voting rights but with significant influence over the investees' financial and operating policies.

(2) Long-term debt investments

Long-term debt investments are stated at acquisition cost. Interest receivable is computed in accordance with the term of debt investments.

(3) Impairment of long-term investments

At each financial period end, the Company appraises all long-term investments on individual basis and provides for impairment when the recoverable value for these investments falls below its carrying value as a result of continuing slump in market value or worsen condition of the investees' business operations.

8. Provision for bad and doubtful debts

Bad debt is accounted for using the allowance method. The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectibility and an ageing analysis. Provision for other receivables is determined based on their specific nature and management's estimate of their collectability.

For related party balance, it is based on specific identification method. For non-related party balance, provision of bad debt should be determined by aging. Specific percentage is as follow:

Aging	Provision for bad debts as a percentage of receivables %
Within 273 days	0.00
274 days to 2 years	100.00
2 to 3 years	100.00
Over 3 years	100.00

The Company recognises bad debts when the following criteria are met:

(a) Due to bankruptcy or revocation imposed by law of the debtors with relevant declaration of bankruptcy, cancellation of business registration or proof of revocation of business license or order to foreclose by the government department being obtained, bad debt loss is recognised based on the irrecoverable balance after netting off the settlement of the liquidated assets of the debtors;

(b) Due to the death or declaration by law to be missing or pronounced dead of the debtors and the estate is insufficient to cover the debt where there is no heir to the debts, bad debt loss is recognised after obtaining all relevant legal documents;

(c) For balances under legal dispute, bad debt loss is recognised on the lawsuit which is lost based on Court Order or those lawsuit won but adjudicated to stop the execution of the Order;

9. Fixed Assets

Fixed assets are tangible assets with useful life exceeding one year and with a relatively higher unit cost, including building, plants, machinery equipments, transportation facilities, and other equipments held by the Company for production of goods, provision of services, for rental to others, or held for management purposes. Fixed assets are stated at acquisition cost.

Subsequent expenditures for major reconstruction, expansion, improvement and renovation are capitalized when it is probable that the future economic benefits exceeds the originally assessment of the existing asset, or the useful life of fixed assets is prolonged or the quality of products is substantively improved or the cost of products is substantively reduced as a result of such expenditure. However, the amount capitalized should not exceed the increase of recoverable amount. All other subsequent expenditures are expensed when incurred.

Notes forming part of the Financial Statements

The Company use the straight line method for depreciation. Fixed assets begin to be depreciated from the state of intended use, and stop being depreciated when derecognized or classified as held for sale non¬current assets. The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

Category of fixed assets	Usefully life(year)	Residual Value%	Annual depreciation
Leasehold improvement	Shorter of beneficial period and lease	-	-
Computer and communication equipment	4	-	25
Furniture and fixtures	5-10	-	10-20

The Company reviews its fixed assets on an individual basis at each period end and provides for impairment losses when the recoverable value of the fixed assets falls below the carrying value due to continuing slump of market value, technical obsolescence, and damage or long period idleness.

10. Construction in progress

The cost of construction in progress is determined according to the actual expenditure incurred for the construction.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use.

11. Long-term deferred expenses

Improvement on leased properties is amortised over the lease term [or economic useful lives] on straight line basis.

Expenses incurred during the Company's pre-operating period are recorded as long-term deferred expenses and recorded into current profit and loss in production period.

12. Revenue

(1) Revenue from rendering of services

Where the outcome of a transaction involving the providing of services can be estimated reliably, at the end of the period, revenue associated with the transaction is recognized using the percentage of completion method.

The stage of completion of a transaction involving the providing of services is determined according to the proportion of costs incurred to the estimated total costs.

The outcome of a transaction involving the providing of services can be estimated reliably only when all of the following conditions can be satisfied at the same time:

A. The amount of revenue can be measured reliably;

B. The associated economic benefits are likely to flow into the enterprise;

C. The stage of completion of the transaction can be measured reliably;

D. The costs incurred and to be incurred in the transaction can be measured reliably.

If the outcome of a transaction involving the providing of services cannot be estimated reliably, the revenue of providing of services is recognized at service cost that incurred and is estimated to obtain compensation and the service cost incurred is recognized in profit or loss for the current period. If the service cost incurred is not to obtain compensation, revenue cannot be recognized.

13. Subsidy income

Subsidy income is calculated and recognized in the income statement upon receipt of the subsidy.

14. Income Tax

Income tax is recognized using the tax payable method.

Notes forming part of the Financial Statements

V. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND CORRECTION OF ERRORS IN PRIOR PERIODS

(1) Changes in significant accounting policies and accounting estimates

During the reporting period, the company has no changes in accounting policies and accounting estimates.

(2) Corrections of errors in prior periods

During the reporting period, the company has no corrections of errors.

VI. Taxation

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate%
VAT	Taxable income	6
Urban maintenance and construction tax	Turnover tax payable	7
Education fees	Turnover tax payable	3
Local additional education fees	Turnover tax payable	2
Enterprise income tax	Taxable profits	25

2. Tax preferential treatments and approval documents

(a) Tax exemption of offshore outsourcing revenue

According to the Appendix 4 of Cai Shui [2016] 36,Zero VAT Rate and Tax Free Policy for Cross-border Taxable Acts, zero VAT rate is applicable to offshore service outsourcing business completely consumed overseas. Therefore, the company's offshore outsourcing business income in line with the regulations in the current period is exempt from VAT.

VII. NOTES TO THE FINANCIAL STATEMENTS

1. Cash at bank and in hand

(RMB)

Item	December 31, 2023	December 31, 2022
Cash in hand	-	30,897.00
Cash at bank	**171,773,529.40**	111,052,929.81
Total	**171,773,529.40**	111,083,826.81

The above includes foreign currency as follows:

(RMB)

Currency	December 31, 2023			December 31, 2022		
	Original currency	Exchange rate	RMB equivalents	Original currency	Exchange rate	RMB equivalents
US Dollars	101,005.91	7.0827	715,394.56	101,005.91	6.9646	703,464.23

Notes forming part of the Financial Statements

2. Accounts receivable

(1) Accounts receivable by aging analysis:

(RMB)

Aging	December 31, 2023			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	188,963,708.07	99.99	-	188,963,708.07
1 to 2 years	15,639.00	0.01	-	15,639.00
Total	188,979,347.07	100.00	-	188,979,347.07

(RMB)

Aging	December 31, 2022			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	212,746,636.80	99.93	-	212,746,636.80
1 to 2 years	150,465.94	0.07	-	150,465.94
Total	212,897,102.74	100.00	-	212,897,102.74

3. Prepayment

(RMB)

Item	December 31, 2023	December 31, 2022
Others	340,341.13	347,494.31

4. Other receivables

(1) Accounts receivable by aging analysis:

(RMB)

Aging	December 31, 2023			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	1,451,098.73	21.70	-	1,451,098.73
1 to 2 years	1,982,267.94	29.65	-	1,982,267.94
2 to 3 years	801,657.33	11.99	-	801,657.33
More than 3 years	2,450,718.70	36.66	-	2,450,718.70
Total	6,685,742.70	100.00	-	6,685,742.70

(RMB)

Aging	December 31, 2022			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	2,727,563.67	45.23	-	2,727,563.67
1 to 2 years	872,457.33	14.47	-	872,457.33
2 to 3 years	20,000.00	0.33	-	20,000.00
More than 3 years	2,409,918.70	39.97	-	2,409,918.70
Total	6,029,939.70	100.00	-	6,029,939.70

Notes forming part of the Financial Statements

5. Other current assets

(RMB)

Type of Assets	December 31, 2023	December 31, 2022
Project Expense	**769,115.72**	1,536,130.04
Communication - Data Circuits Inland	**3,393,833.57**	4,351,016.25
Rent	**989,044.41**	1,436,998.70
Insurance	**1,089,588.26**	1,056,728.21
Others	**293,654.27**	138,332.36
Total	**6,535,236.23**	8,519,205.56

6. Long - term equity investment

(1) Classification of long-term equity investment

(RMB)

Iterm	1 January 2023	Additions during the period	Disposal during the period	31 December 2023
Other equity investments:				
Including: Among them investment in subsidiaries	-	**34,090,100.00**	-	**34,090,100.00**
Equity investment difference	-	**288,961.04**	-	**288,961.04**
Profit and loss adjustment	-	**4,272,638.62**	-	**4,272,638.62**
Sub-total	-	**38,651,699.66**	-	**38,651,699.66**
Less: Provision for impairment	-	-	-	-
Total	-	**38,651,699.66**	-	**38,651,699.66**

(2) Other equity investment

(RMB)

Name of invested unit	Cost of investment	Equity ratio	Accounting method	Current equity	Cumulative investment
TCS Financial Solutions Beijing Co. Ltd	34,379,061.04	100%	Equity method	32,711,070.31	34,379,061.04

Note: According to the "Equity Transfer Agreement" signed between the company and Tata Consultancy Services Financial Solutions Australia Pte LTD (referred to as "FSA") on March 6, 2023, Purchase 100% equity of TCS Financial Solutions Beijing Co. Ltd held by FSA for cash of RMB 34,090,100.00.

7. Fixed assets

(1) Cost of fixed assets

(RMB)

Type of Assets	1 January 2023	Additions during the period	Disposal during the period	31 December 2023
Leasehold improvement	**23,547,800.86**	**257,857.75**	-	**23,805,658.61**
Computer and communication equipment	**55,239,343.36**	**5,733,375.10**	-	**60,972,718.46**
Furniture and fixtures	**28,823,079.91**	**642,057.45**	-	**29,465,137.36**
Total	**107,610,224.13**	**6,633,290.30**	-	**114,243,514.43**

Notes forming part of the Financial Statements

(2) Accumulated depreciation of fixed assets

(RMB)

Type of Assets	1 January 2023	Additions during the period	Disposal during the period	31 December 2023
Leasehold improvement	22,764,219.41	603,383.89	-	23,367,603.30
Computer and communication equipment	31,969,592.36	8,713,499.06	-	40,683,091.42
Furniture and fixtures	25,497,580.35	963,203.86	-	26,460,784.21
Total	80,231,392.12	10,280,086.81	-	90,511,478.93

(3) Net book values of fixed assets

(RMB)

Type of Assets	1 January 2023	31 December 2023
Leasehold improvement	783,581.45	438,055.31
Computer and communication equipment	23,269,751.00	20,289,627.04
Electronic equipment, furniture and fixtures	3,325,499.56	3,004,353.15
Total	27,378,832.01	23,732,035.50

8. Long-term deferred expenses

Items	Costs	1 January 2023	Addition	Amortisation	31 December 2023
Renovation costs	928,400.00	661,485.00	-	529,478.13	132,006.87

9. Accounts payable

(RMB)

Type of Assets	December 31, 2023	December 31, 2022
Payable for goods	3,591,527.77	66,562.04
Payable to related parties	13,413,483.41	13,170,644.50
Payable for expenses	1,483,312.30	968,533.41
Total	18,488,323.48	14,205,739.95

10. Employee benefits payable

(RMB)

Item	December 31, 2023	December 31, 2022
Salaries, bonus, allowances	44,690,258.97	41,885,987.66
Social insurances	11,636,050.39	10,584,593.13
Total	56,326,309.36	52,470,580.79

11. Taxes payable

(RMB)

Item	December 31, 2023	December 31, 2022
Corporate income tax	12,483,208.65	5,574,318.26
Value added tax	8,285,185.10	1,510,175.48
Individual income tax	2,808,565.51	2,645,560.85
Total	23,576,959.26	9,730,054.59

Notes forming part of the Financial Statements

12. Other payables

(RMB)

Item	December 31, 2023	December 31, 2022
Project provision	**25,400,142.43**	32,004,216.36
Expenses provision	**5,345,834.28**	3,994,046.98
Petty cash	**19,645.08**	65,360.82
Total	**30,765,621.79**	36,063,624.16

13. Share capital

(RMB)

Investor	1 January 2023	Additions during the period	Reductions during the year	31 December 2023
TATA Consultancy Services Asia Pacific Pte Ltd	**201,936,346.00**	-	-	**201,936,346.00**

14. Capital reserve

(RMB)

Item	1 January 2023	Additions during the period	Reductions during the year	31 December 2023
Other capital reserves	**91,094.00**	-	-	**91,094.00**

Note: Account payable not required to be paid.

15. Surplus reserve

(RMB)

Item	1 January 2023	Additions during the period	Reductions during the year	31 December 2023
Statutory surplus reserve	**74,087.59**	-	-	**74,087.59**

16. Retained earnings

(RMB)

Item	December 31, 2023	December 31, 2022
Retained earnings at beginning of year	**50,852,744.65**	14,841,093.30
Add:Correction of errors in prior years	-	-
Current year profits	**50,083,841.71**	36,011,651.35
Retained earnings at end of period	**100,936,586.36**	50,852,744.65

17. Operating revenue and operating cost

(RMB)

	2023		2022	
Item	Revenue	Cost	Revenue	Cost
Principal activities	**900,743,499.16**	**670,282,861.06**	**858,619,985.87**	**680,639,834.72**

Notes forming part of the Financial Statements

18. Financial expenses

(RMB)

Item	December 31, 2023	December 31, 2022
Total interest expenses	-	-
Less: Interest income	**2,613,147.71**	2,064,706.17
Net exchange losses/gains	**4,292,367.02**	-14,887.53
Bank charges	**101,959.93**	92,608.48
Total	**1,781,179.24**	-1,986,985.22

19. Investment income

(RMB)

Item	December 31, 2023	December 31, 2022
Income from long-term equity investments	**4,272,638.62**	-
Including: using the equity method	**4,272,638.62**	-
Total	**4,272,638.62**	-

20. Non-operating income

(RMB)

Item	December 31, 2023	December 31, 2022
Government grants	**1,168,313.00**	2,320,653.15
VAT refund	**769,239.78**	611,897.95
Others	**107,016.62**	403,876.98
Total	**2,044,569.40**	3,336,428.08

21. Non-operating expenses

(RMB)

Item	December 31, 2023	December 31, 2022
Losses from disposal of non-current assets	-	8,435.42
Late payment fee	-	378.32
Donations provided	**77,023.10**	47,881.75
Total	**77,023.10**	56,695.49

VIII. Supplementary information on cash flow statement

(1) Supplement to cash flow statement:

(RMB)

Item	For the year ended December 31, 2023	For the year ended December 31, 2022
1. Reconciliation of net profit/loss to cash flows from operating activities:		
net profit/loss	**50,083,841.71**	36,011,651.35
Less: Unrecognized investment loss	-	-
Add: Provisions for impairment of assets	-	-46,753.34
Depreciation of fixed assets	**10,280,086.81**	8,679,682.46
Amortisation of long-term deferred expenses	**529,478.13**	266,915.00

Notes forming part of the Financial Statements

(RMB)

Item	For the year ended December 31, 2023	For the year ended December 31, 2022
Loss of disposing fixed assets, intangible assets and other long-term assets	**-**	8,435.42
Financial expenses ("-" for income)	**4,292,367.02**	-14,887.53
Investment loss ("-" for gains)	**-4,272,638.62**	-
Decrease in operating receivables ("-" for increase)	**25,253,075.18**	-55,368,616.50
Increase in operating payables ("-" for increase)	**19,960,710.72**	28,546,911.37
Net cash flows from operating activities	**106,126,920.95**	18,083,338.23
2. Investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	**-**	-
Convertible bonds due within one year	**-**	
Acquisition of fixed assets under finance leases	**-**	-
3. Change in cash and cash equivalents:		
Cash ending balance	**171,773,529.40**	111,083,826.81
Less: cash opening balance	**111,083,826.81**	107,136,765.70
Net increase/decrease in cash and cash equivalents	**60,689,702.59**	3,947,061.11

(2) Details of cash and cash equivalents

(RMB)

Item	December 31, 2023	December 31, 2022
1. Cash	**171,773,529.40**	111,083,826.81
Including: Cash in hand	**-**	30,897.00
Bank deposits available on demand	**171,773,529.40**	111,052,929.81
2. Cash equivalents	**-**	-
3. Cash and cash equivalents ending balance	**171,773,529.40**	111,083,826.81

IX. Related parties and related party transactions

1. Information about the parent of the Company

(RMB)

Name	Registration place	Business nature	Shareholding percentage %	Percentage of voting rights %
TATA Consultancy Services Asia Pacific Pte Ltd	Singapore	Software Consultancy, Business Management and Servise	100.00	100.00

The ultimate parent company of the Company is Tata Sons Private Limited.

2. Interests in subsidiaries

Name	Principal place of business	Registration Place	Business Nature	Shareholding %		Acquisition method
				Direct	Indirect	
TCS Financial Solutions Beijing Co. Ltd	Beijing	Beijing	Research and development of computer hardware and software	100	-	Investment and merger

Notes forming part of the Financial Statements

3. Information on other related parties

Name	Related party relationship
Beijing Zhongguancun Software Park Development Co.,Ltd	Original shareholder
Tata America International Corporation (PCS AMERICA)	Subsidiary of ultimate holding company
Tata Consultancy Services Deutschland GmbH	Subsidiary of ultimate holding company
Tata Consultancy Services Sverige AB	Subsidiary of ultimate holding company
Tata Consultancy Services Switzerland Ltd.	Subsidiary of ultimate holding company
Tata Consultancy Services France S.A.S	Subsidiary of ultimate holding company
Tata Consultancy Services Asia Pacific Pte Ltd	Subsidiary of ultimate holding company
Tata Consultancy Services Belgium N.V./S.A.	Subsidiary of ultimate holding company
Tata Consultancy Services Japan, Ltd.	Subsidiary of ultimate holding company
TCS (Thailand) Limited	Subsidiary of ultimate holding company
Tata Consultancy Services Netherlands B.V	Subsidiary of ultimate holding company
TCS Canada Inc.	Subsidiary of ultimate holding company
PT Tata Consultancy Services Indonesia	Subsidiary of ultimate holding company
Tata Consultancy Services Ireland Limited	Subsidiary of ultimate holding company
TCS Malaysia Sdn Bhd	Subsidiary of ultimate holding company
TITAN COMPANY LIMITED	Subsidiary of ultimate holding company
Tata Sons Priviate Limited	Subsidiary of ultimate holding company
TCS Italia srl	Subsidiary of ultimate holding company
Tata Consultancy Services Limited	Subsidiary of ultimate holding company

4. Transactions with related parties

(1) Purchases/sales

©Receiving of services

(RMB)

Related party	Year ended December 31, 2023	Year ended December 31, 2022
Tata Consultancy Services Limited	**64,894,694.28**	76,893,203.42
TATA Consultancy Services Asia Pacific Pte Ltd.	**1,238,791.48**	620,862.01
Tata America International Corporation	**149,514.08**	-

©Rendering of services

(RMB)

Related party	Year ended December 31, 2023	Year ended December 31, 2022
Tata Consultancy Services Limited	**332,609,079.91**	291,163,580.20
Tata Consultancy Services Deutschland GmbH	**29,206,350.26**	25,176,675.44
Tata Consultancy Services Switzerland Ltd.	**12,479,142.78**	5,974,654.08
Tata Consultancy Services Japan, Ltd.	**12,295,338.06**	13,602,566.72
Tata Consultancy Services France S.A.S	**10,477,211.00**	9,385,960.69
Tata Consultancy Services Netherlands B.V.	**6,919,725.24**	4,182,407.98
Tata Consultancy Services Sverige AB	**4,244,999.90**	2,362,340.65
Tata Consultancy Services Asia Pacific Pte Ltd	**1,884,407.55**	3,371,722.19
Tata Consultancy Services Belgium S.A./N.V.	**1,616,913.91**	3,671,449.41

Notes forming part of the Financial Statements

(RMB)

Related party	Year ended December 31, 2023	Year ended December 31, 2022
Tata Consultancy Services Ireland Limited	**922,941.15**	1,074,111.67
PT Tata Consultancy Services Indonesia	**139,980.18**	1,111,681.41
TCS (Thailand) Limited	**85,335.42**	241,472.18
TCS Malaysia Sdn Bhd	**-**	1,286.66
TCS Italia srl	**-**	0.57

(3) Trademark use

(RMB)

Related party	Year ended December 31, 2023	Year ended December 31, 2022
Tata Sons Private Limited	**100,668.16**	24,626.21

(2) Leases

As the lessor

(RMB)

Lessee	Type of assets leased	Lease income recognized in 2022	Lease income recognized in 2021
TCS Financial Solutions Beijing Co., Ltd.	Rent	601,383.91	616,480.12

(3) Other

(RMB)

Related party	Year ended December 31, 2023	Year ended December 31, 2022
TITAN COMPANY LIMITED	**-**	-558,161.92
Tata Sons Priviate Limited	**1,240,103.69**	1,256,757.55

5. Receivables from and payables to related parties

(1) Receivables from related parties

(RMB)

Related party	Year ended December 31, 2023	Year ended December 31, 2022
Tata Consultancy Services Limited	**40,840,627.59**	45,663,110.47
Tata Consultancy Services Deutschland GmbH	**2,706,149.38**	1,686,505.52
Tata Consultancy Services Switzerland Ltd	**1,766,750.46**	1,310,481.04
Tata Consultancy Services France S.A.S	**1,543,040.20**	2,733,759.80
Tata Consultancy Services Asia Pacific Pte Ltd	**1,269,097.44**	1,306,738.81
Tata Consultancy Services Sverige AB	**975,104.50**	205,311.92
Tata Consultancy Services Netherlands B.V	**304,321.98**	280,843.71
PT Tata Consultancy Services Indonesia	**280,354.24**	211,375.00
TCS Financial Solutions Beijing Co., Ltd.	**164,744.23**	-
Tata Consultancy Services Japan, Ltd.	**97,427.01**	932,483.00
Tata Consultancy Services Ireland Limited	**73,247.58**	101,343.29
TCS (Thailand) Limited	**23,723.79**	100,961.47
Tata Consultancy Services Belgium N.V./S.A.	**5,808.18**	1,103,481.06
Total	**50,050,396.58**	55,636,395.09

Notes forming part of the Financial Statements

(2) Payables to related parties

(RMB)

Related party	Year ended December 31, 2023	Year ended December 31, 2022
Tata Consultancy Services Limited	**10,430,937.16**	12,487,826.16
Tata Consultancy Services Deutschland GmbH	**2,327,042.40**	-
Tata America International Corporation	**428,434.14**	207,511.02
Titan Company Limited	**188,970.64**	-
Tata Consultancy Services Netherlands B.V.	**167,728.85**	-
Tata Sons Private Limited	**100,668.11**	-
Tata Consultancy Services France S.A.S	**22,892.99**	-
Tata Consultancy Services Asia Pacific Pte Ltd.	**-**	446,993.60
Total	**13,666,674.29**	13,142,330.78

X. CONTINGENCIES

As at 31 Dec 2023 there is no material contingency arising from pending litigation and guarantee provided to other entities.

XI. COMMITMENTS

Operating lease commitments

As at the balance sheet date, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

(RMB)

The total future minimum lease payments under non-cancellable operating leases	As at December 31, 2023	As at December 31, 2022
Within 1 year	**10,830,086.78**	13,601,839.03
Within 2 years	**2,121,027.84**	2,501,189.46
Total	**12,951,114.62**	16,103,028.49

XII. POST BALANCE SHEET DATE EVENTS

As at 2 April 2024, there is no events after the balance sheet date to be disclosed.

XIII. APPROVAL PF FINANCIAL STATEMENTS

These financial statements and the accompanying notes to the financial statements have been approved by the Company's management on 2 April 2024.

TATA Consultancy Services (China) Co.,Ltd.

2 April 2024

TATA CONSULTANCY SERVICES (THAILAND) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
31 March 2024

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF
TATA CONSULTANCY SERVICES (THAILAND) LIMITED

Opinion

I have audited the financial statements of Tata Consultancy Services (Thailand) Limited (the "Company"), which comprise the statement of financial position as at 31 March 2024, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Vilaivan Pholprasert)

Certified Public Accountant
Registration No. 8420

KPMG Phoomchai Audit Ltd.
Bangkok
30 April 2024

Statements of financial position as at 31 March, 2024

(Unit : Baht)

	Note	March 31, 2024	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	4	**16,499,214**	3,106,935
Trade accounts receivable	5	**89,600,483**	98,121,214
Unbilled contract work in progress	6	**36,121,575**	17,509,131
Other receivables	7	**468,710**	615,315
Other current assets	8	**19,090,655**	43,811,237
Total current assets		**161,780,637**	163,163,832
Non-current assets			
Equipment	9	**4,071,631**	5,840,693
Refundable deposits		**614,407**	614,400
Total non-current assets		**4,686,038**	6,455,093
Total assets		**166,466,675**	169,618,925
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	10	**91,745,979**	83,922,785
Excess of progress billings over contract work in progress	6	**3,994,944**	52,587,032
Provision for project loss		**-**	2,273,224
Total current liabilities		**95,740,923**	138,783,041
Non-current liability			
Provision for retirement benefits	11	**6,154,720**	5,238,003
Total non-current liability		**6,154,720**	5,238,003
TOTAL LIABILITIES		**101,895,643**	144,021,044
Equity			
Share capital			
Authorised share capital			
(800,000 ordinary shares, par value at Baht 10 per share)			
Issued and paid-up share capital		**8,000,000**	8,000,000
(800,000 ordinary shares, par value at Baht 10 per share)			
Retained earnings		**8,000,000**	8,000,000
Appropriated to legal reserve	12	**800,000**	800,000
Unappropriated		**55,771,032**	16,797,881
Total equity		**64,571,032**	25,597,881
TOTAL LIABILITIES AND EQUITY		**166,466,675**	169,618,925

The accompanying notes are an integral part of these financial statements.

Statements of income for the year ended 31 March 2024

(Unit : Baht)

	Note	March 31, 2024	March 31, 2023
REVENUE			
Revenue from rendering of services		**428,319,425**	371,550,363
Net foreign exchange gain		**3,214,682**	-
Other income		**300,605**	1,107,659
TOTAL REVENUE		**431,834,712**	372,658,022
EXPENSES			
Cost of rendering of services		**305,586,835**	307,680,288
Selling expenses		**272,332**	163,205
Administrative expenses	13	**77,162,761**	67,493,025
Net foreign exchange loss		**-**	1,836,285
TOTAL EXPENSES		**383,021,928**	377,172,803
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		**48,812,784**	(4,514,781)
Tax expense (income)		**9,839,633**	(648,307)
PROFIT (LOSS) FOR THE YEAR		**38,973,151**	(3,866,474)

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2024

(Unit : Baht)

	Note	Issued and paid-up share capital	Retained earnings		Total equity
			Appropriated to legal reserve	Unappropriated	
Year ended 31 March 2023					
Balance at 1 April 2022		8,000,000	800,000	30,664,355	39,464,355
Loss for the year		-	-	(3,866,474)	(3,866,474)
Dividends	15	-	-	(10,000,000)	(10,000,000)
Balance at 31 March 2023		8,000,000	800,000	16,797,881	25,597,881
Year ended 31 March 2024					
Balance at 1 April 2023		**8,000,000**	**800,000**	**16,797,881**	**25,597,881**
Profit for the year		**-**	**-**	**38,973,151**	**38,973,151**
Balance at 31 March 2024		**8,000,000**	**800,000**	**55,771,032**	**64,571,032**

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2024

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Cash and cash equivalents
5	Trade accounts receivable
6	Unbilled contract work in progress and excess of progress billings over contract work in progress
7	Other receivables
8	Other current assets
9	Equipment
10	Trade and other payables
11	Provision for retirement benefits
12	Legal reserve
13	Administrative expenses
14	Employee benefit expenses
15	Dividends
16	Commitments

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the directors on 30 April 2024.

1. GENERAL INFORMATION

Tata Consultancy Services (Thailand) Limited, the "Company", is incorporated in Thailand on 12 May 2013 and has its registered office at 1818, Rasa Two Building, 17th Floor, Room No. 1707, Phetchaburi Road, Makkasan Sub-district, Ratchathewi District, Bangkok.

The parent company and ultimate parent company during the financial year were Tata Consultancy Services Asia Pacific Pte. Ltd. and Tata Consultancy Services Limited, which were incorporated in Singapore and India, respectively.

The principal activities of the Company are IT consulting, software solutions and IT outsourcing services.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non- Publicly Accountable Entities (Revised B.E. 2565), which promulgated by the Federation of Accounting Professions (TFAC) in 2022. The adoption of the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Revised B.E. 2565) ('TFRS for NPAEs') does not impact materially the financial statements.

The financial statements are prepared and presented in Thai Baht. Accounting policies disclosed in Note 3 are applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to Thai Baht at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, are translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the statement of income.

(b) Cash and cash equivalents

Cash and cash equivalents comprise demand deposits and highly liquid short-term investments, which have maturities of three months or less from the date of acquisition.

(c) Trade and other receivables

Trade and other receivables are measured at invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories. Bad debts are written off when incurred. Bad debts recovered are recognised as other income in the statement of income at the amount received.

(d) Contract work in progress

Unbilled contracts work in progress represents the gross unbilled amount expected to be collected from customers. Unbilled contract work in progress measured at cost of contract work plus profit recognised to date (see note 3(i)) less progress billings and recognised losses. Cost of contract work includes all expenditure related to specific contracts.

Revenue from rendering of services that is recognised for which contract billings are undue is presented as "unbilled contract work in progress" under current assets in the statement of financial position. If progress billing exceeds recognised revenue, then the difference is presented as "excess of progress billings over contract work in progress" under current liabilities in the statement of financial position.

Notes to the financial statements

(e) Equipment

Owned assets

Equipment is measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of equipment are recognised in the statement of income.

Subsequent costs

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to- day servicing of equipment is recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of each component of an asset and recognised in the statement of income. No depreciation is provided on assets under construction. The estimated useful lives are as follows:

Furniture, fixture and office equipment 4-5 years

(f) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. The loss on decline in value is recognised in the statement of income.

(g) Trade and other payables

Trade and other payables are stated at cost.

(h) Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Provision for retirement benefits

Provision for retired benefits are recognised using the best estimate method at the reporting date. The Company derecognises the provision when actual payment is made.

(i) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Rendering of services

Revenue from rendering of services is recognised as the services are provided.

Contract revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of income in proportion to the stage of completion of the contract.

The stage of completion is assessed based on cost-to-cost method. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of income.

Notes to the financial statements

(j) Operating leases

Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Contingent rentals are recognised as expense in the accounting period in which they are incurred.

(k) Income tax

Income tax is calculated on the taxable income or loss for the year, using tax rates enacted at the reporting date.

4. CASH AND CASH EQUIVALENTS

(Unit : in thousand Baht)

	2024	2023
Cash at banks - current accounts	**10,499**	3,107
Cash at bank - short term fixed deposits	**6,000**	-
Total	**16,499**	3,107

5. TRADE ACCOUNTS RECEIVABLE

(Unit : in thousand Baht)

	2024	2023
Related parties	**22,898**	15,568
Other parties	**66,702**	82,553
Total	**89,600**	98,121

The normal credit term granted by the Company ranges from 30 days to 60 days.

6 UNBILLED CONTRACT WORK IN PROGRESS AND EXCESS OF PROGRESS BILLINGS OVER CONTRACT WORK IN PROGRESS

(Unit : in thousand Baht)

	2024	2023
UNBILLED CONTRACT WORK IN PROGRESS		
At 1 April	**3,512**	92,466
Amount recognised as revenue on percentage of completion basis during the year	**28,601**	3,362
Less value of total billed during the year	**(3,468)**	(92,316)
	28,645	3,512
Unbilled contract work in progress from other revenues	**7,477**	13,997
At 31 March	**36,122**	17,509
EXCESS OF PROGRESS BILLING OVER CONTRACT WORK IN PROGRESS		
At 1 April	**52,587**	30,303
Value of total billed during the year	**(585)**	34,479
Less Amount recognised as revenue on percentage of completion basis during the year	**(52,002)**	(12,195)
Excess of progress billing over contract work in progress from other revenues	**3,995**	52,587
At 31 March	**3,995**	52,587

Notes to the financial statements

7. OTHER RECEIVABLES

(Unit : in thousand Baht)

	2024	2023
Advance to employees	**367**	407
Advance to suppliers	**102**	208
Total	**469**	615

8. OTHER CURRENT ASSETS

(Unit : in thousand Baht)

	2024	2023
Deferred expenses	**1,739**	23,459
Refundable withholding tax	**17,282**	20,218
Others	**70**	134
Total	**19,091**	43,811

9. EQUIPMENT

(Unit : in thousand Baht)

	Furniture, fixture and office equipment	Assets under construction	Total
Cost			
At 1 April 2022	9,591	117	9,708
Additions	3,528	-	3,528
Transfer	117	(117)	-
Disposals	(1,415)	-	(1,415)
At 31 March 2023 and 1 April 2023	**11,821**	**-**	**11,821**
Additions	**716**	**-**	**716**
Disposals	**(43)**	**-**	**(43)**
At 31 March 2024	**12,494**	**-**	**12,494**
Depreciation			
At 1 April 2022	4,010	-	4,010
Depreciation charge for the year	1,970	-	1,970
At 31 March 2023 and 1 April 2023	**5,980**	-	**5,980**
Depreciation charge for the year	**2,485**	**-**	**2,485**
Disposals	**(43)**	**-**	**(43)**
At 31 March 2024	**8,422**	**-**	**8,422**
Net book value			
At 31 March 2023	5,841	-	5,841
At 31 March 2024	**4,072**	**-**	**4,072**

The gross carrying amounts of the Company's fully depreciated equipment that was still in use at 31 March 2024 amounted to Baht 2.9 million (2023: Baht 2.4 million).

Notes to the financial statements

10. TRADE AND OTHER PAYABLES

(Unit : in thousand Baht)

	2024	2023
Trade and other payables - related parties	**47,703**	43,929
Accrued operation expenses	**25,040**	15,587
Accrued bonus	**10,090**	7,067
Provision for accumulated leave	**8,828**	7,367
Trade and other payables - other parties	**85**	9,125
Advances received from customers	**-**	848
Total	**91,746**	83,923

11. PROVISION FOR RETIREMENT BENEFITS

(Unit : in thousand Baht)

	2024	2023
At 1 April	**5,238**	5,566
Additions	**1,277**	
Paid	**(360)**	-
Reversal	**-**	(328)
At 31 March	**6,155**	5,238

12. LEGAL RESERVE

According to the provision of the Civil and Commercial Code, the Company shall set up reserve ("legal reserve") at least 5% of operating income upon each dividend distribution until the reserve is no less than 10% of the registered authorised capital. This legal reserve shall not be available for dividend distribution.

13. ADMINISTRATIVE EXPENSES

(Unit : in thousand Baht)

	2024	2023
Employee benefit expenses	**53,646**	48,441
Facility expenses	**2,680**	2,536
Professional fees	**2,585**	1,008
Depreciation expenses	**1,692**	1,434
Travelling expenses	**1,483**	1,075
Communication expenses	**419**	205
Recruitment expenses	**342**	167
Others	**14,316**	12,627
Total	**77,163**	67,493

Notes to the financial statements

14. EMPLOYEE BENEFIT EXPENSES

(Unit : in thousand Baht)

	2024	2023
Salaries and overtime and bonuses	**179,227**	183,274
Contribution to defined contribution plan	**5,013**	4,234
(Reversal of) provision for employee benefits	**1,277**	(328)
Others	**5,129**	6,321
Total	**190,646**	193,501

The define contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 5% of their basic salaries and by the Company at rates 5% of the employee's basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

15. DIVIDENDS

The board of directors of the Company have approved dividends as follows:

Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
27 February 2023	March 2023	12.50	10,000

16. COMMITMENTS

(Unit : in thousand Baht)

	2024	2023
Non-cancellable operating lease commitments		
Within 1 year	**1,399**	2,398
Alter 1 year but within 0 years	**-**	1,399
Total	**1,399**	3,797

As at 31 March 2024, the Company had operating lease agreements covering its office premises and service for the periods 3 years, expiring various dates up to 31 October 2024.

PT TATA CONSULTANCY SERVICES INDONESIA

ANNUAL FINANCIAL STATEMENTS

For the year ended

March 31, 2024

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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Board of Director's Statement of Responsibility

For The Financial Statements
Year Ended 31 March 2024
PT Tata Consultancy Services Indonesia (The "Company")

I, the undersigned:

Name :	Jia Yu
Office address :	Gedung Menara Prima #16 Unit F Jl. DR. Ide Anak Agung Gde Agung Blok 6.2 Kuningan, Jakarta Selatan 12950
Office telephone :	021-57947951
Function :	Director

declare that:

1. I am responsible for the preparation and presentation of the financial statements of the Company;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. The disclosures I have made in the financial statements are complete and accurate;
   b. The financial statements do not contain misleading information, and I have not omitted any information or facts that would be material to the financial statements; and
4. I am responsible for the internal control.

This statement is made truthfully.

For and on behalf of Board of Director

6 May 2024

(signature)

(Stamp duty)

Jia Yu

Director

Independent Auditor's Report

NO.:

THE SHAREHOLDERS,

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

PT TATA CONSULTANCY SERVICES INDONESIA

Opinion

We have audited the financial statements of PT Tata Consultancy Services Indonesia ("the Company"), which comprise the statement of financial position as of 31 March 2024, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Siddharta Widjaja & Rekan
Registered Public Accountants

Angga Pujaprayoga, CPA
Public Accountant License No. AP. 1694

6 May 2024

Statement of Financial Position

(In millions of Rupiah)

	Notes	March 31, 2024	March 31, 2023
ASSETS			
Current Assets			
Cash in banks and cash equivalents	4	**12,506**	17,885
Trade and other receivables, net	5	**47,859**	73,698
Contract assets	10	**15,516**	57,708
Prepaid value added taxes		**-**	637
Prepayments and advances		**12,912**	14,647
Total Current Assets		**88,793**	164,575
Non-Current Assets			
Fixed assets, net		**1,913**	2,635
Claims for tax refund		**4,360**	-
Deferred tax assets, net	13c	**9,882**	6,723
Refundable deposits		**176**	180
Total Non-Current Assets		**16,331**	9,538
TOTAL ASSETS		**105,124**	174,113
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	6	**50,507**	85,478
Unearned revenue	7	**2,362**	16,920
Income tax payables		**626**	2,619
Other taxes payable		**1,320**	3,812
Short-term employee benefits obligation	8	**-**	131
Lease liabilities		**468**	138
Total Current Liabilities		**55,283**	109,098
Non-Current Liability			
Employee benefits obligation	8	**6,469**	5,260
Total Non-Current Liability		**6,469**	5,260
TOTAL LIABILITIES		**61,752**	114,358
Equity			
Share capital	9	**1,003**	1,003
Retained earnings			
Appropriated	9	**201**	201
Unappropriated		**42,168**	58,551
Total Equity		**43,372**	59,755
TOTAL LIABILITIES AND EQUITY		**105,124**	174,113

See Notes to the Financial Statements, which form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

(In millions of Rupiah)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue	10	**140,792**	190,623
Cost of revenue	11	**(92,576)**	(126,100)
GROSS PROFIT		**48,216**	64,523
General and administrative expenses	12	**(28,951)**	(24,462)
Impairment loss on trade receivables and contract assets		**(9,804)**	(1,199)
Currency exchange loss, net		**(36)**	(893)
Other expenses, net		**-**	(123)
		(38,791)	(26,677)
OPERATING PROFIT		**9,425**	37,846
Finance income		**397**	290
PROFIT BEFORE TAX		**9,822**	38,136
Income tax expense	13a	**(3,065)**	(8,338)
PROFIT		**6,757**	29,798
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Changes resulting from actuarial remeasurements of employee benefits obligation		**424**	446
Tax on other comprehensive income	13c	**(93)**	(98)
TOTAL OTHER COMPREHENSIVE INCOME		**331**	348
TOTAL COMPREHENSIVE INCOME		**7,088**	30,146

See Notes to the Financial Statements, which form an integral part of these financial statements.

Statement of Changes In Equity

(In millions of Rupiah)

	Notes	Share capital	Retained earnings		Total Equity
			Unappropriated	Appropriated	
Balance as of 31 March 2022		1,003	59,405	201	60,609
Comprehensive income – 2023					
Profit		-	29,798	-	29,798
Other comprehensive loss		-	348	-	348
Distributions to shareholders - cash dividends	14	-	(31,000)	-	(31,000)
Balance as of 31 March 2023		1,003	58,551	201)	59,755
Comprehensive income – 2024					
Profit		**-**	**6,757**	**-**	**6,757**
Other comprehensive income		**-**	**331**	**-**	**331**
Distributions to shareholders - cash dividends	14	**-**	**(23,471)**	**-**	**(23,471)**
Balance as of 31 March 2024		**1,003**	**42,168**	**201**	**43,372**

See Notes to the Financial Statements, which form an integral part of these financial statements.

Statement of Cash Flows

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit	**6,757**	29,798
Adjustments for:		
Depreciation	**1,092**	888
Additional (reversal) of impairment loss of trade receivables and contract assets	**9,377**	(343)
Loss on trade receivables write-off	**427**	1,542)
Finance income	**(397)**	(290)
Income tax expense	**3,065**	8,338
Changes in:		
Trade and other receivables, net	**16,035**	(36,273)
Contract assets	**42,192**	8,141
Prepaid value added taxes	**637**	5,094
Prepayments and advances	**1,735**	(10,130)
Claims for tax refund	**-**	69
Refundable deposits	**4**	(4)
Trade and other payables	**(34,971)**	10,117
Unearned revenue	**(14,558)**	11,484
Other taxes payable	**(2,492)**	1,362
Short-term employee benefits obligation	**(131)**	(201)
Employee benefits obligation	**1,633**	934
Interest received	**397**	290
Income tax refund	**-**	16,766
Income tax paid	**(12,670)**	(11,644)
Net cash from operating activities	**18,132**	35,938
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of fixed assets	**(117)**	(1,766)
Proceeds from sale of fixed assets	**399**	-
Net cash from (used in) investing activities	**282**	(1,766)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payment of lease liabilities	**(322)**	(333)
Dividends paid	**(23,471)**	(31,000)
Net cash used in financing activities	**(23,793)**	(31,333)
NET (DECREASE) INCREASE IN CASH IN BANKS AND CASH EQUIVALENTS	**(5,379)**	2,839
CASH IN BANKS AND CASH EQUIVALENTS, BEGINNING OF YEAR	**17,885**	15,046
CASH IN BANKS AND CASH EQUIVALENTS, END OF YEAR	**12,506**	17,885

See Notes to the Financial Statements, which form an integral part of these financial statements.

Notes forming part of Financial Statements

1. GENERAL

a. PT Tata Consultancy Services Indonesia (the "Company") was established in the Republic of Indonesia in 2006.

The Company's office is located at Gedung Menara Prima #16 Unit F, Jl. DR. Ide Anak Agung Gde Agung Blok 6.2, Kuningan, Jakarta Selatan 12950.

b. The Company is engaged in the Information Technology (IT) services, consulting and business solutions.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK").

b. The Company's Director approved the financial statements for issuance on 6 May 2024.

c. Basis of measurement

The financial statements are prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

d. Functional and presentation currency

The financial statements are presented in Rupiah, rounded to the nearest million, which is the Company's functional currency.

e. Use of judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimated amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(i) Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Note 10 – Revenue recognition: Management's judgment with respect to existence of contractual performance obligations, timing of revenue recognition, revenue classification, and determining whether the Company acts as an agent or as a principal.

(ii) Assumptions and estimation uncertainties

Information about the assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the following year is included in Note 8 – Measurement of employee benefits obligation: key actuarial assumptions.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied to the periods presented in these financial statements.

a. Cash equivalents

Short-term time deposits with original maturities of three months or less are considered as cash equivalents.

b. Impairment of non-financial assets

The carrying amount of each cash-generating unit ("CGU") within non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets. Impairment losses are recognized in profit or loss.

Notes forming part of Financial Statements

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

c. Post-employment benefits

The obligation for post-employment benefits is calculated at the present value of estimated future benefits that the employees have earned in return for their services in the current and prior periods. The calculation is performed by a qualified actuary using the project unit credit method.

Gains or losses arising from actuarial remeasurement of the net defined benefit liability are recognized immediately in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

d. Financial instruments

(i) Financial assets

The financial assets that are measured at amortized cost consist of cash in banks and cash equivalents, trade and other receivables, contract assets, and refundable deposits. These financial assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains or losses on derecognition of these financial assets are recognized in profit or loss.

(ii) Financial liabilities

Financial liabilities are classified as either measured-at-amortized cost, or at FVTPL. A FVTPL financial liability is measured as such if it is classified as held-for-trading, if it is a derivative, or if it is designated as measured-at-FVTPL on initial recognition.

Trade and other payables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred: i.e. when control over the financial asset is relinquished.

In transactions where a financial asset is transferred but the risks and rewards associated with ownership are somehow retained the transferred asset is not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or otherwise extinguished. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability, based on the modified terms, is recognized at fair value.

Notes forming part of Financial Statements

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Impairment

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortized cost.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Company measures loss allowances at an amount that reflects the lifetime ECL, except for cash in banks and cash equivalents and refundable deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, wherein the loss allowances are determined based on the 12-month ECL.

Loss allowances for trade and other receivables, and for contract assets that are measured at amortized cost, are measured at an amount that represents the lifetime ECL.

e. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a product or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Consultancy, maintenance and support services	Invoices are issued on a basis of contractual terms and are usually payable within 30 - 90 days.	Revenue is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
Time and material and job contracts	Invoices are issued on a monthly basis and are usually payable within 30 - 90 days.	Revenue is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Notes forming part of Financial Statements

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Fixed price contracts	Invoices are issued on the basis contractual milestone and are usually payable within 30 - 90 days.	Revenue is recognized using percentage- of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
Third party hardware or software	Customers obtain control of the products when the products are delivered to the customer's premises. Invoices are generated and revenue is recognized at that point in time.	Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognized upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognized over time on a POC method.
Internally developed software and manufactured systems (collectively termed as "products")	Invoices are usually payable within 30 – 90 days.	Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue is recognized when there is billings in excess of revenues.

f. Foreign currency transactions

Transactions in foreign currencies are translated to the Company's functional currency (Rupiah) at the rates of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date. Foreign currency gains or losses on monetary items are comprised of the difference between amortized cost measured in the functional currency at the beginning of the period as adjusted for effective interest and payments during the period, and the amortized cost measured in foreign currency translated at the exchange rate at reporting date.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency gains and losses on retranslation of monetary assets and liabilities that arise from operating activities are generally recognized in profit or loss.

g. Income tax

Income tax expense consist of current and deferred corporate income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Notes forming part of Financial Statements

Current tax expense is the amount of tax paid, or payable on taxable income or loss for the year, using tax rates substantively enacted as of the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax expense is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This accounting policy also requires the recognition of tax benefits, such as tax loss carry forwards, which are originated in the current period that are expected to be realized in the future periods, to the extent that realization of such benefits is probable.

Deferred tax assets represent the net remaining balance of deferred tax benefits that have been originated and utilized through the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of their realization through future taxable profits improves.

4. CASH IN BANKS AND CASH EQUIVALENTS

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Cash in banks	**5,506**	5,885
Short-term time deposits in Rupiah	**7,000**	12,000
	12,506	17,885

5. TRADE AND OTHER RECEIVABLES, NET

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Trade receivables resulting from revenue generation activities consist of the following:		
Third parties	**67,880**	83,830
Related parties (Note 15d)	**1,847**	2,378
	69,727	86,208
Other third parties receivables	**799**	780
Total trade and other receivables	**70,526**	86,988
Less: provision for impairment of trade receivables	**(22,667)**	(13,290)
Total trade and other receivables, net	**47,859**	73,698

For the year ended 31 March 2024, a total of Rp 427 million was directly written off from trade receivables (2023: Rp 1,542 million).

Notes forming part of Financial Statements

6. TRADE AND OTHER PAYABLES

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Trade payables:		
Related parties (Note 15d)	**12,224**	39,506
Third parties	**9,918**	9,043
	22,142	48,549
Other payables and accrued expenses:		
Related parties (Note 15d):		
Technical services	**19,617**	28,472
Royalty	**317**	454
Others	**223**	6
Third parties:		
Employees' salaries and other compensation	**7,533**	5,556
Professional fees	**675**	470
Others	**-**	1,971
	28,365	36,929
	50,507	85,478

7. UNEARNED REVENUE

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Balance at 1 April	**16,920**	5,436
Billings during the year	**2 362**	16 609
Revenue recognized during the year	**(16,920)**	(5,125)
Balance at 31 March	**2,362**	16,920

8. EMPLOYEE BENEFITS OBLIGATION

In accordance with Indonesian labor regulations, the Company is required to provide certain post-employment benefits to its employees when their employment is terminated or when they retire. These benefits are primarily based on years of service and the employees' compensation at termination or retirement.

Notes forming part of Financial Statements

The following table reflects the balance of the obligation for post-employment benefits as of the reporting dates, as well as the movements in the obligation, and the expense recognized during 2024 and 2023:

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Movement in the defined benefit obligation		
Defined benefit obligation, beginning of year	**5,391**	5,104
- Past service cost	**-**	(542)
- Current service cost	**1,234**	1,257
- Interest cost	**370**	284
Included in other comprehensive income		
Actuarial gains (losses) arising from:		
- financial assumptions	**149**	(17)
- experience adjustment	**(573)**	(429)
Others		
- Benefits paid	**(102)**	(266)
Defined benefit obligation, end of year	**6,469**	5,391
Short-term employee benefits obligation	**-**	(131)
Employee benefits obligation	**6,469**	5,260

Actuarial assumptions

Principal assumptions used in the actuarial calculations were as follows:

	2024	2023
Discount rate	**6.19% -7.00 % per annum**	6.01% - 7.21% per annum
Future salary increase rate	**7.00% per annum**	7.00% per annum

At 31 March 2024, the weighted-average duration of the defined benefit obligation is 15.59 years (2023: 13.65 years).

The discount rate is used in determining the present value of the benefit obligation at valuation date. In general, the discount rate correlates with the yield on high quality zero coupon government bonds that are traded in active capital markets at the reporting date.

The future salary increase assumptions projects the benefit obligation starting from the valuation date through the normal retirement age. The salary increase rate is generally determined by applying inflation adjustments to pay scales, and by taking account of the length of service.

Sensitivity analysis

It is reasonably possible that the key actuarial assumptions applied in estimating the post-employment benefits may turn out to be different than expected. The range of such reasonably expected variability would affect the defined benefit obligation at the reporting date by the following amounts:

(In millions of Rupiah)

	2024		2023	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	**(569)**	**650**	(442)	504
Future salary increase rate	**614**	**(550)**	498	(446)

This analysis depicts the approximate sensitivity of the benefits obligation to a reasonably possible change in assumptions, but does not take account of the variability in the timing of the distribution of benefit payments expected under the plan.

Notes forming part of Financial Statements

9. SHARE CAPITAL AND APPROPRIATED RETAINED EARNINGS

As of 31 March 2024 and 2023, the Company's authorized share capital amounted to Rp 2,508 million (250 shares at a nominal value of Rp 10,030,000 (whole Rupiah) or USD 1,000 per share), of which amounted to Rp 1,003 million (100 shares at a nominal value of Rp 10,030,000 (whole Rupiah) or USD 1,000 per share) have been fully issued and paid-up by the following shareholders:

Shareholders	Nominal value			
	Number of shares	**In millions of Rupiah**	**USD**	**%**
Tata Consultancy Services Asia Pacific Pte., Ltd, Singapore	99	993	99,000	99%
Tata Consultancy Services Malaysia Sdn., Bhd, Malaysia	1	10	1,000	1%
	100	1,003	100,000	100%

Based on the General Shareholders' Meeting, the Company established a statutory reserve of 20% of the issued and paid-up share capital amounting to Rp 201 million in accordance with the Indonesian Limited Liability Company Law.

10. REVENUE AND CONTRACT ASSETS

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Rendering of consultancy maintenance and support services (timing on revenue recognition: overtime):		
Third parties	**127 493**	179 604
Related parties (Note 15a)	**8,310**	8,919
	135,803	188,523
Sales of hardware and software (timing on revenue recognition: point in time):		
Third parties	**4,989**	2,100
	140,792	190,623

Contract Assets

The contract assets primarily relate to the Company's right for consideration for work completed but not billed at the reporting date for its consultancy services. The following table provide information about contract assets from contracts with customers:

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Balance 1 April	**57,708**	65,849
(Reversal) recognized as revenue	**(1,439)**	35,095
Transferred to receivables	**(40,753)**	(43,236)
Balance 31 March	**15,516**	57,708

Notes forming part of Financial Statements

11. COST OF REVENUE

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Professional fees	**44,373**	65,354
Employees' salaries and other compensation	**37,097**	46,203
Project	**10,113**	11,750
Hardware and software and others	**993**	2,793
	92,576	126,100

12. GENERAL AND ADMINISTRATIVE EXPENSES

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
Employees' salaries and other compensation	**23,603**	19,705
Utilities	**1,343**	351
Travel	**1,392**	1,232
Marketing and sales promotion	**699**	541
Professional fees	**681**	879
Others	**1,233**	1,754
	28,951	24,462

13. TAXATION

a. The components of income tax recognized in profit or loss are as follows:

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax expense:		
Current year	**6,259**	10,115
Adjustments to prior years' tax expense	**58**	(315)
	6,317	9,800
Deferred tax benefit:		
Origination and reversal of temporary differences	**(3,252)**	(1,462)
	3,065	8,338

Notes forming part of Financial Statements

b. Income tax expense is reconciled with profit before tax as follows:

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	**9,822**	38,136
Statutory tax rate	**22%**	22%
	2,161	8,390
Non-deductible expenses	**846**	263
Adjustment to prior years' tax expense	**58**	(315)
Income tax expense	**3,065**	8,338

c. Recognized deferred tax balances and the movement thereof during the year were comprised of the following:

(In millions of Rupiah)

	Year ended March 31, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Year ended March 31, 2024
Deferred tax assets (liabilities):				
Provision for impairment of trade receivables	**2,924**	**2,063**	**-**	**4,987**
Accrued expenses	**2,596**	**867**	**-**	**3,463**
Employee benefits obligation	**1,186**	**330**	**(93)**	**1,423**
Fixed assets	**17**	**(8)**	**-**	**9**
Deferred tax assets, net	**6,723**	**3,252**	**(93)**	**9,882**

(In millions of Rupiah)

	Year ended March 31, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Year ended March 31, 2023
Deferred tax assets (liabilities):				
Provision for impairment of trade receivables	3,005	(81)	-	2,924
Accrued expenses	1,236	1,360	-	2,596
Employee benefits obligation	1,122	162	(98)	1,186
Fixed assets	(4)	21	-	17
Deferred tax assets, net	5,359	1,462	(98)	6,723

The temporary difference that give rise to the deferred tax asset for the provision for impairment of trade receivables does not expire, however before such provision can be deductible the Company must provide evidence that the receivables are not collectible, and thereby must write off the uncollectible balances. Management believes that the Company will be able to provide evidence that the receivables are not collectible as required by the Indonesian Income Tax Law.

Notes forming part of Financial Statements

d. Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

The Company's tax positions may be challenged by the tax authorities. The Company's tax positions are formed on sound technical bases, in compliance with the tax regulations. Accordingly, management believes that no accruals for potential income tax liabilities is necessary. This assessment relies on estimates and assumptions and may involve judgment about future events. New information may become available that causes management to change its judgment. Such changes will impact tax expense in the period in which such determination is made.

14. DISTRIBUTIONS TO SHAREHOLDERS

The annual general shareholders' meeting on 28 February 2024 declared the distribution of cash dividends of Rp 11,771 million. The dividends were paid on 29 February 2024.

The annual general shareholders' meeting on 29 November 2023 declared the distribution of cash dividends of Rp 11,700 million. The dividends were paid on 4 December 2023.

The annual general shareholders' meeting on 27 February 2023 declared the distribution of cash dividends of Rp 31,000 million. The dividends were paid on 15 March 2023.

15. RELATED PARTIES

The Company is ultimately controlled by Tata Sons Limited (incorporated in India).

The Company's parent company is Tata Consultancy Services Asia Pacific Pte., Ltd (incorporated in Singapore) and its intermediate parent is Tata Consultancy Services Limited (incorporated in India).

The Company's entities under common control are Tata Consultancy Services Malaysia Sdn., Bhd (incorporated in Malaysia), Tata Consultancy Services (China) Co., Ltd. and Tata America International Corporation (incorporated in United States).

The following transactions were carried out with related parties:

(a) Revenue

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services rendered to (Note 10):		
Intermediate parent	**3,001**	3,606
Parent	**5,309**	5,313
	8,310	8,919

(b) Purchases of services

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
Services provided by:		
Intermediate parent	**41,429**	64,090
Entities under common control	**6,326**	5,688
Parent	**5,228**	3,808
Ultimate parent	**349**	454
	53,332	74,040

Notes forming part of Financial Statements

(c) Key management compensation

Key management includes Board of Director and Board of Commissioners. The following reflects the compensation paid or payable to key management individuals for services rendered in their capacity as employees:

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and other short-term benefits	**2,762**	2,484

(d) Year-end balances

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
Receivables from (Note 5):		
Intermediate parent	**1,483**	1,338
Parent	**364**	1,040
	1,847	2,378
Contract assets from:		
Parent	**149**	446
Intermediate parent	**55**	286
	204	732
Payables to (Note 6):		
Intermediate parent	**22,291**	57,362
Entities under common control	**3,364**	5,915
Parent	**6,377**	4,707
Ultimate parent	**349**	454
	32,381	68,438

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

The Company's financial assets and liabilities are expected to be realized, or settled in the near term. Therefore, their carrying amounts approximate their fair values.

Financial risk management

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and currency risk.

Credit risk

Credit risk is the risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk principally arises from trade receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Notes forming part of Financial Statements

The Company minimizes its exposure to credit risk of trade receivables and contract assets by assessing and monitoring the credit worthiness of customers. The exposure is also further limited by mandating payment terms of no longer than 30 days and by actively enforcing collection from customers prior to the due date.

The Company's most significant customer, an Indonesian State Owned and Commercial Bank, PT Bank Negara Indonesia (Persero), TBK., accounts for Rp 6,367 million of the trade receivables carrying amount at 31 March 2024 (2023: Rp 37,905 million).

An analysis of the credit quality of trade and other receivables and contract assets is summarized below:

(In millions of Rupiah)

	As at March 31, 2024	As at March 31, 2023
	Carrying amount	Carrying amount
Not past due	**29,116**	99,480
Past due:		
Less than 90 days	**2,827**	27,067
91 days to 1 year	**31,432**	4,805
1 year and above	**-**	54
	63,375	131,406

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables and contract assets as at 31 March 2024 and 2023:

(In millions of Rupiah)

	March 31, 2024		
	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	**0 %**	**29,116**	**-**
Past due:			
Less than 90 days	**0 %**	**2,827**	**-**
91 days to 1 year	**38 %**	**50,631**	**(19,199)**
1 year and above	**100 %**	**3,468**	**(3,468)**
		86,042	**(22,667)**

(In millions of Rupiah)

	March 31, 2023		
	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	0%	99,480	-
Past due:			
Less than 90 days	0%	27,067	-
91 days to 1 year	0%	4,805	-
1 year and above	99%	13,344	(13,290)
		144,696	(13,290)

Notes forming part of Financial Statements

The movement in the allowance for impairment in respect of trade receivables and contract assets during the years was as follows:

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at 1 April	**13,290**	13,633
Net remeasurement of loss allowance	**9,377**	(343)
Balance at 31 March	**22,667**	13,290

Cash in banks and cash equivalents

The Company's cash in banks and cash equivalents are deposited at reputable banks that are subject to tight regulations, therefore, the exposure to loss is minimized.

Refundable deposits

Refundable deposits represents cash paid in advance by the Company whereby the Company expects to be refundable after a specific period of time, or when certain conditions are satisfied, therefore, no significant credit risk factors was identified.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages this liquidity risk by on-going monitoring of the projected and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

(In millions of Rupiah)

		Contractual cash flows
	Carrying amount	Total/Within 1 year
March 31, 2024		
Financial liabilities		
Trade and other payables	**50,507**	**50,507**
Lease liabilities	**468**	**488**
	50,975	**50,995**

(In millions of Rupiah)

		Contractual cash flows
	Carrying amount	Total/Within 1 year
March 31, 2023		
Financial liabilities		
Trade and other payables	**85,478**	**85,478**
Lease liabilities	**138**	**139**
	85,616	**85,617**

Notes forming part of Financial Statements

Currency risk

The Company is exposed to currency risk on few sales and purchases that are denominated in a currency other than the Company's functional currency, primarily in US Dollars. Management mitigates the overall risk by buying or selling currencies of US Dollars at spot rate when necessary.

The Company's net exposure to currency risk is as follows:

(In millions of Rupiah)

	Year ended March 31, 2024	Year ended March 31, 2023
	US Dollars	US Dollars
Assets	**909,665**	836,915)
Liabilities	**(434,513)**	(562,269)
Net exposure	**475,152**	274,646

At reporting dates, balances of monetary assets and liabilities denominated in US Dollars are translated into Rupiah using the prevailing exchange rates which were Rp 15,873/US Dollars at 31 March 2024; and Rp 14,925/US Dollars at 31 March 2023.

The Company believes that a strengthening/weakening of the Rupiah, by against the US Dollars would not have significant impact to equity and profit or loss after income tax. This analysis is based on US Dollars rate variances that management considers as being reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

Capital risk management

The Company manages capital with the objective of being able to continue as a going concern and sustaining its ability to provide returns for shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to minimize the effective cost of capital. This objective is achieved by limiting the amounts of dividends.

TATA CONSULTANCY SERVICES (PHILIPPINES) INC.

(A Wholly-owned Subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd.)

For the year ended March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS AND STOCKHOLDERS
TATA CONSULTANCY SERVICES (PHILIPPINES), INC.

10th Floor, Panorama Tower
34th Street Corner Lane A
Bonifacio Global City, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Consultancy Services (Philippines), Inc. (the "Company"), a wholly-owned subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd., which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRSs).

Basis for the Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATIONS NO. 15-2010 OF THE BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

Partner
CPA License No. 108798
Tax Identification No. 225-454-652
BIR Accreditation No. 08-001987-035-2024
Issued March 26, 2024; valid until March 26, 2027
PTR No. MKT 10075209
Issued January 2, 2024 at Makati City

April 30, 2024
Makati City, Metro Manila

SUPPLEMENTAL WRITTEN STATEMENT OF AUDITOR

The Board of Directors and Stockholders
Tata Consultancy Services (Philippines), Inc.

10th Floor, Panorama Tower
34th Street Corner Lane A
Bonifacio Global City, Taguig City

We have audited the accompanying financial statements of Tata Consultancy Services (Philippines), Inc. (the "Company"), a wholly-owned subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd., as at and for the year ended March 31, 2024, on which we have rendered our report dated April 30, 2024.

In compliance with Revised Securities Regulation Code (SRC) Rule 68, we are stating that the Company has one (1) stockholder owning one hundred (100) or more shares.

R.G. MANABAT & CO.

Partner
CPA License No. 108798
Tax Identification No. 225-454-652
BIR Accreditation No. 08-001987-035-2024
Issued March 26, 2024; valid until March 26, 2027
PTR No. MKT 10075209
Issued January 2, 2024 at Makati City

April 30, 2024
Makati City, Metro Manila

Statements of Financial Position

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Current Assets			
Cash and cash equivalents	5, 23, 24	**P610,553,076**	P490,085,081
Trade receivables - net	6, 19, 23, 24	**1,613,836,598**	1,815,614,385
Prepayments and other current assets	7, 23, 24	**258,677,888**	270,635,505
Total Current Assets		**2,483,067,562**	2,576,334,971
Noncurrent Assets			
Property and equipment - net	8	**297,644,521**	238,243,717
Intangible assets - net	9	**3,978**	11,578
Right-of-use assets - net	21	**479,175,902**	685,822,420
Other noncurrent assets	10, 23, 24	**106,043,039**	85,804,764
Total Noncurrent Assets		**882,867,440**	1,009,882,479
		P3,365,935,002	P3,586,217,450
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11, 23, 24	**P1,513,980,062**	P1,809,883,650
Lease liabilities - current portion	21	**291,575,805**	288,753,101
Income tax payable		**22,374,286**	21,704,897
Total Current Liabilities		**1,827,930,153**	2,120,341,648
Non current Liabilities			
Lease liabilities - net of noncurrent portion	21	**225,354,268**	447,353,691
Retirement benefit obligation	12	**241,500,461**	179,263,215
Total Noncurrent Liabilities		**466,854,729**	626,616,906
Total Liabilities		**2,294,784,882**	2,746,958,554
Equity			
Share capital	13	**276,200,000**	276,200,000
Accumulated remeasurements on retirement benefits		**16,386,329**	43,313,628
Retained earnings:			
Appropriated	14	**500,000,000**	400,000,000
Unappropriated	14	**831,083,791**	672,265,268
Treasury shares	13	**(552,520,000)**	(552,520,000)
Total Equity		**1,071,150,120**	839,258,896
		P3,365,935,002	P3,586,217,450

SEE NOTES TO THE FINANCIAL STATEMENTS.

Statements of Comprehensive Income

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenues - net	15, 19	**P6,644,188,958**	P6,553,764,184
Cost of services	16	**5,486,312,841**	5,426,060,702
GROSS PROFIT		**1,.157,876,117**	1,127,703,482
General and administrative			
Expenses	17	**483,066,954**	458,585,472
INCOME FROM OPERATIONS		**674,809,163**	669,118,010
Other income (charges)			
Interest expense	21	**(37,315,096)**	(49,549,533)
Foreign exchange gain (loss) - net		**30,747,751**	(5,846,282)
Interest income	5, 21	**8,718,387**	3,422,674
Others – net		**1,717,250**	1,251,122
		3,868,292	(50,722,019)
INCOME BEFORE INCOME TAX		**678,677,455**	618,395,991
Income tax expense	20	**73,858,932**	69,959,403
NET INCOME		**604,818,523**	548,436,588
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified			
subsequently to profit or loss			
Remeasurement gain on retirement benefits	12	**(26,927,299)**	16,441,173
TOTAL COMPREHENSIVE INCOME		**P577,891,224**	P564,877,761

SEE NOTES TO THE FINANCIAL STATEMENTS.

Statements of Changes in Equity

	Note	Share Capital (Note 13)	Accumulated Remeasurements on Retirement Benefits	Retained Earnings (Note 14) Appropriated	Unappropriated	Total	Treasury Shares (Note 13)	Total
Balances as at March 31, 2022		P276,200,000	P26,872,455	P100,000,000	P920,828,680	P1,020,828,680	(P552,520,000)	P771,381,135
Net Income		-	-	-	548,436,588	548.436,588	-	548,436,588
Other comprehensive income	12	-	16,441,173	-	-	-	-	16,441,173
Total comprehensive income		-	16,441,173	-	548,436,588	548,436,588	-	564,877,761
Reversal of appropriations		-	-	(100,000,000)	100,000,000	-	-	-
Additional appropriation	14	-	-	400,000,000	(400,000,000)	-	-	-
Dividend distribution	14	-	-	-	(497,000,000)	(497,000,000)	-	(497,000,000)
Transactions with owners of the Company		-	-	300,000,000	(797,000,000)	(497,000,000)	-	(497,000,000)
Balances as at March 31, 2023		**P276,200,000**	**P43,313,628**	**P400,000,000**	**P672,265,268**	**P1,072,265,268**	**(P552,520,000)**	**P839,258,896**
Net Income		**-**	**-**	**-**	**604,818,523**	**604,818,523**	**-**	**604,818,523**
Other comprehensive income	12	**-**		**-**	**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**(26,927,299)**	**-**	**604,818,523**	**604,818,523**	**-**	**577,891,224**
Reversal of appropriations		**-**	**-**	**(400,000,000)**	**400,000,000**	**-**	**-**	**-**
Additional appropriation	14	**-**	**-**	**500,000,000**	**(500,000,000)**	**-**	**-**	**-**
Dividend distribution	14	**-**	**-**	**-**	**(346,000,000)**	**(346,000,000)**	**-**	**(346,000,000)**
Transactions with owners of the Company		**-**	**-**	**100,000,000**	**(446,000,000)**	**(346,000,000)**	**-**	**(346,000,000)**
Balances as at March 31, 2024		**P276,200,000**	**P16,386,329**	**P500,000,000**	**P831,083,791**	**P1,331,083,791**	**(P552,520,000)**	**P1,071,150,120**

SEE NOTES TO THE FINANCIAL STATEMENTS.

Statements of cash Flows

	Note	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax		**P678,677,455**	P618,395,991
Adjustments for:			
Depreciation and amortization	8, 9, 21	**407,041,286**	378,436,729
Retirement benefit expense	12, 18	**48,099,146**	39,841,638
Provision (reversal) for impairment losses on receivables	6	**14,825,465**	(8,578)
Gain on sublease & lease modification		**906,318**	1,033,018
Dividend Income		**-**	(20)
Unrealized foreign exchange gain - net		**(9,671,510)**	(144,923)
Interest Income	5, 21	**(8,718,388)**	(3,422,674)
Provision (reversal) for volume discount		**4,869**	(8,223,347)
Operating cash flows before working capital changes		**1,131,164,641**	1,025,907,834
Decrease (increase) in:			
Trade receivables		**200,393,833**	(512,978,310)
Prepayments and other current assets		**11,953,652**	12,796,812
Increase (decrease) in trade and other Payables		**(322,862,433)**	503,597,198
Cash generated from operations		**1,020,649,693**	1,029,323,534
Income taxes paid		**(73,189,543)**	(65,477,618)
Benefits paid		**(12,789,199)**	-
Net cash provided by operating activities		**934,670,951**	963,845,916
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (net of disposal)	8	**(138,557,208)**	(87,557,631)
Decrease (increase) in other assets		**(14,746,083)**	3,936,609
Interest Income received	5	**4,537,675**	348,746
Dividend income received		**-**	20
Net cash used in investing activities		**(148,765,616)**	(83,272,256)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	14	**(346,000,000)**	(497,000,000)
Repayment of lease liabilities	21	**(317,976,098)**	(268,556,116)
Net cash used in financing activities		**(663,976,098)**	(765,556,116)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**P121,929,237**	P115,017,544
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(1,461,242)**	4,568,386
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**490,085,081**	370,499,151
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	**P610,553,076**	P490,085,081

SEE NOTES TO THE FINANCIAL STATEMENTS.

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services (Philippines) Inc. (the "Company") was organized under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 19, 2008. The Company's principal activities are to provide information technology (IT), business solutions and outsourcing services.

The Company is a wholly-owned subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd. (the "Parent Company"), a company incorporated under the laws of Singapore. Tata Consultancy Services Limited (the "Intermediate Parent"), a company incorporated in India and Tata Sons Limited ("the Ultimate Parent"), a company incorporated in India is the Company's ultimate parent company.

The Company is registered with the Philippine Economic Zone Authorities (PEZA) under Republic Act No. 7916 (The Special Economic Zone Act of 2005) as an Ecozone IT Enterprise on June 2, 2010.

The Company is concurrently registered with the Philippine Board of Investments (BOI) under Executive Order No. 226 (Omnibus Investment Code of 1987) as an Export Market Enterprise on December 22, 2022.

2. BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations.

Basis of Measurement

The financial statements of the Company have been prepared on the historical cost basis of accounting, except for the retirement benefit obligation which is measured at the present value of defined benefit obligation, certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period & Lease liability which is measured at amortized cost.

Functional and Presentation Currency

The financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Philippine Peso, which is the Company's functional currency. All amounts are rounded to the nearest Peso, except when otherwise indicated.

Authorization for Issuance of the Financial Statements

The accompanying financial statements were approved and authorized for issue by the Company's Board of Directors (BOD) on April 30, 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in the financial statements, except for the changes in accounting policies as explained below.

Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Company has adopted the following new standards, amendments to standards and interpretations starting April 1, 2023 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on Company's financial statements.

Effective January 1, 2023

- *Definition of Accounting Estimates (Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors).* To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a

Notes forming part of the Financial Statements

measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remain unchanged. The amendments also provide examples on the application of the new definition.

The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- *Disclosure of Accounting Policies (Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements).* The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures, assisting companies to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

  The Company reviewed the accounting policies and although the amendments did not result in any changes to the accounting policies.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12 Income Taxes).* The amendments clarify that that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations.

  For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

- *International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12 Income Taxes).* The amendments provide a temporary mandatory exception from accounting for deferred tax that arises from legislation implementing the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules. Under the relief, a Company:

  - discloses that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
  - discloses that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
  - discloses separately its current tax expense (income) related to Pillar Two income taxes; and
  - in periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation.

Standard Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after April 1, 2023. However, the Company has not early adopted the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's financial statements.

Notes forming part of the Financial Statements

Effective January 1, 2024

- *Lease Liability in a Sale and Leaseback (Amendment to PFRS 16 Leases).* The amendments confirm the following:

  - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

  - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

  A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. For example, the seller-lessee could determine the lease payments to be deducted from the lease liability as expected lease payments or as equal periodic payments over the lease term, with the difference between those payments and amounts actually paid recognized in profit or loss.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. Under PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of PFRS 16.

- *Classification of Liabilities as Current or Non-current - 2020 amendments and Non-Current Liabilities with Covenants – 2022 amendments (Amendments to PAS 1 Presentation of Financial Statements).* To promote consistency in application and clarify the requirements on determining whether a liability is current or non-current, the amendments:

  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

  - clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non¬current and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;

  - provided additional disclosure requirements for non-current liabilities subject to conditions within twelve months after the reporting period to enable the assessment of the risk that the liability could become repayable within twelve months; and

  - clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

  The amendments will apply retrospectively for annual reporting periods beginning on or after January 1, 2024 with earlier application is permitted. Entities that have early applied the 2020 amendments may retain application until the 2022 amendments are applied. Entities that will early apply the 2020 amendments after issue of the 2022 amendments must apply both amendments at the same time.

- *Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).* The amendments introduce new disclosures about a company's supplier finance arrangements that would enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, a Company discloses in aggregate for its supplier finance arrangements:

  - the terms and conditions of the arrangements;

  - beginning and ending carrying amounts and associated line items of the financial liabilities that are part of a supplier finance arrangement, distinguishing those for which suppliers were already paid, and range of payment due dates including those for comparable trade payables not part of a supplier finance arrangement; and

  - the type and effect of non-cash changes in the carrying amounts.

Notes forming part of the Financial Statements

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. However, a company is not required to disclose comparative information for any prior reporting periods, information on carrying amounts for which suppliers already received payment and range of payment due dates as at the beginning of the annual reporting period the company first applies the amendments, and information for any interim period within the annual reporting period in which the company first applies those amendments.

Effective January 1, 2025

- *PFRS 17 Insurance Contracts replaces the interim standard, PFRS 4 Insurance Contracts.* Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

  - combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
  - presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
  - requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

  Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

  Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

  PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

  PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. Early application is permitted for entities that apply PFRS 9 Financial Instruments on or before the date of initial application of PFRS 17.

- *Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).* The amendments clarify that a currency is exchangeable into another currency when a Company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

  When a currency is not exchangeable, a Company needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

Notes forming part of the Financial Statements

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the Company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the Company uses a presentation currency other than its functional currency.

Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures). The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

  The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

  Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Financial Assets & Financial Liabilities

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The entity derecognises financial liabilities when, and only when, the entity obligations are discharged, cancelled or have expired.

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial Assets at fair Value through Profit or Loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Notes forming part of the Financial Statements

Financial Liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Impairment of Financial Assets (Other than at Fair Value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. PFRS 9 requires expected credit losses to be measured through a loss allowance. The entity recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current assets when the cost of services related to the prepayments are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as noncurrent assets.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management; and
- the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

At the end of each reporting period, item of property and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation, amortization and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of Years
Computer equipment	4
Furniture and fixtures	5
Office equipment	5 - 10
Leasehold improvements	5 or lease term, whichever is shorter

Notes forming part of the Financial Statements

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets commences at the time the assets are ready for their intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes forming part of the Financial Statements

Short-term leases and leases of low-value assets.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of Nonfinancial Assets

At the end of each reporting period, the Company assesses whether there is any indication that any of its nonfinancial assets, which comprise of property and equipment, may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. A reasonable and consistent basis of allocation can be identified, assets are also allocated to individual (CGUs), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income.

Share Capital

Share capital are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Treasury Shares

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in additional paid-in capital.

Retained Earnings

Retained earnings represent accumulated profits or losses. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders. Appropriated retained earnings represent that portion which has been restricted and, therefore, not available for dividend declaration. When appropriation is no longer needed, it is reversed.

Other Comprehensive Income (OCI)

Other comprehensive income represents income and expense that are not recognized in profit or loss as required or permitted by the related accounting standards.

Revenue Recognition

The Company earns revenue primarily from providing IT services, business solutions and outsourcing services. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Notes forming part of the Financial Statements

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using percentage- of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognized upfront at the point in time when the system/software is delivered to the customer. In cases where implementation and/or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognized over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognized at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. Such costs are amortized over the contractual period or useful life of the license, whichever is less. The assessment of this criteria requires the application of judgement, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there are billings in excess of revenues. Contract liability is presented in the Company's financial statements as "unearned revenue".

The billing schedules agreed with customers could include periodic performance¬based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with PAS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography, and nature of services.

Notes forming part of the Financial Statements

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products and services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

  - Judgment is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Company has applied the practical expedient provided by PFRS 15, whereby the Company does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

  - The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

  - Revenue for fixed-price contracts are recognized using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Finance and Other Income

Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other Income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Expense Recognition

Costs and expenses are recognized when incurred and have been classified according to their primary functions in the following categories:

Cost of Revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licenses, depreciation and amortization of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, General and Administrative Expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances, facility expenses for sales and marketing offices and market research costs.

Notes forming part of the Financial Statements

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortization expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

Employee Benefits

Short-term Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period that are expected to be settled wholly before twelve months after the end of the reporting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Compensated absences

Compensated absences are recognized as undiscounted liability as at the end of the reporting periods.

Post-employment Benefits

The Company classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.

The Company presents the first two components of defined benefit costs in profit or loss in the line item of cost of services and general and administrative expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation.

Taxes

Current and deferred taxes are recognized in profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Income tax expense represents the sum of current tax expense and deferred tax.

Current Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net income as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. As a PEZA-registered entity, the Company is entitled to corporate income tax holiday (ITH) for four years for IT and Business Process Outsourcing (BPO) projects effective on the committed date of start of commercial operations, or the actual date of start of commercial operations, whichever is earlier. The Company's liability for current tax is calculated using 0% tax rate for PEZA-registered activities under ITH and 5% tax rate for PEZA and BOI-registered activities and 25% tax rate for ordinary activities.

Notes forming part of the Financial Statements

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences and carry forward benefits of unused net operating loss carry over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward benefits of NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax asset to be recovered.

Deferred tax liabilities and assets are measured using substantial enacted tax rates that are expected to apply in the period in which the liability is settled or the asset realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of sales tax recoverable from or payable to the tax authority is included as part of receivables or payables in the Company's statements of financial position.

Foreign Currency Denominated Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on settlement and retranslation are included in profit or loss for the year. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Related Parties and Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of reimbursement. If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Notes forming part of the Financial Statements

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Determining Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the Company in determining the costs and selling price of its services.

Determining Term and Discount Rate of Lease Agreement

The company evaluates if an arrangement qualifies to be a lease as per the requirements of PFRS 16. Identification of a lease requires significant judgment. The entity uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the entity is reasonably certain not to exercise that option. In assessing whether the entity is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the entity to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Entity revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes forming part of the Financial Statements

Key source of estimation of uncertainty in respect of revenue recognition, impairment has been discussed in their respective policies.

Estimating Impairment Losses on Trade Receivable

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. PFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

As at March 31, 2024 and 2023, the management provided for allowances amounting to P14.82 million and nil, respectively considering doubtful collection from accounts (see Note 6).

Trade receivables recognized in the Company's statements of financial position amounted to P1,613.84 million and P1,815.61 million, as at March 31, 2024 and 2023, respectively (see Note 6).

Estimating Useful Lives of Property and Equipment

The useful lives of the Company's property and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

There is no change in the EUL of the Company's property and equipment in 2024 and 2023.

As at March 31, 2024 and 2023, the carrying amounts of the Company's property and equipment amounted to P 297.64 million and P238.24 million, respectively (see Note 8).

Estimating Impairment of Nonfinancial Assets

The Company performs an impairment review when certain impairment indicators are present. Determining the recoverable amount of property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment and intangible asset are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

As at March 31, 2024 and 2023, the Company's management determined that there are no impairment indicators affecting its property and equipment.

Recoverability of Deferred Tax Assets

The Company reviews its deferred tax assets at each reporting date and reduces the carrying amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company also reviews expected timing and rates upon reversal of temporary differences and adjust impact of deferred tax assets accordingly. The Company's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on Company's past results and

Notes forming part of the Financial Statements

future expectation on revenues and expenses.

As at March 31, 2024 and 2023, Company has not recognized deferred tax assets for retirement benefit obligation, bonus and leave liability as management believes it is not probable that future taxable profits from its non-PEZA-registered and PEZA registered activities will be available against which the company can utilize the carryforward benefits of retirement benefit obligation, bonus and leave liability, respectively (see Notes 20 and 22).

Estimating Retirement Benefit Obligation and Expense

The determination of the retirement benefit obligation and expense is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include discount rates, mortality rates and rates of compensation increase, among others. Actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations.

The retirement benefit expense charged to operations amounted to P48.10 million and P39.84 million in 2024 and 2023, respectively. The carrying amount of the retirement benefit obligation in the Company's statements of financial position amounted to P 241.50 million and P179.26 million as at March 31, 2024 and 2023, respectively (see Note 12).

Estimating Provisions and Contingent Liabilities

The Company is involved in a certain claim, which arise in the normal course of business. The management believes that the claims lack legal basis and will contest any future proceedings. The estimate on the probable costs for the resolution of these possible claims is based upon analysis of potential results. Currently, the Company does not believe these claims will have a material adverse effect on the Company's financial statements. It is possible that future financial performance could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceeding.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

5. CASH AND CASH EQUIVALENTS

This account consists of:

	Note	As at March 31, 2024	As at March 31, 2023
Cash on hand		**P95,000**	P95,000
Cash in banks	23, 24	**85,063,051**	200,336,331
Cash equivalents	23, 24	**525,395,025**	289,653,750
		P610,553,076	P490,085,081

Cash pertains to cash on hand and unrestricted cash in banks, which earned an average interest of 0.01%. Interest for time deposit earned an average interest of 3.06% and 0.85% in 2024 and 2023, respectively. Income earned on cash in banks amounted to P0.92 million and P0.10 million in 2024 and 2023, respectively, while interest income earned on time deposits amounted to P4.45 million and to P0.25 million in 2024 and 2023, respectively.

Notes forming part of the Financial Statements

6. TRADE RECEIVABLES - NET

This account consists of:

	As at March 31, 2024	As at March 31, 2023
Trade:		
Billed receivables	**P1,239,814,752**	P1,335,292,674
Unbilled receivables	**388,843,261**	480,321,711
	1,628,658,013	1,815,614,385
Allowance for impairment losses	**(14,821,415)**	-
	P1,613,836,598	P1,815,614,385

The average credit period taken on sales of services is 15-75 days. No interest is charged in the receivable exceeding the credit period.

Out of the total trade receivables, due from related parties amounted to P1,087.52 million and P927.58 million as at March 31, 2024 and 2023, respectively (see Note 19).

Movements of allowance for impairment losses:

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	**P -**	P8,578
Provision	**14,821,415**	-
Reversal	**-**	(8,578)
Balance at end of year	**P14,821,415**	P -

7. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	Note	As at March 31, 2024	As at March 31, 2023
Contract assets	15, 19	**P191,725,481**	P160,131,235
Prepaid expenses		**42,747,580**	65,324,296
Advances to employees		**12,698,836**	11,456,424
Sublease receivable		**3,593,876**	1,884,985
Refundable deposits	21, 23, 24	**1,833,600**	1,833,600
Advance Rent		**-**	11,017,243
Other receivables		**2,724,393**	4,892,409
Others		**3,354,122**	14,095,313
		P258,677,888	P270,635,505

Prepaid expenses include health medical insurance.

Notes forming part of the Financial Statements

Advances to employees is net of allowance for impairment losses amounting to P0.04 million and nil in 2024 and 2023, respectively. Doubtful expense is recognized in profit or loss under General and administrative expenses amounting to P0.04 million and nil in 2024 and 2023, respectively (see Note 17).

Other receivables include receivables from Social Security System for advances made on behalf of the Company's employees.

Others include excess input VAT credit.

8. PROPERTY AND EQUIPMENT

Movements in the carrying amounts of the property and equipment are as follows:

	Computer Equipment	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Construction in Progress	Total
Cost						
Balance, March 31, 2022	P530,540,962	P93,791,027	P268,835,282	P485,143,925	P50,758,841	P1,429,070,037
Disposal/(adjustment)	(96,427)	-	-	-	-	(96,427)
Addition	86,400,820	-	1,691,506	-	374,356	88,466,682
Reclassifications	39,393,920	-	10,700,920	-	(50,094,840)	-
Balance, March 31, 2023	656,239,275	93,791,027	281,227,708	485,143,925	1,038,357	1,517,440,292
Addition	**82,427,636**	**-**	**2,045,700**	**-**	**78,733,054**	**163,206,390**
Reclassifications	**374,355**	**-**	**-**	**830,000**	**(1,204,355)**	**-**
Balance, March 31, 2024	**739,041,266**	**93,791,027**	**283,273,408**	**485,973,925**	**78,567,056**	**1,680,646,682**
Accumulated Depreciation and Amortization						
Balance, March 31, 2022	398,966,822	82,597,462	230,830,704	466,518,818	-	1,178,913,806
Depreciation and amortization	73,170,089	4241,735	16,600,635	6,330,646	-	100,343,105
Disposal	(60,336)	-	-	-	-	(60,336)
Balance, March 31, 2023	472,076,575	86,839,197	247,431,339	472,849,464	-	1,279,196,575
Depreciation and amortization	77,379,440	4,156,514	15,541,427	6,728,205		103,805,586
Balance, March 31, 2024	**549,456,015**	**90,995,711**	**262,972,766**	**479,577,669**	**-**	**1,383,002,161**
Carrying Amounts						
March 31, 2023	P184,162,700	P6,951,830	P33,796,369	P12,294,461	P1,038,357	P238,243,717
March 31, 2024	**P189,585,251**	**P2,795,316**	**P20,300,642**	**P6,396,256**	**P78,567,056**	**P297,644,521**

The total amount of additions to property and equipment includes cash acquisitions amounting to P150.88 million and P87.59 million as at March 31, 2024 and 2023, respectively.

Management believes that there are no impairment indicators offsetting the Company's property and equipment.

Depreciation and amortization is recognized in profit or loss as follows:

	Note	As at March 31, 2024	As at March 31, 2023
Cost of services	16	**P94,145,032**	P87,892,946
General and administrative expenses	17	**9,660,554**	12,450,159
		P103,805,586	P100,343,105

Notes forming part of the Financial Statements

9. INTANGIBLE ASSET - NET

	Note	As at March 31, 2024	As at March 31, 2023
Cost		**P30,406**	P30,406
Amortization	16	**(26,428)**	(18,828)
Carrying Amount, March 31, 2024		**P3,978**	P11,578

10. OTHER NONCURRENT ASSETS

This account consists of:

	Note	As at March 31, 2024	As at March 31, 2023
Refundable deposits	21, 23, 24	**P93,544,297**	P78,318,047
Sublease receivable		**7,029,445**	7,233,918
Contract assets	15	**5,469,279**	252,781
Others		**18**	18
		P106,043,039	P85,804,764

11. TRADE AND OTHER PAYABLES

This account consists of:

	Note	As at March 31, 2024	As at March 31, 2023
Trade payables		**P512,485,388**	P843,328,789
Accrued short-term employee benefits		**739,163,952**	644,345,745
Unearned revenues	15	**117,273,678**	125,274,539
Withholding taxes payables		**59,172,411**	110,864,200
Provision for volume discount		**39,421,353**	31,759,149
Output VAT - net		**-**	19,284,190
Other statutory payables		**46,463,280**	35,027,038
	24	**P1,513,980,062**	P1,809,883,650

The average credit period on purchases of goods and services from suppliers is 30-45 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Accrued short-term employee benefits include provision for employee bonus, sick leave, and vacation leave accruals.

Output VAT is net of input VAT amounting to nil and P13.01 million as at March 31, 2024 and 2023, respectively. Claims for tax credit amounted to P21.17 million and P34.06 million as at March 31, 2024 and 2023.

Out of the total trade payables, due to related parties amounted to P409.09 million and P837.29 million as at March 31, 2024 and 2023, respectively (see Note 19).

Refer to Note 15 for changes in contract liabilities, presented above as "Unearned revenues".

Notes forming part of the Financial Statements

12. RETIREMENT BENEFIT PLAN

The Company operates a defined benefit plan for qualifying employees. Under the plan, the employees upon reaching the age of 60 years or more but not beyond 65 years, which is declared the compulsory retirement age, and have served at least five years in the Company are entitled to retirement benefits equivalent to at least one half month salary for every year of service rendered in the Company.

The plan typically exposes the participants to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Rate Risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out at March 31, 2024 by an independent actuary. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	2024	**2023**
Discount rate	**6.25%**	6.64%
Expected rate of salary increase	**5.00%**	4.50%

Amounts recognized in profit or loss and other comprehensive income in respect of this defined benefit plan are as follows:

	Defined Benefit Obligation	
	2024	**2023**
Balance at beginning of year	**P179,263,215**	P155,862,750
Included in Profit or Loss		
Current service cost	**36,196,069**	30,926,289
Interest cost	**11,903,077**	8,915,349
	48,099,146	39,841,638
Contribution paid	**(12,789,199)**	-
Included in OCI		
Remeasurement loss (gain) arising from:		
Changes in financial assumptions	**28,720,835**	(10,221,633)
Deviations of experience from assumptions	**(1,793,536)**	(6,219,540)
	26,927,299	(16,441,173)
Balance at end of year	**P241,500,461**	P179,263,215

Notes forming part of the Financial Statements

The total retirement benefits expense charged to cost of services amounted to P39.07 million and P31.94 million in 2024 and 2023, respectively. Total retirement benefits expense charged to general and administrative expenses amounted to P9.03 million and P7.91 million in 2024 and 2023, respectively (see Notes 16, 17 and 18).

The reasonably possible changes to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Increase (Decrease) in Defined Benefit Obligation	
	As at March 31, 2024	**As at March 31, 2023**
Discount rate:		
Increase by 0.5%	**(P16,496,079)**	(P11,489,853)
Decrease by 0.5%	**18,143,694**	12,642,709
Salary rate:		
Increase by 0.5%	**18,292,102**	12,897,046
Decrease by 0.5%	**(16,795,896)**	(11,847,205)
Employee turnover:		
Increase by 10%	**(21,235,102)**	(15,074,409)
Decrease by 10%	**21,235,102**	15,074,409

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

13. SHARE CAPITAL

An analysis of the Company's share capital is as follows:

	As at March 31, 2024	**As at March 31, 2023**
Authorized 3,000,000 ordinary shares of P100 par value		
Issued	**P2,762,000**	P2,762,000
Treasury shares	**(380,000)**	(380,000)
Total issued and outstanding	**P2,382,000**	P2,382,000

The Company has one class of ordinary shares which carries no right to fixed income.

Treasury Shares

On July 26, 2017, the BOD approved to buy-back 380,000 shares from Tata Consultancy Services Asia Pacific Pte. Ltd. for P1,454 per share for a total of P552.52 million. These shares will not be retired and shall be deemed as treasury shares.

Notes forming part of the Financial Statements

14. RETAINED EARNINGS

Under the Revised Corporation Code of the Philippines, the Company is prohibited to retain surplus profits in excess of one hundred percent (100%) of its paid-up capital except: when justified by definite corporate expansion projects or programs approved by the BOD; when a company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not yet been secured; or when it can be clearly shown that such retention is necessary under special circumstances, such as when there is a need for reserve for probable contingencies.

The Company has appropriated its retained earnings for various future business expansion as follows:

On March 3, 2023, the Company reversed the appropriated retained earnings amounting to P100 million for the purpose of business expansion but due to the business requirement, the expansion was put on hold. Further, the BOD approved the declaration of cash dividends at P208.65 per share amounting to P497 million. The dividends were paid on March 14, 2023. Furthermore, the BOD approved the appropriation of reserve fund in the amount of P400 million out of the total retained earnings of P1,072.07 million as at March 31, 2023 of which P200 million is allocated for Panorama Tower expansion in 2024 while the remaining is allocated for business expansion of the Company which is expected to continue in 2025 to 2026.

On October 31, 2023, the BOD approved the declaration of cash dividends at P71.79 per share amounting to P171 million. The dividends were paid on November 3, 2023.

On March 15, 2024, the BOD approved the declaration of cash dividends at P73.47 per share amounting to P175 million. The dividends were paid on March 18, 2024.

15. REVENUE

An analysis of the Company's revenue is as follows:

	Note	As at March 31, 2024	As at March 31, 2023
Sale of service to third parties		**P1,931,979,045**	P2,131,540,844
Sale of service to related parties	19	**4,712,209,913**	4,422,223,340
		P6,644,188,958	P6,553,764,184

Sale of services is net of volume discount amounting to P58.54 million and P77.65 million in 2024 and 2023, respectively.

Revenue disaggregation by industry vertical is as follows:

	As at March 31, 2024	As at March 31, 2023
Banking, financial and insurance	**P2,230,506,778**	P1,981,075,912
Energy, resources and utilities	**1,603,530,862**	1,424,540,633
High-tech industry practice Communication, media, and technology	**997,043,087**	830,875,701
Life Sciences and healthcare	**377,150,845**	663,867,450
Others	**888,412,290**	791,589,290
Total	**P6,644,188,958**	P6,553,764,184

Notes forming part of the Financial Statements

Revenue disaggregation by geography is as follows:

	As at March 31, 2024	As at March 31, 2023
America	**P3,078,155,109**	P3,093,528,410
Asia Pacific	**2,120,100,687**	2,322,445,117
Europe	**224,644,070**	223,043,695
Others	**1,221,289,092**	914,746,962
Total	**P6,644,188,958**	P6,553,764,184

Contract Assets Movement

	Note	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year		**P160,384,016**	P150,683,858
Revenue recognized during the year		**177,130,230**	108,168,010
Invoices raised during the year		**(143,899,680)**	(100,332,852)
Translation exchange difference		**3,580,194**	1,865,000
Balance at the end of the year	7, 10	**P197,194,760**	P160,384,016

Contract Liabilities Movement

	Note	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year		**(P125,274,539)**	(P132,292,403)
Increase due to invoicing during the year excluding amounts recognized as revenue during the year		**(103,640,300)**	(103,184,741)
Revenue recognized that was included in the contract liability balance at the beginning of the period		**111,203,707**	108,827,519
Translation exchange difference		**437,454**	1,375,086
Balance at the end of the year	11	**(P117,273,678)**	(P125,274,539)

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in PFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event-based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations P4 billion out of which 39.30% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Notes forming part of the Financial Statements

16. COST OF SERVICES

This account consists of:

	Note	As at March 31, 2024	As at March 31, 2023
Salaries and other short-term employee benefits	18	**P4,362,252,093**	P4,069,617,194
Depreciation and amortization	8, 21	**397,380,732**	365,986,569
Direct cost-intercompany charges	19	**365,012,321**	550,467,552
Repairs and maintenance		**92,941,722**	86,603,294
Communication		**67,320,628**	78,851,027
Facilities		**48,865,928**	46,175,835
Security services		**40,326,176**	36,291,016
Retirement benefit expense	12,17	**39,067,067**	31,935,609
Recruitment and training		**24,411,181**	63,877,623
Project cost		**17,450,318**	58,226,642
Transportation and travel		**7,925,065**	6,240,015
Taxes and licenses		**7,672,838**	4,713,852
Legal and professional fees		**1,195,809**	1,422,149
Rent	21	**546,937**	1,194,948
Others		**13,944,026**	24,457,377
		P5,486,312,841	P5,426,060,702

Others include office supplies, cleaning supplies and other miscellaneous items.

17. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	Note	As at March 31, 2024	As at March 31, 2023
Salaries and other short-term employee benefits	18	**P305,844,216**	P304,759,272
Management cost	19	**77,007,365**	71,828,078
Legal and professional fees		**16,450,633**	14,528,752
Doubtful expense (reversal)	6,7	**14,825,465**	(8,578)
Transportation and travel		**11,066,238**	5,030,608
Depreciation and amortization	8,9	**9,660,554**	12,450,160
Retirement benefits expense	12,17	**9,032,079**	7,906,029
Fees paid to business associates		**8,311,949**	5,132,750
Taxes and licenses		**6,581,634**	1,409,391
Brand equity contribution	19	**4,852,350**	5,332,799
Representation and entertainment		**4,242,832**	2,182,304
Recruitment and training		**4,018,574**	4,741,658
Communication		**3,604,366**	12,632,476
Advertising		**3,447,602**	4,450,222
Printing and stationery		**1,252,292**	712,867
Repairs and maintenance		**249,615**	586,853
Director's fees		**33,333**	116,700
Others		**2,585,857**	4,793,131
		P483,066,954	P458,585,472

Others include cleaning expenses and miscellaneous items.

Notes forming part of the Financial Statements

18. EMPLOYEE BENEFITS

Employee benefits consist of:

	Note	As at March 31, 2024	As at March 31, 2023
Salaries and other short-term employee benefits	16 ,17	**P4,668,096,309**	P4,374,376,466
Retirement benefits expense	12, 16, 17	**48,099,146**	39,841,638
		P4,716,195,455	P4,414,218,104

19. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, Related Party Disclosures.

The summary of the Company's transactions and outstanding balances with related parties as at and for the years ended March 31, 2024 and 2023 are as follows:

	Note	Transactions During the Year	Outstanding Balance			Terms	Condition
			Trade Receivables	Other Assets	Trade Payables		
2024							
Ultimate Parent							
Brand Equity	b	P4,852,350	P -	P -	P9,378,514	30-day; non-interest bearing	Unsecured, not impaired
Intermediate Parent							
Sales	a	4,559,533,051	887,564,312	35,846,543	308,643,900	30-day; non-interest bearing	Unsecured, not impaired
Volume discount		55,236,389	-	-	382,26,750		
Purchase	a	130,610,756	-	-	-		
Direct Cost		329,961,453	-	-	-		
Management cost	d	53,942,828	-	-	-		
Parent Company							
Sales	a	27,080,279	15,271,071	-	34,850,754	30-day; non-interest bearing	Unsecured, not impaired
Volume discount	a	581,465	-	-	738,541		
Management cost	c	23,064,537	-	-	-		
Purchase		452,600	-	-	-		
Direct Cost		1	-	-	-		
Dividend declaration		346,000,000	-	-	-		
Fellow Subsidiaries							
Sales		181,188,546	50,731,395	4,772,318	21,617,849	30-day; non-interest bearing	Unsecured, not impaired
Volume discount		185,395	-	-	184,066		
Purchases		2,039,003	-	-	-		
Direct cost		35,050,866	-	-	-		
Dividend income		-	-	-	-		
Rental income		2,519,901	-	10,623,321	-		
Other income		3,034,861	-	-	-		
			P953,566,778	P51,242,182	P413,640,374		

Notes forming part of the Financial Statements

	Note	Transactions During the Year	Outstanding Balance			Terms	Condition
			Trade Receivables	Other Assets	Trade Payables		
2023							
Ultimate Parent							
Brand Equity		P5,332,799	P -	P -	P5,328,852	30-day; non-interest bearing	Unsecured, not impaired
Intermediate Parent							
Sales		4,331,414,538	891,434,866	60,695,105	741,455,602	30-day; non-interest bearing	Unsecured, not impaired
Volume discount	a	77,158,330	-	-	30,660,682		
Purchase	a	116,621,923	-	-	-		
Direct Cost		506,338,421	-	-	-		
Management cost	d	48,134,434	-	-	-		
Parent Company							
Sales	a	12,721,737	2,824,973	-	41,186,581	30-day; non-interest bearing	Unsecured, not impaired
Volume discount		18,029	-	-	154,902		
Management cost	c	23,693,644	-	-	-		
Purchase		841,480	-	-	-		
Direct Cost		3,932,288	-	-	-		
Dividend declaration		497,000,000	-	-	-		
Fellow Subsidiaries							
Sales		155,261,923	33,304,661	1,543,970	18,503,711	30-day; non-interest bearing	Unsecured, not impaired
Volume discount		(1,501)	-	-	(56)		
Purchases		12,937,535	-	-	-		
Direct cost		40,316,370	-	-	-		
Dividend income		20	-	-	-		
Rental income		607,445	-	9,118,903	-		
Other income		144,753	-	-	-		
Reimbursement of expense		(11,966)					
			P927,576,466	P71,357,978	P837,290,274		

a. Sales to related parties were made at the Company's usual list prices. Purchases and direct cost-intercompany charges, representing subcontract costs for employee-related costs recoveries and reimbursements, were made at market price discounted to reflect the services purchased and the relationships between the parties. Sale of services is net of volume discount amounting to P56.00 million and P77.17 million in 2024 and 2023, respectively.

Contract assets amounting to P104 million and P9.83 million are recognized from the Intermediate Parent as at 2024 and 2023, respectively.

b. On December 23, 2009, the BOD approved the subscription of the Company to Tata Brand Equity & Business Promotion Scheme (Scheme) and authorized its intermediate parent company, Tata Consultancy Services Limited, to enter into a Brand Equity and Business Promotion Agreement through its authorized signatories with Ultimate parent company Tata Sons Limited, on behalf of the Company, towards the Company's subscription to the Scheme. Total fees charged to the Company amounted to P4.85 million and P5.33 million in 2024 and 2023, respectively (see Note 17).

c. The Company's Parent Company has allocated its management cost to all its Asia Pacific subsidiaries. The management cost is allocated based on time spent of management personnel for respective subsidiaries. Total charges allocated to the Company amounted to P23.06 million and P23.69 million in 2024 and 2023, respectively (see Note 17).

Notes forming part of the Financial Statements

d. On April 1, 2013, the Company and its Intermediate parent signed an agreement for General Services and Cost Sharing. The Company is a subsidiary company of Tata Consultancy Services Limited, a group of companies (the "TCS group"), that is engaged in business of promoting, marketing, designing, developing, delivering, maintaining information technology services and products and delivery of information technology-enabled services. The Corporate Office of Tata Consultancy Services Limited ("TCS-HQ") raises charges on various subsidiaries distributing the expenses incurred by TCS-HQ comprising cost towards staffing and support activities and other support functions which has been provided by TCS-HQ and which can reasonably be allocated to subsidiaries. The Company hereby recognizes the efficiency and acknowledges benefit of the said referred services since services are not locally performed within the Philippines. Total management cost allocated to the Company amounted to P53.94 million and P48.13 million in 2024 and 2023, respectively (see Note 17).

Remuneration of Key Management Personnel

The remuneration of the key management personnel of the Company consists of short-term benefits amounting to P16.47 million and P17.80 million in 2024 and 2023, respectively.

20. INCOME TAXES

The Company's income tax expense represents current tax expense amounting to P73.86 million and P69.96 million in 2024 and 2023, respectively.

The reconciliation of the income tax expense computed at the statutory tax rate of 5% and the income tax expense shown in profit or loss is as follows:

	As at March 31, 2024	As at March 31, 2023
Income before income tax	**P678,677,455**	P618,395,991
Income tax at statutory rate	**P33,933,873**	P30,919,800
Income subject to 25% in ordinary tax Additions to (reductions in) income:	**4,101,289**	850,327
Tax resulting from the tax effects of:		
Non-deductible expenses	**36,050,654**	38,206,713
Income subject to final tax	**(226,884)**	(17,437)
Income tax expense	**P73,858,932**	P69,959,403

As at March 31, 2024 and 2023, the gross amount of the Company's unrecognized deferred tax assets on retirement benefit obligations amounted to P26.28 million and P31.94 million as of March 31, 2024 and 2023, respectively, on accrued bonuses amounted to P79.79 million and P59.71 million as of March 31, 2024 and 2023, respectively and on accrued leave amounted to P38.32 million and P32.78 million as of March 31, 2024 and 2023, respectively.

Management believes it is not probable that future taxable profits from the Company's non-PEZA-registered and PEZA-registered activities will be available against which the Company can utilize the benefits from retirement benefit obligation, bonus and leave liability. As a result, the Company has not recognized the deferred tax assets on retirement benefit obligation, accrued bonus and leave.

The Fiscal Incentives Regulatory Board (FIRB) issued FIRB Resolution No. 017-22 for Registered Business Enterprises (RBEs) in IT-BPM sector allowing the Investment Promotion Agencies (IPAs) to continue implementing the work from home (WFH) arrangement without adversely affecting the fiscal incentives under the CREATE Act from April 1, 2022 until September 12, 2022 only. The number of employees under the WFH arrangement shall not exceed thirty percent (30%) of the total workforce of the RBE, while the remaining seventy percent (70%) of the total workforce shall render work or service within the geographical boundaries of the ecozone of freeport being administered by the IPA with which the project/activity is registered. The Company has exceeded the threshold which were subjected to regular income tax of 25% covering the period from April 1 to June 30, 2022 only.

Notes forming part of the Financial Statements

21. LEASES

The Company has entered into lease agreements with third parties in respect of the leases of office building spaces ranging from five to six years, renewable at the option of the lessee. The rent is payable monthly with an escalation rate ranging from 5% to 6% on the subsequent years. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Right-of-Use Assets

The details of the right-of-use assets held by the Company is as follows:

	Additions for the Year Ended March 31, 2024	Deletion for the Year Ended March 31, 2024	Net Carrying Amount as at March 31, 2024
Building	**P95,016,761**	**P -**	**P473,808,533**
Building - Security Deposit	**1,564,822**	**-**	**5,367,369**
Total	**P96,581,583**	**P -**	**P479,175,902**

	Additions for the Year Ended March 31, 2023	Deletion for the Year Ended March 31, 2023	Net Carrying Amount as at March 31, 2023
Building	**P228,108,696**	**P -**	**P678,707,380**
Building - Security Deposit	**2,842,948**	**-**	**7,115,040**
Total	**P230,951,644**	**P -**	**P685,822,420**

Amortization on right-of-use asset is as follows:

	As at March 31, 2024	As at March 31, 2023
Building	**P299,915,608**	P275,160,819
Building - Security Deposit	**3,312,492**	2,925,202
Total	**P303,228,100**	P278,086,021

Amortization of right-of-use assets charges to cost of services amounted to P303.23 million and P278.09 million in March 31, 2024 and 2023 respectively.

	As at March 31, 2024	As at March 31, 2023
Lease Liabilities		
Balance at April 1	**P736,106,792**	P765,976,072
Payments made	**(355,291,194)**	(318,105,649)
Interest charge for the year	**37,315,096**	49,549,533
Additions to lease liabilities	**98,799,379**	238,686,836
Balance at March 31	**P516,930,073**	P736,106,792

Notes forming part of the Financial Statements

Total cash outflow for leases is P335.29 million and P318.10 million for the year ended March 31, 2024 and 2023, respectively.

Other Leases

The Company applied the recognition exemption for right-of-use asset and lease liability on various short-term leases. Rental expense incurred on these lease agreements amounted to P0.55 million and P1.19 million in March 31, 2024 and 2023 respectively (see notes 16 and 17).

Security Deposits

Total deposits made on these lease agreements amounted to P95.38 million and P80.15 million as at March 31, 2024 and 2023 (see Notes 7 and 10). Total advance rent amounted to nil and P11.02 million as at March 31, 2024 and 2023, respectively (see Note 7).

Interest income recognized in the statements of comprehensive income amounted to P3.38 million and P2.89 million in 2024 and 2023, respectively.

At the end of each reporting period, the Company had outstanding commitments for future minimum rentals payable under these lease agreements as follows:

	As at March 31, 2024	As at March 31, 2023
Not later than one year	**P311,603,473**	P321,495,340
Later than one year but not later than five years	**233,646,283**	471,707,955
	P545,249,756	P793,203,295

All additions, alteration and improvements made on the leased office units at Bench Tower and Panorama by the lessee (except movable furniture and fixtures, equipment, appliances, electronic items and others) installed at the lessee's expense and removable without damaging the leased office units and the premises, shall become the lessor's property upon the termination of the contract or its extension, without any obligation on the lessor's part to reimburse the lessee for the value thereof.

Should the lessor decide, at its sole discretion, that it does not wish to retain any of the said additions, alterations and improvements, it shall so advise the lessee at least 60 days prior to the termination of the Contract, and the lessee hereby undertakes to remove such additions, alterations and improvements from the leased office units at its sole expense.

Said obligation is considered contingent since the existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event, i.e., lessor's decision prior to termination of contract.

22. REGISTRATION WITH PHILIPPINE ECONOMIC ZONE AUTHORITY AND PHILIPPINE BOARD OF INVESTMENTS

As discussed in Note 1, the Company was registered with PEZA to set up an I.T.-enabled facility to perform information technology outsourcing services and BPO to all types of enterprises, organizations, entities and companies at the E-Square Information Technology Park, Bonifacio Global City, Taguig City. As a registered enterprise, the Company's project shall be entitled to incentives granted to non-pioneer projects under R.A. 7916 (The Special Economic Zone Act of 2005), as amended, and the PEZA IT. Guidelines.

Incentives include the following:

a. Corporate Income Tax Holiday (ITH) for four (4) years for original project effective on the committed date of start of commercial operations, or the actual date of start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three (3) years provided specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered "Expansion" and "New" projects are entitled to a three-year and four-year ITH, respectively;

b. Tax and duty-free importation of merchandise which include raw materials, capital equipment, machineries, and spare parts;

c. Exemption from wharfage dues and export tax, impost, or fees;

Notes forming part of the Financial Statements

d. VAT zero-rating of local purchases subject to compliance with Bureau of Internal Revenue (BIR) and PEZA requirements; and

e. Exemption from payment of any and all local government imposts, fees, licenses or taxes except real estate tax; however, machinery installed and operated in the ecozone for manufacturing, processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three years of operation of such machineries; production equipment not attached to real estate shall be exempt from real property taxes.

At the end of ITH, the following incentives shall apply:

a. The Company shall pay a 5% final tax on gross income, in lieu of all national and local taxes.

b. Additional deduction for training expenses (1/2 of value) against the 5% tax on gross income earned, but not to exceed 3%, subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance.

The Company was registered with PEZA to set up an I.T.-enabled facility to perform information technology outsourcing services and BPO to all types of enterprises, organizations, entities and companies at the E-Square Information Technology Park, Bonifacio Global City, Taguig City. As a registered enterprise, the Company's project shall be entitled to incentives granted to non-pioneer projects under R.A. 7916 (The Special Economic Zone Act of 2005), as amended, and the PEZA IT. Guidelines.

Incentives include the following:

As discussed in Note 1, the Company was concurrently registered with the Philippine Board of Investments (BOI) under Executive Order No. 226 (Omnibus Investment Code of 1987), as amended, Title XIII of the National Internal Revenue Code of 1997, as amended by Republic Act No. 11534, or the CREATE Act, and the Fiscal Incentives Review Board Resolution No. 026-22. As a registered enterprise, the Company's project shall be entitled to the remaining incentives and subject to the representations and commitments set forth in its application for registration with PEZA, the provisions of the above-cited law, the rules and regulations promulgated thereunder, and the terms and conditions with PEZA and its Registrations or Supplemental Agreement. PEZA shall monitor the registered project's compliance thereof and administer the availment of remaining incentives.

Incentives include the following until 11 April 2031:

a. Five percent (5%) tax on Gross Income Earned

b. Duty Exemption

c. VAT Exemption and Zero Rating

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the Company's financial assets and financial liabilities are shown below:

	As of March 31, 2024		As of March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**P610,553,076**	**P610,553,076**	P490,085,081	P490,085,081
Trade receivables	**1,613,836,598**	**1,613,836,598**	1,815,614,385	1,815,614,385
Refundable deposits	**95,377,897**	**95,377,897**	80,151,647	80,151,647
	P2,319,767,571	**P2,319,767,571**	P2,385,851,113	P2,385,851,113
Financial Liabilities				
Trade and other payables*	**P1,089,184,123**	**P1,089,184,123**	P1,358,397,629	P1,358,397,629
Lease liabilities	**516,930,073**	**516,930,073**	736,106,792	736,106,792
	P1,606,114,196	**P1,606,114,196**	P2,094,504,421	P2,094,504,421

Notes forming part of the Financial Statements

*Excluding non-financial instruments amounting to P417.57 million and P451.49 million as at March 31, 2024 and 2023, respectively.

The difference between the carrying amount of the trade and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to government payables, provisions and deferred revenues that are not considered as financial liabilities.

Due to the short-term maturities of cash, trade receivables, other receivables, current refundable deposits and trade and other payables, their carrying amounts approximate their fair values.

The fair value of noncurrent refundable deposits cannot be measured reliably since there were no comparable market data and inputs for the sources of fair value such as discounted cash flow analysis. However, Management believes that their carrying amounts approximate their fair values. Fair value measurement of lease liabilities is not required.

24. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks such as market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below:

Market Risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on two market risk areas such as interest rate risk and foreign currency risk. The objective and management of these risks are discussed below:

Foreign Exchange Risk

Foreign exchange risk arises when an investment's value changed due to changes in currency exchange rate. The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions other than the functional currency. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position. The exposure is managed partly by natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies. The Company kept its foreign currency transaction at a minimum to minimize the effect of foreign currency fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and their Philippine peso equivalents at the end of each reporting period are as follows:

	Currency	As of March 31, 2024		As of March 31, 2023	
		Currency Amount	PHP	Currency Amount	PHP
Financial Assets					
Cash	USD	**6,305,042**	**354,494,668**	5,000,115	271,848,811
	AUD	**6,266**	**228,917**	7,348	266,798
			354,723,585		272,115,609
Trade receivables	USD	**16,407,228**	**922,452,222**	21,411,196	1,164,073,172
	GBP	**3,018,274**	**213,968,185**	2,975,155	199,941,309
	AUD	**4,538,207**	**165,794,772**	3,387,493	122,988,402
	EUR	**328,251**	**19,918,538**	360,565	21,322,203
	MYR	**18,731**	**222,435**	208,050	2,563,145

Notes forming part of the Financial Statements

	Currency	As of March 31, 2024		As of March 31, 2023	
		Currency Amount	PHP	Currency Amount	PHP
	INR	**209,670**	**141,374**	-	-
	KRW	**213,593,755**	**8,920,743**	5,821,442	243,115
	SGD	**(21,008)**	**(875,059)**	(21,009)	(858,914)
	CAD	**58,894**	**2,434,196**	57,108	2,290,358
			1,332,977,406		1,512,562,790
Financial Liabilities					
Trade and other payables	USD	**4,070,132**	**230,165,321**	4,098,007	223,542,456
	EUR	**27,825**	**1,688,442**	48,017	2,839,527
	INR	**(1,028,003)**	**(693,154)**	13,543,009	8,953,879
	GBP	**(721,823)**	**(51,170,731)**	80,645	5,419,670
	AUD	**125,347**	**4,579,363**	149,837	5,440,065
	SGD	**1,012**	**42,157**	-	-
	CAD	**3,357**	**138,772**	-	-
			184,750,170		246,195,597
			1,502,950,821		1,538,482,802

Foreign exchange rates as at March 31 are shown in the following table:

	2024	2023
Closing exchange rate:		
USD	**56.22**	54.37
AUD	**36.53**	36.31
GBP	**70.89**	67.20
INR	**0.67**	0.66
EUR	**60.68**	59.14
MYR	**11.87**	12.32
AED	**15.31**	14.80
KRW	**0.04**	0.04
SGD	**41.65**	40.88
CAD	**41.34**	40.11

The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 10% and it represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% in foreign currency rates. The sensitivity analysis includes all the Company's foreign currency denominated monetary assets and liabilities.

Notes forming part of the Financial Statements

The table below details the Company's sensitivity to a 10% increase and decrease in the Philippine Peso against the relevant foreign currencies. The sensitivity rate used reporting foreign currency risk internally to key management personnel is 10% and it represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% in foreign currency rates. The sensitivity analysis includes all the Company's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit when the Philippine Peso strengthens 10% against the relevant currency. For a 10% weakening of the Philippine Peso against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be negative.

	March 31, 2024	
	Effect on Income before Income Tax	
	10% Increase in the Exchange Rate	10% Decrease in the Exchange Rate
USD	**104,678,157**	**(104,678,157)**
GBP	**26,513,892**	**(26,513,892)**
SGD	**(91,722)**	**91,722**
AUD	**16,144,433**	**(16,144,433)**
INR	**83,453**	**(83,453)**
MYR	**22,244**	**(22,244)**
EUR	**1,823,010**	**(1,823,010)**
AED	**-**	**-**
KRW	**892,074**	**(892,074)**
CAD	**229,542**	**(229,542)**

	March 31, 2023	
	Effect on Income before Income Tax	
	10% Increase in the Exchange Rate	10% Decrease in the Exchange Rate
USD	121,237,953	(121,237,953)
GBP	19,452,164	(19,452,164)
SGD	(85,891)	85,891
AUD	11,781,513	(11,781,513)
INR	(895,388)	895,388
MYR	256,314	(256,314)
EUR	1,848,268	(1,848,268)
AED	-	-
KRW	24,312	(24,312)
CAD	229,036	(229,036)
	153,848,281	(153,848,281)

Notes forming part of the Financial Statements

Management does not foresee or expect any significant change in its foreign currency risk exposures or in the strategies it employs to manage them soon.

Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company interest rate risk relates to cash in banks. The interest rates on these assets are disclosed in Note 5 to the financial statements.

The cash in banks are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on profit or loss of the Company.

Credit Risk

Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, when appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The following table presents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

	Note	As of March 31, 2024	As of March 31, 2023
Cash in banks	5	**P85,063,051**	P200,336,331
Cash equivalents	5	**525,395,025**	289,653,750
Trade receivables	6	**1,613,836,598**	1,815,614,385
Refundable deposits	7, 10, 23	**95,377,897**	80,151,647
		P2,319,672,571	P2,385,756,113

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

As at March 31, 2024 and 2023, the aging analysis of the Company's financial assets is as follows:

	Neither Past Due nor Impaired	Past Due Account but not Impaired				Impaired Financial Assets	Total
		1 – 90 Days Past Due	91 – 180 Days Past Due	181 – 270 Days Past Due	Over 271 Days Past Due		
2024							
Cash in banks	**P85,063,051**	**P -**	**P -**	**P -**	**P -**	**P -**	**P85,063,051**
Cash equivalents	**525,395,025**	**-**	**-**	**-**	**-**	**-**	**525,395,025**
Trade receivables	**1,599,015,183**	**-**	**-**	**-**	**14,821,415**	**-**	**1,613,836,598**
Refundable deposits	**95,377,897**	**-**	**-**	**-**	**-**	**-**	**95,377,897**
	P2,304,851,156	**P -**	**P -**	**P -**	**P14,821,415**	**P -**	**P2,319,672,571**

Notes forming part of the Financial Statements

	Neither Past Due nor Impaired	Past Due Account but not Impaired				Impaired Financial Assets	Total
		1 – 90 Days Past Due	91 – 180 Days Past Due	181 – 270 Days Past Due	Over 271 Days Past Due		
2023							
Cash in banks	P200,336,331	P -	P -	P -	P -	P -	P200,336,331
Cash equivalents	289,653,750	-	-	-	-	-	289,653,750
Trade receivables	1,815,614,385						1,815,614,385
Refundable deposits	80,151,647	-	-	-	-	-	80,151,647
	P2,385,756,113	P -	P -	P -	P -	P -	P2,385,756,113

The Company provided an allowance on past due account that believed to be impaired. Management believes that there is no change in the credit quality of financial assets from the date credit was initially granted up to the end of each reporting period.

The table below details the credit quality of the Company neither past due nor impaired financial assets:

	Neither Past Due nor Impaired		
	High Grade	Satisfactory Grade	Total
2024			
Cash in banks	**P85,063,051**	**P -**	**P85,063,051**
Cash equivalents	**525,395,025**	**-**	**525,395,025**
Trade receivables	**1,599,015,183**	**-**	**1,599,015,183**
Refundable deposits	**-**	**95,377,897**	**95,377,897**
	P2,209,473,259	**P95,377,897**	**P2,304,851,156**

	Neither Past Due nor Impaired		
	High Grade	Satisfactory Grade	Total
2024			
Cash in banks	P200,336,331	P -	P200,336,331
Cash equivalents	289,653,750	-	289,653,750
Trade receivables	1,815,614,385	-	1,815,614,385
Refundable deposits	-	80,151,647	80,151,647
	P2,305,604,466	P80,151,647	P2,385,756,113

The Company uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below.

High Grade – This applies to highly rated financial obligors, strong corporate counterparties, and personal borrowers with whom the Company has excellent repayment experience.

Satisfactory Grade – This applies to financial assets that are performing as expected, including loans and advances to small and medium sized entities and recently established businesses.

Acceptable Grade – This applies to counterparties with risk profiles that are subject to closer monitoring and scrutiny with the objective of managing risk and moving accounts to improved rating category.

Notes forming part of the Financial Statements

Low Grade – This applies to risks that is neither past due nor expected to result in loss but where the Company requires a workout of the relationship unless an early reduction in risk is achievable.

Cash in Banks and Cash Equivalents

Cash in banks and cash equivalents are held with counterparties with high external credit ratings. The credit quality of these financial assets is high grade. Impairment on cash in banks and cash equivalents have been measured on a 12-month ECL basis and reflects the short maturities of the exposures. The Company considers that its cash in banks and cash equivalents have low risk based on the external credit ratings of its counterparties.

Trade Receivables

The Company computes impairment loss on trade receivables based on past collection experiences, current circumstances, and the impact of future economic conditions, if any, available at the reporting period. Loss rates are based on actual credit loss experience. Any adjustments to the loss rates for forecasts of future economic conditions are not expected to be material. The Company applies the simplified approach in providing for ECL prescribed by PFRS 9, which permits the use of the lifetime expected loss provision and applies a provision matrix. The maturity of the Company's trade receivables is less than one year so the lifetime expected credit losses and the 12-month expected credit losses are similar.

Other Receivables and Refundable Deposits

With respect to credit risk arising from other receivables and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these financial assets. The Company trades only with reputable and recognized third parties.

Liquidity Risk

Liquidity risk is the possibility that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows. The Company maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

25. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders. The Company is governed by the following fundamental strategies:

a. The Company enters bank guarantee for some operational transactions.

b. It does not enter high risk security or equity investments. The Company's overall strategy remains unchanged from 2015.

The capital structure of the Company consists of equity attributable to the shareholders comprising of share capital and retained earnings.

Equity is defined as capital and retained earnings of the Company, while assets include current and noncurrent assets.

The Company's equity ratio is as follows:

	As of March 31, 2024	As of March 31, 2023
Total equity	**P1,071,150,120**	P839,258,896
Total assets	**3,365,935,002**	3,586,217,450
Equity ratio	**0.32:1**	0.23:1

Notes forming part of the Financial Statements

The Company has not externally imposed capital requirement. There was no change in the Company's approach to capital management for the years ended March 31, 2024 and 2023.

26. CONTINGENT LIABILITIES AND COMMITMENT

The Company has contractually committed P98.27 million and P8.20 million as at March 31, 2024 and 2023 respectively, for purchase of property, plant, and equipment. The company has given financial guarantees worth P49.56 million and P47.94 million as at March 31, 2024 and 2023, respectively. Claims against the Company not acknowledged as debts amounted to P0.48 million and nil as at March 31, 2024 and 2023, respectively.

The Company has contingent liability in respect of tax demand received from tax authority during the year of P161.37 million and P165.26 million as at March 31, 2024 and 2023, respectively. This demand order is being contested by the Company based on the management evaluation and advice of tax consultant.

27. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS (RR) NO. 15-2010

In addition to the disclosures mandated under PFRS, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS. Following are the tax information required for the taxable period ended March 31, 2024:

A. VAT

	Amount
Output VAT	**P66,324,023**
Basis of the Output VAT	**P552,700,193**
Vatable sales	**-**
Exempt sales	**6,146,054,160**
Zero-rated sales	**P6,698,754,353**

	Amount
Input VAT	
Beginning of the year	**P34,055,828**
Current year's domestic purchases:	
Domestic purchases of goods other than capital goods	**144,228**
Purchase of capital goods exceeding 1 million	**3,934,351**
Purchase of capital goods not exceeding 1 million	**108,194**
Importation of goods other than capital goods	**-**
Domestic purchases of services	**16,986,678**
Total	**55,229,279**
Less: Input VAT applied the year	**(34,055,828)**
Balance at the end of the period	**P21,173,451**

Notes forming part of the Financial Statements

B. Withholding Taxes

	Amount
Withholding tax – compensation	**P433,422,836**
Withholding tax – expanded	**26,712,708**
Withholding tax – final	**54,514,320**
Fringe benefit tax	**1,477,217**
	P516,127,081

C. All Other Taxes (Local and National)

Details of the Company's other taxes and licenses and permits paid or accrued during 2024 are as follows:

	Amount
Charged to Cost of Services	
PEZA processing fee for local sales, permit fees	**P7,672,838**
Charged to General and Administrative Expenses	
Permit fees, fringe benefit tax	**6,581,634**
	P14,254,472

D. As at March 31, 2024 the Company received Letter of Authority, Preliminary Assessment Notice, and Notice of Discrepancy

During the Fiscal year 2022-23, Company received a Formal Letter of DemandNotice from the Bureau of Internal Revenue covering fiscal year 2019, amount of P 183 million (Including Base Amount, Penalty & Interest) for deficiency taxes on Income Tax, Withholding Tax, Final Tax, Fringe Benefit Tax, Documentary Stamp Tax, Withholding Vat, Value-Added Tax. This demand order is being contested by the Company based on the management evaluation and advise of tax consultant.

On July 17, 2023, the Company paid the tax assessment from the Bureau of Internal Revenue for Value-Added Tax covering fiscal year 2020 amounting to P4.0 million (including Base Amount, Penalty & Interest) for deficiency taxes on Value-Added Tax and Final Withholding Value-Added Tax.

During the fiscal year 2023-2024, the Company received a Formal Letter of Demand Notice from the Bureau of Internal Revenue covering fiscal year 2020, amount of P1,156.91 million (including Base Amount, Penalty & Interest) for deficiency taxes on all internal revenue taxes except Value-Added Tax. This demand order is being contested by the Company based on the management evaluation and advise of tax consultant.

Information on amounts of customs duties, tariff fees and excise taxes are not applicable, since there is not transaction that the Company will be subjected to these taxes during the year.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Tata Consultancy Services (Philippines), Inc.

10th Floor, Panorama Tower, 34th Street Corner Lane A
Bonifacio Global City, Taguig City

We have audited, in accordance with Philippine Standards on Auditing, the accompanying financial statements of Tata Consultancy Services (Philippines), Inc. (the "Company"), a wholly-owned subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd., as at and for the year ended March 31, 2024, on which we have rendered our report dated April 30, 2024.

Our audit was made for the purpose of forming an opinion on the basic separate financial statements of the Company taken as a whole. The supplementary information included in the accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

The supplementary information has been presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

VERNILO G. YU
Partner
CPA License No. 108798
Tax Identification No. 225-454-652
BIR Accreditation No. 08-001987-035-2024
Issued March 26, 2024; valid until March 26, 2027
PTR No. MKT 10075209
Issued January 2, 2024 at Makati City

April 30, 2024
Makati City, Metro Manila

SCHEDULE OF RECONCILATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE YEAR ENDED MARCH 31, 2024

		2023
Unappropriated Retained Earnings, beginning or reporting period		**P123,947,557**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s Effect of restatements or prior-period	P400,000,000	
adjustments	-	
Others	-	**400,000,000**
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	346,000,000	
Retained Earnings appropriated during the reporting period	500,000,000	
Effect of restatements or prior-period adjustments	-	
Others	-	**846,000,000**
Unappropriated Retained Earnings, as adjusted		**(322,052,443)**
Add: Net Income for the current year		**604,818,523**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	10,576,114	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	**10,576,114**
Sub-total		**10,576,114**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	P -	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	**P -**
Sub-total		**-**

		2023
Reversal of previously recorded foreign exchange gain (loss), except those attributable to cash and cash equivalents	(4,202,290)	
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	**(4,202,290)**
Sub-total		**(4,202,290)**
Adjusted Net Income		**590,040,119**
Add: Category D: Category D: Non-actual losses		
recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		**-**
Amortization of the effect of reporting relief Total amount of reporting relief granted during the year	-	**-**
Others		
Sub-total	-	**-**
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	P -	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g, set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set- up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP -		
gain (loss)	-	
Others	-	**P -**
Sub-total		**-**
Total Retained Earnings, end of the reporting period available for dividend		**P267,987,676**

Tata Consultancy Services Japan, Ltd

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2024

ANNUAL REPORT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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This is unofficial convenience translation of the Japanese original version.
If there is any discrepancy between the Japanese original and this translation, the Japanese original will always prevail.

INDEPENDENT AUDITOR'S REPORT

May 8, 2024

Tata Consultancy Services Japan, Ltd.
Mr. Narasimha Shenoy, Corporate Auditor
Mr. Akihiko Kitamura, Corporate Auditor

KPMG AZSA LLC
Tokyo Office
Yasuhisa Yajima
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Tata Consultancy Services Japan, Ltd. ("the Company") as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Responsibilities of Management and Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Translation)

Balance Sheet as of March 31, 2024

(In Millions of Yen)

Accounts	Amount	Accounts	Amount
(ASSETS)		(LIABILITIES)	
Current assets	**33,655**	**Current liabilities**	**20,859**
Cash and deposits	15,569	Accounts payable-trade	5,472
Notes, Accounts receivable & Contract Assets	16,688	Accrued expenses	3,810
Provision for doubtful debts	-324	Accrued income taxes	1,623
Prepaid expenses	1,260	Accrued consumption taxes	2,151
Other current assets	461	Unearned revenue	2,111
		Provision for bonuses	3,799
		Lease obligations Current	529
		Provision for loss on contracts	48
Non-current assets	**21,175**	Other current liabilities	1,314
Tangible fixed assets	**4,078**		
Buildings	1,876		
Tools, furniture and fixtures	1,131	**Non-current liabilities**	**2,296**
Leased assets	980	Unearned revenue-Non Current	809
Construction in progress	90	Asset retirement obligations non¬current	740
		Lease obligations	560
		Provision for loss on contracts (non-current)	162
		Other non-current liabilities	22
Intangible fixed assets	**71**	**Total Liabilities**	**23,155**
Software	71		
		(EQUITY)	
		Shareholders' equity	**31,674**
Investments and other assets	**17,025**	**Common stock**	**4,327**
Long-term time deposits	13,000	**Capital surplus**	**2,942**
Deferred tax assets	2,668	Legal capital surplus	2,352
Guarantee deposits	929	Other capital surplus	590
Long-term prepaid expenses	116		
Other non-current assets	311	**Retained earnings**	**24,404**
		Legal reserve	58
		Other retained earnings	24,346
		Retained earnings brought forward	24,346
		Total Equity	**31,674**
Total Assets	**54,830**	**Total Liabilities and Equity**	**54,830**

(Amounts less than one million yen are rounded down)

THE NOTES ON PAGES 29.0 TO 29.00 FORM PART OF THESE FINANCIAL STATEMENTS

(Translation)

Statement of Income from April 1, 2023 to March 31, 2024

(In Millions of Yen)

Accounts	Amount	
Net sales		93,585
Cost of sales		65,541
GROSS PROFIT		28,044
Selling, general and administrative expenses		18,802
OPERATING INCOME		**9,242**
Non-operating income		
Foreign exchange gains	393	
Other income	128	521
Non-operating expenses		
Loss on disposals of fixed assets	35	
Interest expenses	20	
Other expenses	0	55
ORDINARY INCOME		**9,708**
INCOME BEFORE INCOME TAXES		**9,708**
Income taxes-current	2,685	
Income taxes-deferred	(74)	2,610
NET INCOME		**7,098**

(Amounts less than one million yen are rounded down)

THE NOTES ON PAGES 29.0 TO 29.00 FORM PART OF THESE FINANCIAL STATEMENTS

(Translation)

Statement of Changes in Equity from April 1, 2023 to March 31, 2024

(In Millions of Yen)

	Shareholders' Equity								Total Equity
	Common stock	Capital surplus			Retained earnings			Shareholders' Equity Total	
		Legal capital surplus	Other capital surplus	Total	Legal reserve	Other retained earnings: Retained earnings brought forward	Total		
Balance as of March 31, 2023	4,327	2,352	590	2,942	58	19,990	20,048	27,319	27,319
Changes during period									
Dividends of surplus						-2,742	-2,742	-2,742	-2,742
Net income						7,098	7,098	7,098	7,098
Total Changes during period	-	-	-	-	-	4,355	4,355	4,355	4,355
Balance as of March 31, 2024	4,327	2,352	590	2,942	58	24,346	24,404	31,674	31,674

(Amounts less than one million yen are rounded down)

THE NOTES ON PAGES 29.0 TO 29.00 FORM PART OF THESE FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

(Translation)

[Notes to Significant Accounting Policies]

1. VALUATION STANDARD AND METHOD OF INVENTORY (MERCHANDISE, SUPPLIES)

At cost determined by the specific identification method (The balance sheet amount has been determined at the lower of cost and net realizable value.)

2. DEPRECIATION METHOD OF FIXED ASSETS

(1) Tangible fixed assets excluding leased assets: Straight-line method:

Major useful lives are as follows:

Buildings	5-10 years
Tools, furniture, and fixtures	4-10 years

(2) Intangible fixed assets excluding leased assets

Software

Internal use: Straight-line method over the anticipated useful period (2-7 years)

(3) Leased assets

Finance leases that do not transfer ownership of leased assets to the lessee:

Depreciation is computed using the straight-line method based on the lease term or the applicable useful life of an owned fixed asset, whichever is shorter, with a residual value of zero.

3. PROVISION

(1) Provision for doubtful debts

The Company provides for possible credit losses stemming from monetary claims and other receivables. Estimates of irrecoverable amounts are determined by considering historical loan-loss ratios for general receivables and on consideration of recoverable amounts on a case-by-case basis in instances of suspected bad debt or other dubious accounts.

(2) Provision for bonuses

Provision for bonuses is recorded based on estimated bonus payment amounts.

(3) Provision for loss on contracts

In anticipation of loss arising from contracts, the excess of estimated future cost over the order amount is recorded for which the loss is foreseeable and the amount can be reasonably estimated.

4. RECOGNITION OF REVENUES AND COSTS

For system integration contracts, etc., we assume an obligation to fulfill the provision of products and services in accordance with customer specifications, and as the obligation is satisfied over a certain period of time, revenue is recognized in accordance with the manner in which expenses are incurred (such as the progress measured as the ratio of actual costs to total estimated costs).

With respect to maintenance and support service contracts, we have obligations to provide support services related to product maintenance and software development, etc., and because these obligations are fulfilled over a certain period of time, we recognize revenues based on a percentage of the total amount of goods or services transferred (the Output Method) or as time passes.

For products such as hardware equipment, revenue is recognized upon transfer of control because performance obligations are satisfied primarily when products are sold and the delivery to the customer is completed.

Notes forming part of the Financial Statements

Transaction prices are measured based on the amount of consideration that the company expects to be entitled to in exchange for the transfer of promised goods or services to customers. The amount of consideration promised does not include important financial factors.

For transactions in which the Company acts as an agent in providing goods or services to the customer (Transactions in which the Company does not obtain control of the goods or services transferred to the customer and only provides the services of arranging those goods or services), revenue is recognized at the net amount received from the customer less the amount paid to the vendor.

5. ACCOUNTING TREATMENT OF CONSUMPTION TAXES

Accounting treatment of consumption taxes is based on the tax exclusion method.

(Notes on Accounting Estimates)

Items whose amounts are recorded in the financial statements for the current fiscal year based on accounting estimates and which may have a material impact on the financial statements for the following fiscal year are as follows.

1.	Deferred tax asset	2,668 million yen
2.	Asset retirement obligations	740 million yen
3.	Provision for doubtful debts	324 million yen
4.	Provision for loss on order received	211 million yen

Information on important accounting estimates for identified items

1. Deferred tax asset

The recognition of deferred tax assets takes into account the possibility that deductible temporary differences may be made available to taxable income in the future. In assessing the recoverability of deferred tax assets, the expected reversal of deferred tax liabilities, expected future taxable income and tax planning are taken into account.

Our company estimates deferred tax assets based on its past taxable income levels and future business plans for the periods in which deferred tax assets can be recognized and believes that the calculation is reasonable. However, the projections of future taxable income may change depending on market trends and economic conditions surrounding our company.

2. Asset retirement obligations

Asset retirement obligations, which are obligations to restore rental properties such as the head office building to their original condition, are based on cost estimates from third parties.

3. Provision for doubtful debts

Please refer to (Notes on Items Related to Important Accounting Policies 3. Accounting Standard for the Provision (2) Provision for doubtful debts) for the accounting standard of the reserve for doubtful debts.

4. Provision for loss on order received

Please refer to (Notes on Items Related to Important Accounting Policies 3. Accounting Standard for the Provision (3) Provision for loss on order received) for the accounting standard of the reserve for loss on orders received.

[Notes to Balance Sheet]

1. Of notes receivable, accounts receivable and contract assets, the amounts of receivables and contract assets arising from contracts with customers are as follows, respectively:

Notes receivable	0 million yen
Accounts receivable	15,784 million yen
Contract assets	902 million yen

Notes forming part of the Financial Statements

2. Financial assets and liabilities from/to affiliates:

Short-term financial assets ¥2,512 million

Short-term financial liabilities ¥4,117 million

3. Accumulated depreciation of tangible fixed assets ¥3,457million

[Notes to Statement of Income]

1. Transactions with affiliates

Operating transactions

Net sales ¥14,417million

Cost of sales ¥19,587 million

Selling, general and administrative expenses ¥1,660 million

[Notes to Statement of Changes in Equity]

1. Number of issued shares as of the end of the fiscal year

Common Stock 94,969 shares

2. Dividends

(1) Payments of dividends

Resolution	Type of Shares	Source of Dividend	Total amount of dividends (in Million Yen)	Dividends per share (in Yen)	Record Date	Effective date
The Shareholders' Meeting on May 30, 2023	Common stock	Retained earnings	2,742	28,880	March 31st 2023	May 31st 2023

(2) Dividends for which the record date is in the year ended March 31, 2023, but for which the effective date is in the next fiscal year

During the shareholders' meeting in May 2024, resolution as follows is expected to be resolved:

Resolution	Type of Shares	Source of Dividend	Total amount of dividends (in Million Yen)	Dividends per share (in Yen)	Record Date	Effective date
The Shareholders' Meeting on May 14, 2024	**Common stock**	**Retained earnings**	**3,549**	**37,371**	**March 31st 2024**	**May 15th 2024**

[Notes to Revenue Recognition]

Basic information to understand revenue

Is as follows Recognition of revenues and costs in [Notes to Significant Accounting Policies]

Notes forming part of the Financial Statements

[Notes to Tax Effect Accounting]

Significant components of deferred tax assets and liabilities

Deferred tax assets

(In Millions of Yen)

Provision for bonuses	1,163
Accrued expenses	679
Asset retirement obligation	226
Social security payable	254
Accrued rent	143
Depreciation	140
Accrued enterprise taxes	134
Provision for bad debts	99
Provision for loss on contracts	64
Long-term prepaid expenses	19
Accrued business establishment tax	28
Inventory write-down	24
Others	9
Deferred tax assets Subtotal	2,987
Valuation allowance	(123)
Deferred tax assets Total	2,863

Deferred tax liabilities

Asset retirement obligation (assets)	(195)
Deferred tax liabilities Total	(195)

Net deferred tax assets 2,668

[Notes to financial instruments]

Policy on financial instruments

The Company makes efforts to limit credit risk of customers affecting notes receivable and accounts receivable in line with the Risk Management Rule and Risk Management Practice Rule.

[Notes to Transactions with Related Parties]

1. **Parent Company**

(In Millions of Yen)

Attribute	Name	Voting rights	Relationship	Transaction Details	Transaction Amount	Accounts	Ending balance
Parent	Tata Consultancy Services Limited	66% indirectly owned	System Development consignment, Co-headed Directors	Receiving of services	19,528	Accounts receivable	1,022
						Prepaid expenses	601
						Accounts payable	3,457

Transaction terms and decision policies

(Note) Ordinary transaction terms are the same as those of other third parties.

Notes forming part of the Financial Statements

2. Affiliates

(In Millions of Yen)

Attribute	Name	Voting rights	Relationship	Transaction details	Transaction Amount	Accounts	Ending balance
Other affiliate	Mitsubishi Corporation	34% directly owned	System Development Turnkey, Co-headed Directors	Net sales	13,153	Accounts receivable	863

Transaction terms and decision policies

(Note) Ordinary transaction terms are the same as those of other third parties.

[Notes to Per Share Information]

1. **Net assets per share** ¥ 333,524
2. **Net income per share** ¥ 74,741

The 28th (FY2024) Supplementary Schedule from April 1, 2023 to March 31, 2024

1. TANGIBLE FIXED ASSETS AND INTANGIBLE FIXED ASSETS

(In Millions of Yen)

Category	Asset type	Beginning book value	Increase for the period	Decrease for the period	Depreciation for the period	Ending book value	Accumulated depreciation	Ending acquisition cost
Tangible fixed assets	Buildings	187	2,033	5	339	1,876	1,156	3,032
	Tools, furniture and fixtures	273	1,098	28	211	1,131	1,435	2,566
	Leased assets	1,340	132	-	492	980	865	1,846
	Construction in progress	73	90	73	-	90	-	90
	Total	**1,875**	**3,355**	**108**	**1,044**	**4,078**	**3,457**	**7,536**
Intangible fixed assets	Software	119	9	0	56	71		
	Total	**119**	**9**	**0**	**56**	**71**		

(Note)

Due to office relocation, increase in Building by JPY 1,350 million and Tools, furniture and fixtures by JPY 1,041 million.

2. DETAILS OF PROVISIONS

(In Millions of Yen)

Division	Beginning balance	Increase for the period	Decrease for the period	Ending Balance
Provision for doubtful debts	1	324	1	324
Provision for bonuses	3,533	3,799	3,533	3,799
Provision for loss on contracts	309	-	98	211

The basis for accounting and calculation is stated in "3. Provision" under "Notes to the Significant Accounting Policies".

Notes forming part of the Financial Statements

3. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

(In Millions of Yen)

Accounts	Amount
Employee salary	8,433
Employee retirement benefit expenses	227
Employee bonuses	1,501
Welfare benefits	1,955
Office expenses	1,680
Depreciation and amortization	676
Travel expenses	231
Entertainment	39
Office supplies	86
Information processing	132
Commissioned services	478
Tax and public charge	529
Advertising & publicity	290
Provision for doubtful debts	324
Others	2,214
Total	**18,802**

Tata Consultancy Services Italia S.r.l.

Annual Report and Financial Statements

For the period ended
March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

Pursuant to art. 14 of Legislative Decree 27 January 2010, n. 39
Financial Statements as at March 31, 2024

TO THE QUOTA-HOLDERS OF
TATA CONSULTANCY SERVICES ITALIA S.R.L.
INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Tata Consultancy Services Italia S.r.l. (the Company), which comprise the balance sheet as March, 31st, 2024, the income statement for the year then ended and related explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company, as at March 31st, 2024, of the result of its operations and its cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Company in accordance with ethical requirements and standards applicable in Italy that are relevant to the audit of financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the management and of the Sole Auditor for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Italian regulations and accounting principles governing financial statement and, within the limits of the law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the international auditing standards (ISA Italia) will always detect a misstatement when it exists. Misstatements may arise from fraud or from error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with international auditing standards (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- we have identified and assessed the risks of material misstatement in the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks; and obtained audit evidence that is sufficient and appropriate to provide a basis our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or overriding of internal control;

- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management;
- we have concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on auditor's report. However, future events or conditions may cause the Company to cease to operate as a going concern;
- we evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that provides a fair representation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italy, among other aspects, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory provisions

Opinion in accordance with Article 14, paragraph 2 (e) of Legislative Decree 39/10.

The Directors of Tata Consultancy Services Italia S.r.l. are responsible for the preparation of the report on operations of Tata Consultancy Services Italia S.r.l. as March 31st, 2024, including its consistency with the related financial statements and its compliance with legal requirements.

We have performed the procedures specified in Auditing Standard (SA Italy) No. 720B for the purpose of expressing an opinion on the consistency of the management report with the financial statements of Tata Consultancy Services Italia S.r.l. as March 31, 2024, and on its compliance with legal requirements, as well as to issue a statement on any material misstatement.

In our opinion, the management report is consistent with the statutory financial statements of Tata Consultancy Services Italia S.r.l. as March 31, 2024, and is prepared in accordance with legal requirements.

With reference to the statement referred to in Article 14(2)(e) of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit, we have nothing to report.

MILAN, 2nd May 2024

The Auditor

Dott.ssa Raffaella Pagani

General information about the company

Name		ID Code
Company name	:	TATA CONSULTANCY SERVICES ITALIA SRL a socio unico
Company site	:	Corso Italia 1 20122 MILANO MI
Share capital	:	100.000
Fully paid-in share capital	:	yes
Registration Authority id code	:	Milano
VAT number	:	04083450967
Fiscal code	:	04083450967
Registation number	:	1723756
Legal form	:	SOCIETA' A RESPONSABILITA' LIMITATA con socio unico
Activity Code	:	620200 Consulenza nel settore delle tecnologie dell'informatica
Company being wound up	:	no
Company with a single shareholder	:	yes
Company subject to the management and coordination of others	:	yes
Name of the company or entity that exercises management and coordination	:	TATA CONSULTANCY SERVICES NETHERLANDS BV
Belonging to a group	:	yes
Name of the controlling entity	:	TATA CONSULTANCY SERVICES LIMITED
Country of the controlling entity	:	MUMBAI-INDIA
Cooperative company Registration number	:	

Income statement (value and cost of production)

(EUR)

	As at March 31, 2024	As at March 31, 2023
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	**39.412.033**	44.525.765
5) Other income and revenues		
other	**878.116**	428.913
Total Other income and revenues	**878.116**	428.913
TOTAL VALUE OF PRODUCTION	**40.290.149**	44.954.678
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	**6.905**	12.833
7) Services	**21.866.473**	26.098.721
8) Use of third party assets	**1.987.647**	1.941.376
9) personnel		
a) wages and salaries	**11.706.190**	12.300.069
b) related salaries	**2.283.609**	2.170.119
c) severance	**525.194**	558.064
e) other costs	**383.823**	439.602
Total payroll and related costs	**14.898.816**	15.467.854
10) depreciation, amortisation and write downs		
b) depreciation of tangible fixed assets	**113.901**	77.797
d) write-downs of accounts included among current assets	**657**	0
Total Amortisation, depreciation and write-downs	**114.558**	77.797
13) Other provisions	**0**	117.795
14) Other operating expenses	**54.707**	331.902
TOTAL COST OF PRODUCTION	**38.929.106**	44.048.278
Difference between value and cost of production (A - B)	**1.361.043**	906.400
C) Financial income and charges		
16) other financial income		
d) income other than the above		
other	**117.956**	45.899
Total income other than the above	**117.956**	45.899
Total other financial income	**117.956**	45.899
17) Interest and other financial expense		
other	**0**	2
Total interest and other financial expense	**0**	2
17-bis) Currency gains and losses	**17.930**	25.248
Total financial income and expense (15 + 16 - 17 + - 17-bis)	**135.886**	71.145
PRE-TAX RESULT (A - B + - C + - D)	**1.496.929**	977.545
20) Income tax for the year, current, deferred and prepaid		
Current taxes	**1.008.053**	1.006.392
tax related to previous years	**8.382**	28.072
deferred and prepaid tax	**33.976**	0
TOTAL TAXES ON THE INCOME FOR THE YEAR	**1.050.411**	1.034.464
21) PROFIT (LOSS) FOR THE YEAR	**446.518**	(56.919)

Balance sheet (mandatory scheme)

(EUR)

	As at March 31, 2024	As at March 31, 2023
ASSETS		
B) Fixed assets		
II - Tangible fixed assets		
1) land and buildings	**0**	0
2) plant and machinery	**0**	0
3) industrial and commercial equipment	**0**	0
4) other assets	**241.545**	334.053
5) assets under construction and payments on account	**55.884**	59.488
Total tangible fixed assets	**297.429**	393.541
Total fixed assets (B)	**297.429**	393.541
C) Current assets		
II - Receivables		
1) trade accounts		
due within the following year	**8.941.050**	12.322.266
due beyond the following year	**0**	-
Total trade accounts	**8.941.050**	12.322.266
2) due from subsidiary companies		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total receivables due from subsidiary companies	**0**	0
3) due from associated companies		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total receivables due from associated companies	**0**	0
4) due from parent companies		
due within the following year	**1.648.247**	1.582.899
due beyond the following year	**0**	-
Total receivables due from parent companies	**1.648.247**	1.582.899
5) receivables due from companies controlled by parent companies		
due within the following year	**762.793**	1.608.179
due beyond the following year	**0**	-
Total receivables paid by companies controlled by parent companies	**762.793**	1.608.179
5-b) tax receivables		
due within the following year	**30.350**	874.618
due beyond the following year	**0**	-
Total receivables due from tax authorities	**30.350**	874.618

(EUR)

	As at March 31, 2024	As at March 31, 2023
5-c) prepaid tax	**221.741**	255.717
5-d) other receivables		
due within the following year	**7.738**	8.630
due beyond the following year	**180.067**	185.022
Total receivables due from third parties	**187.805**	193.652
Total receivables	**11.791.986**	16.837.331
IV - **Liquid funds**		
1) bank and post office deposits	**5.126.593**	4.712.278
2) cheques	**0**	0
3) cash and equivalents on hand	**0**	0
Total liquid funds	**5.126.593**	4.712.278
Total current assets (C)	**16.918.579**	21.549.609
D) Accrued income and prepayments	**74.291**	365.797
Total assets	**17.290.299**	22.308.947
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) Shareholders' equity		
I - Share capital	**100.000**	100.000
II - Share premium reserve	**0**	0
III - Revaluation reserves	**0**	0
IV - Legal reserve	**20.000**	20.000
V - Statutory reserves	**0**	0
VI - Other reserves, indicated separately		
Extraordinary reserve	**0**	0
Reserves from exceptions as per art. 2423 Civil Code	**0**	0
Shares reserve of the parent entity	**0**	0
Investment revaluation reserve	**0**	0
Contributions for capital increase	**0**	0
Contributions for future capital increase	**0**	0
Contributions to capital account or to cover previous losses	**0**	0
Contributions to cover losses	**2.100.000**	2.100.000
Capital reduction reserve	**0**	0
Merger surplus reserve	**0**	0
Reserve from exchange gains not redeemed	**0**	0
Reserve from current profit adjustments	**0**	0
Miscellaneous other reserves	**0**	3
Total other reserves	**2.100.000**	2.100.003
VII- Reserve for hedging expected cash flow operations	**0**	0
VIII-Retained earnings (accumulated losses)	**6.372.705**	6.429.624
IX - Net profit (loss) for the year	**446.518**	(56.919)
Minimised loss for the year	**0**	0
X- Negative reserve for own portfolio shares	**0**	0
Total shareholders' equity	**9.039.223**	8.592.708

(EUR)

	As at March 31, 2024	As at March 31, 2023
B) Reserves for contingencies and other charges		
1) pension and similar commitments	**0**	0
2) taxation	**0**	0
3) passive derivative financial instruments	**0**	0
4) other	**287**	117.516
Total reserves for contingencies and other charges	**287**	117.516
Total reserve for severance indemnities (TFR)	**1.630.937**	1.504.029
D) Payables		
1) bonds		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total bonds	**0**	0
2) convertible bonds		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total convertible bonds	**0**	0
3) due to partners for financing		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total payables due to partners for financing	**0**	0
4) due to banks		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total payables due to banks	**0**	0
5) due to other providers of finance		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total payables due to other providers of finance	**0**	0
6) advances		
due within the following year	**838.448**	994.847
due beyond the following year	**0**	-
Total advances	**838.448**	994.847
7) trade accounts		
due within the following year	**1.620.014**	2.231.469
due beyond the following year	**0**	-
Total trade accounts	**1.620.014**	2.231.469
8) payables represented by credit instruments		
due within the following year	**0**	-
due beyond the following year	**0**	-
Total payables represented by credit instruments	**0**	0

(EUR)

		As at March 31, 2024	As at March 31, 2023
9)	due to subsidiary companies		
	due within the following year	**0**	-
	due beyond the following year	**0**	-
	Total payables due to subsidiary companies	**0**	0
10)	due to associated companies		
	due within the following year	**0**	-
	due beyond the following year	**0**	-
	Total payables due to associated companies	**0**	0
11)	due to parent companies		
	due within the following year	**958.285**	5.695.226
	due beyond the following year	**0**	-
	Total payables due to parent companies	**958.285**	5.695.226
11-b)	payables due to companies controlled by parent companies		
	due within the following year	**200.078**	135.991
	due beyond the following year	**0**	-
	Total payables due to companies controlled by parent companies	**200.078**	135.991
12)	due to tax authorities		
	due within the following year	**218.511**	143.604
	due beyond the following year	**0**	-
	Total payables due to tax authorities	**218.511**	143.604
13)	due to social security and welfare institutions		
	due within the following year	**197.570**	277.842
	due beyond the following year	**0**	-
	Total payables due to social security and welfare institutions	**197.570**	277.842
14)	other payables		
	due within the following year	**2.395.577**	2.554.631
	due beyond the following year	**0**	-
	Total other payables	**2.395.577**	2.554.631
Total payables (D)		**6.428.483**	12.033.610
E)	**Accrued liabilities and deferred income**	**191.369**	61.084
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17.290.299**	22.308.947

Financial statement, indirect method

(EUR)

	As at March 31, 2024	As at March 31, 2023
Financial statement, indirect method		
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	**446.518**	(56.919)
Income tax	**1.050.411**	1.034.464
Payable (receivable) interest	**(117.956)**	(45.897)
(Dividends)	**0**	0
(Capital gains)/Capital losses from business conveyance	**0**	0
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	**1.378.973**	931.648
Adjustments to non monetary items that were not offset in the net working capital.		
Allocations to preserves	**944**	117.795
Fixed asset depreciation/amortisation	**113.901**	77.797
Write-downs for long-term value depreciation	**0**	0
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	**0**	0
Other adjustments to increase/(decrease) non-monetary items	**525.194**	558.064
total adjustments for non-monetary items that were not offset in the net working capital	**640.039**	753.656
2) Cash flow before changing net working capital	**2.019.012**	1.685.304
,Changes to the net working capital		
Decrease/(increase) in inventory	**0**	0
Decrease/(increase) in payables to customers	**3.380.559**	(1.019.290)
Increase/(decrease) in trade payables	**(611.455)**	443.361
Increase/(decrease) from prepayments and accrued income	**291.506**	(229.548)
Increase/(decrease) from accruals and deferred income	**130.285**	61.084
Other decreases/(other increases) in net working capital	**4.052.992**	1.585.778
Total changes to net working capital	**(862.097)**	841.385
3) Cash flow after changes to net working capital	**1.156.915**	2.526.689
Other adjustments		
Interest received/(paid)	**117.956**	45.897
(Income tax paid)	**(324.231)**	(1.162.910)
Dividends received	**0**	0
(Use of reserves)	**(117.516)**	(279)
Other collections/(payments)	**(398.286)**	(199.138)
Total other adjustments	**(722.077)**	(1.316.430)
Cash flow from current activities	**434.838**	1.210.259
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	**(20.520)**	(371.569)
Disposals	**0**	0

(EUR)

		As at March 31, 2024	As at March 31, 2023
	Intangible fixed assets		
	(Investments)	**0**	0
	Disposals	**0**	0
	Financial fixed assets		
	(Investments)	**0**	0
	Disposals	**0**	0
	Short term financial assets		
	(Investments)	**0**	0
	Disposals	**0**	0
	(Acquisition of branches of business net of liquid assets)	**0**	0
	Transfer of branches of business net of liquid assets	**0**	0
	Cash flows from investments (B)	**(20.520)**	(371.569)
C)	Cash flows from financing activities		
	Loan capital		
	Increase/(decrease) in short term bank loans	**0**	0
	New loans	**0**	0
	(Loan repayments)	**0**	0
	Equity		
	Capital increase payments	**0**	0
	(Capital repayments)	**0**	0
	Transfer/(purchase) of own shares	**0**	0
	(Dividends and advances on dividends paid)	**(3)**	2
	Cash flows from financing activities (C)	**(3)**	2
	Increase (decrease) in liquid assets (A ± B ± C)	**414.315**	838.692
	Exchange rate effect on liquid assets	**0**	0
	Liquid assets at the start of the year		
	Bank and post office deposits	**4.712.278**	3.873.586
	Loans	**0**	0
	Cash and valuables in hand	**0**	0
	Total liquid assets at the start of the year	**4.712.278**	3.873.586
	of which not freely available	**0**	0
	Liquid assets at the end of the year		
	Bank and post office deposits	**5.126.593**	4.712.278
	Loans	**0**	0
	Cash and valuables in hand	**0**	0
	Total liquid assets at the end of the year	**5.126.593**	4.712.278
	of which not freely available	**0**	0

SUPPLEMENTARY NOTES, INITIAL PART PUBLISHING PRINCIPLES

STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

The financial statements for the financial year closed as of 31/03/2024, composed of the Balance Sheet, Income Statement, financial statement and Notes correspond to the results of duly kept accounting entries and have been drawn up in accordance with the provisions of articles 2423 and 2423-bis of the Civil Code as well as in accordance with the accounting principles and accounting guidelines drawn up by the Italian Accounting Body (O.I.C.). The articles mentioned in this note, unless otherwise indicated, refer to the Civil Code.

The financial statement has been drawn up in compliance with the principles of clarity, correctness and truthfulness, as well as the general principle of materiality. A piece of data or information is considered important when the omission or incorrect indication of same could influence decisions taken by the recipients of financial statement information.

The financial statement has been drawn up on the presumption that the undertaking will carry on its business as a going concern.

It is structured in accordance with the provisions of articles 2424 and 2425 of the Civil Code according to the recitals set out by article 2423-ter. The Notes comply with the contents of articles 2427, 2427-bis and with all the other provisions that refer to them.

The entire document and all its related parts have been drawn up to give a fair and true picture of the company's assets and financial situation as well as of the operating results. It gives, where necessary, additional supplementary information for this purpose.

In accordance with the provisions of Art. 2423-ter, each item is presented with the amount of the corresponding item from the previous year.

Interested parties are referred to the contents of the Management Report as regards information related to the company's operating and financial trend, to relations and transactions with correlated parties.

ACCOUNTING PRINCIPLES

In accordance with the provisions of Art. 2423-bis of the Civil Code, following principles have been complied with while preparing the Financial Statements:

- prudential approach to entry assessment in accordance with the going-concern value and taking into account the substance of the transaction or arrangement;
- only profits actually achieved during the financial year are reported;
- proceeds and charges related to the financial year have been stated irrespective to their occurrence and payment;
- risks and losses accrued in the financial year are reported even if they became known after closure;
- sundry elements included in the various Financial Statements items have been assessed separately.

The assessment criteria provided for by art. 2426 of the Civil Code have been maintained unchanged compared to those used in the previous financial year.

The Financial Statements and these Notes have been drawn up in units of Euros.

Applied evaluation criteria

The assessment criteria provided for by art. 2426 of the Civil Code have been applied when drawing up these Financial statements.

Intangible fixed assets

At the end of the year, intangible fixed assets were fully amortised.

Tangible fixed assets

Tangible fixed assets have been entered in the Financial Statements at their purchase or in-house production cost. This cost includes additional costs as well as directly allocated costs.

The related amounts are entered after deduction of depreciation expenses, calculated systematically using the rates indicated below and related to their residual possibility of use that takes into account the use, destination and economic-technical duration of the assets.

Description	Applicable rates
Other assets:	
- Furniture	20%
- Electronic office equipment	25%

There have been no changes in depreciation rates from the previous financial year.

Fixed assets with value at the date of closure of the financial year that is enduringly lower than the value as calculated above, have been entered at that lesser value; this has not been made in the following financial statements if the reasons for the adjustment made no longer exist.

Receivables

Receivables are entered using the amortised cost criterion, considering the time factor; differences arising from successive recalculation of value are entered in financial income and expenses.

Receivables falling due within 12 months are nonetheless entered at book value, since the effects are negligible, with regard to the criterion of amortised cost, pursuant to Art. 2423, subsection 4 of the Italian Code of Civil Procedure.

Receivables are entered net of all premiums, discounts, allowances and inclusive of any costs directly attributable to the transaction generating the receivable (these latter are entered in prepayments if the amortised cost criterion is not applied).

Receivables are subsequently adapted to probable realisation value, using the allocation of a special depreciation fund, to which an amount corresponding to the risk of receivables entered in the financial statement becoming irrecoverable is set aside, in relation to general economic conditions in the sector, as well as the sector of the debtor.

Receivables include issued invoices and those still to issue but which refers to services assigned to the financial year under examination.

Receivables with customers subject to insolvency proceedings or in a state of proven financial difficulties where it would serve no purpose to bring executive measures are entered as a total loss or a loss to the extent to which current proceedings and information obtained let us suppose them to be definitively irrecoverable.

Liquid assets

The item contains cash in hand both in Euro and in foreign currency, stamps and monetary reserves resulting from accounts held by the company with financing institutions, all expressed at their nominal values and explicitly converted into Italian currency when the accounts were in foreign currency.

Accruals and deferrals

Accruals and deferrals have been calculated according to the temporal accruals principle of accounting.

Contingency funds for risks and charges

These have been allocated to cover losses or liabilities of a specific nature, certain or probable to exist, but for which, at the closure of the financial year, it was not yet possible to determine the amount or the date of occurrence.

These funds were assessed by applying general criteria of prudence and accrual. No generic contingency funds for risks lacking economic justifications were created.

Severance pay

The severance pay fund corresponds to the Company's real commitment with each employee, calculated pursuant to existing laws and, in particular, to the provisions of art. 2120 of the Civil Code, to the collective labor agreements and to company's supplementary agreements.

This liability is subject to revaluation by applying indexes.

Payables

Payables are entered using the amortised cost criterion, considering the time factor; differences arising from successive recalculation of value are entered in financial income and expenses.

Payables falling due within 12 months are nonetheless entered at book value, since the effects are negligible, with regard to the criterion of amortised cost, pursuant to Art. 2423, subsection 4 of the Italian Code of Civil Procedure.

Payables are entered net of all premiums, discounts, allowances and inclusive of any costs directly attributable to the transaction generating the debt (these latter are entered in prepayments if the amortised cost criterion is not applied).

Conversion criteria for values expressed in currency

Receivables and payables originally expressed in foreign currency are converted into euros at the exchange rates at the date of occurrence. Exchange differences arising during payment of payables and collection of receivables in foreign currency are allocated to the Income Statement.

The existing receivables in currency at the end of the financial year have been converted into euros at the rate valid on the day of closure of the Financial Statement; profits and losses coming from the exchange have been entered in the Income Statement under the C.17-bis "Exchange profits/losses" item, allocating, if necessary, an amount equal to the net profits emerging from the algebraic sum of the values to net worth reserve that cannot be distributed until the time of collection.

As to the amount entered under C.17-bis item we clarify that the collected part of losses on exchanges is equal to euros 84.031, while that not collected profit is equal to euros 109.280.

Recording of revenue and costs

Income and proceeds are entered after deduction of returns, discounts and allowances as well as of taxes directly connected with sale of the products and lending of the services.

In particular:

- revenue for supply of services are calculated according to the actual supply of the service and in accordance with the relevant contracts. Revenue related to works in progress on order is calculated with the method of the percentage of completion of the works;
- costs are recorded according to the accruals principle of accounting;
- proceeds and financial charges are calculated according to the temporal accruals principle of accounting.

Income taxes

Financial year income taxes are allocated in accordance with the accruals principle of accounting and are calculated in accordance with existing laws and on the basis of the estimated taxable income. In the Balance Sheet the debt is indicated in the "Tax payables" item and the credit in the "Tax receivable" item.

We specify the following concerning detection of the fiscal effects caused by temporary differences between entry of economic items in the Financial Statements and the time they become fiscally important.

Deferred taxes were calculated according to the temporary taxable differences applying the tax rate valid at the moment these temporary differences will generate increases in the taxable base.

Assets for advanced taxes, in accordance with the prudence principle, were calculated on the deductible temporary differences applying the tax rate which is valid at the moment these differences generate a decrease in the taxable base, according to the principle of the reasonable certainty of the existence of future taxable bases sufficient to reabsorb the variations specified above.

The amount of advanced taxes is revised every year to check the existence of the reasonable certainty of having, in the future, fiscally taxable income sufficient to recover the entire amount of the advanced taxes.

The amount of deferred and advanced taxes is also subject to recalculation whenever there are changes in the taxation rates originally considered.

Notes forming part of the Financial Statements

SUPPLEMENTARY NOTES, ASSETS

Fixed assets

Tangible fixed assets

The following schedule illustrates the composition of tangible fixed assets and the variations that took place during the financial year.

(EUR)

Financial year item	Initial balance	Increases	Decreases	Final balance
Other assets	334.053	21.393	113.901	241.545
-Electronic equipment	334.053	21.393	113.901	241.545
Fixed assets in progress and down payments	59.488		3.604	55.884
Totals	393.541	21.393	117.505	297.429

Tangible fixed assets, after deduction of the depreciation fund, are equal to euros 297.429 (euros 393.541 at the end of the previous financial year).

Changes in tangible fixed assets

The following schedule illustrates the components that contributed to calculating the net book value of the Financial statements (art. 2427, point 2 of the Civil Code).

(EUR)

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets in process and advances	Total tangible fixed assets
Year opening balance						
Cost	0	0	0	703.882	59.488	763.370
Amortisation (amortisation fund)	0	0	0	369.829	0	369.829
Balance sheet value	0	0	0	334.053	59.488	393.541
Changes during the year						
Increases for purchases	0	0	0	16.916	0	16.916
Reclassifications (of the balance sheet value)	0	0	0	3.604	(3.604)	0
Decreases for transfers and disposals (of the balance sheet value)	0	0	0	(873)	0	(873)
Depreciation/amortisation for the year	0	0	0	113.901	0	113.901
Total changes	0	0	0	(92.508)	(3.604)	(96.112)
Year closing balance						
Cost	0	0	0	724.402	55.884	780.286
Amortisation (amortisation fund)	0	0	0	482.857	0	482.857
Balance sheet value	0	0	0	241.545	55.884	297.429

Notes forming part of the financial statements

Following report shows the details of "Other goods" balance sheet item, indicating the movements relating to each component.

(EUR)

Description	Furnitures	Electronic office machinery	Automobiles and motorcycles	Motor vehicles	Assets different from the above	Rounding off	Other tangible fixed assets balance
Historic cost	1.573	702.309					703.882
Initial depreciation fund	1.573	368.256					369.829
Rounding off							
Financial year initial balance		334.053					334.053
Financial year purchases		20.520					20.520
Financial year sales/decrease: depreciation fund		873					873
Financial year depreciations		113.901					113.901
Final balance		241.545					241.545

The increase in electronic office equipment of Euro 20.520 is composed of PCs used by engineers that became operational during the year.

Fixed Assets in progress and down payments

The fixed asstes in progress amounting to Euro 55.884 are mainly referred to PCs used by engineers, relates to the PCs which are not in use at the year end.

CURRENT ASSETS

Receivables included among current assets

Changes and deadline of receivables posted to current assets

The following schedule illustrates the composition, the variation and the expiration dates of receivables present in current assets (art. 2427, point 4 and 6 of the Civil Code).

(EUR)

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Trade receivables included among current assets	12.322.266	3.381.216	8.941.050	8.941.050	0	0
receivables due from parent companies included among current assets	1.582.899	65.348	1.648.247	1.648.247	0	0
receivables due from companies controlled by parent companies posted to current assets	1.608.179	(845.386)	762.793	762.793	0	0
Tax receivables included among current assets	874.618	(844.268)	30.350	30.350	0	0
Assets for prepaid tax included among current assets	255.717	(33.976)	221.741			
Other receivables included among current assets	193.652	(5.847)	187.805	7.738	180.067	0
Total receivables included among current assets	16.837.331	(5.045.345)	11.791.986	11.390.178	180.067	0

Notes forming part of the financial statements

Breakdown of receivables included among current assets by geographic area

Receivables of current assets are subdivided according to geographic areas where the debtor does business (art. 2427, point 6 of the Civil Code):

(EUR)

Geographic area	Italy	Europe	Rest of the World	Total
Trade receivables included among current assets	**8.941.050**	**-**	**-**	**8.941.050**
Receivables due from parent companies included among current assets	**-**	**91.626**	**1.556.621**	**1.648.247**
receivables due from companies controlled by parent companies posted to current assets	**-**	**762.504**	**289**	**762.793**
Tax receivables included among current assets	**30.350**	**-**	**-**	**30.350**
Assets for prepaid tax included among current assets	**221.741**	**-**	**-**	**221.741**
Other receivables included among current assets	**187.805**	**-**	**-**	**187.805**
Total receivables included among current assets	**9.380.946**	**854.130**	**1.556.910**	**11.791.986**

Receivables with customers

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
Trade receivables	12.322.266	**7.433.214**	**-4.889.052**
Bad debt fund		**657**	**657**
Total	12.322.266	**7.433.871**	**-4.888.395**

Receivables with controlling companies

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
Tata Consultancy Services LTD	1.551.494	**1.556.621**	**5.127**
Tata Consultancy Services Netherlands B.V.	31.405	**91.626**	**60.221**
Total	1.582.899	**1.648.247**	**65.348**

The receivables here classified are all related to the commercial transactions occurred with the direct mother company and also with the ultimate mother company. All the transactions have been made at arms' length principle.

Notes forming part of the financial statements

Receivables from businesses subject to the control of the parent companies

(EUR)

Description	As at March 31, 2023	Variation	As at March 31, 2024
Tata Consultancy Services America International Corp.		1	1
Tata Consultancy Services Sverige AB		3.696	3.696
TCS Africa Holdings LTD	42	(42)	
Tata Consultancy Services Osterreich GmbH	259.181	(119.223)	259.181
Tata Consultancy Services Switzerland LTD	45.753	111.661	157.414
Tata Consultancy Services Deutschland GmbH	692.644	(456.684)	235.960
Tata Consultancy Services Luxembourg S.A.	5.040	337	5.377
Tata Consultancy Services France SAS	559.091	(371.537)	187.554
Tata Consultancy Services Belgium N.V./S.A.	42.997	(11.521)	31.476
Tata Consultancy Services de Espana		1.032	1.032
Tata Consultancy Services do Brasil LTDA	3.431	(3.142)	289
Tata Consultancy Services Portugal, Unipessoal LDA		36	36
Total receivables from businesses subject to the control of the parent companies	1.608.179	**(845.386)**	**762.793**

The receivables here classified are all related to the commercial transactions occurred with the other companies of the group. All the transanctions have been made at arms'lenght principle.

Tax receivables

(EUR)

Description	As at March 31, 2023	Variation	As at March 31, 2024
Withholding tax paid		11.830	11.830
Income Tax (IRPEF) / Corporate Income Tax (IRES) credit	637.612	(637.612)	
Regional Income Tax (IRAP) credit	92.345	(73.825)	18.520
VAT credit	144.660	(144.660)	
Rounding off	1	(1)	
Totals	874.618	**(844.268)**	**30.350**

IRAP credit here reported are referred to the yearly balance.

Notes forming part of the financial statements

Other receivables

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
a) **Other receivables following year**	8.630	**7.738**	**(892)**
Employees receivables	6.492	**7.737**	**1.245**
Other receivables:			
- suppliers advance	75		**(75)**
- other	2.063	**1**	**(2.062)**
b) **Other receivables above following year**	185.022	**180.067**	**(4.955)**
Cash deposits	185.022	**180.067**	**(4.955)**
Other receivables:			
Total other receivables	193.652	**187.805**	**(5.847)**

Under "Other Receivables" have been classified receivables towards employees (Euro 7.737) and cash deposits (Euros 180.067).

Receivables include assets for advanced taxes (Euros 221.741) which details are provided in the paragraph related to deferred taxation.

Adjustment of the nominal value of the receivables to the presumed break up value was done by using a specific allowance for bad debts which sustained, during the financial year, the following movements:

(EUR)

Description	Initial balance	Uses	Allocations	Final balance
Allowance for bad debts of the current assets			**657**	**657**

Liquid funds

The balance detailed below represents the amount and variations in liquid assets existing at the time of closure of the financial year (art. 2427, point 4 of the Civil Code).

(EUR)

	As at March 31, 2023	Change during the year	As at March 31, 2024
Bank and post office deposits	4.712.278	**414.315**	**5.126.593**
Total liquid funds	4.712.278	**414.315**	**5.126.593**

Accrued income and prepayments

The composition and variations for the item under examination are detailed as follows (art. 2427, point 7 of the Civil Code):

(EUR)

	As at March 31, 2023	Change during the year	As at March 31, 2024
Accrued income	239.922	**(239.922)**	**0**
Deferred income	125.875	**(51.584)**	**74.291**
Total accrued income and prepaid expenses	365.797	**(291.506)**	**74.291**

Notes forming part of the financial statements

SUPPLEMENTARY NOTES, LIABILITIES AND NET EQUITY

Shareholders' equity

Changes in shareholders' equity for the three previous years are shown below:

(EUR)

Description	Value as at 31/03/2021	Increase/ Decrease	Value as at 31/03/2022	Increase/ Decrease	Value as at 31/03/2023
Share Capital	100.000	0	100.000	0	100.000
Legal Reserve	20.000	0	20.000	0	20.000
Contribution to cover the loss	2.100.000	0	2.100.000	0	2.100.000
Miscellaneous other reserves	0	1	1	2	3
Retained earning (accumulated losses)	1.494.293	3.001.150	4.495.443	1.934.181	6.429.624
Net profit (loss) of the year	3.001.150	(1.066.969)	1.934.181	(1.991.100)	(56.919)
Total	6.715.443	1.934.182	8.649.625	(56.917)	8.592.708

Changes in shareholders' equity

Net worth existing at the closure of the financial year amounts to Euros 9.039.223 and has experienced the following evolution (art. 2427, point 4 of the Civil Code).

(EUR)

	Year opening balance	Destination of the previous year's result		Other changes			Result for the year	Year closing balance
		Dividend allocations	Other destinations	Increases	Decreases	Reclassifications		
Capital	**100.000**	**0**	**0**	**0**	**0**	**0**		**100.000**
Legal reserve	**20.000**	**0**	**0**	**0**	**0**	**0**		**20.000**
Other reserves								
Contributions to cover losses	**2.100.000**	**0**	**0**	**0**	**0**	**0**		**2.100.000**
Total other reserves	**2.100.003**	**0**	**0**	**(3)**	**0**	**0**		**2.100.000**
Profit (loss) carried forward	**6.429.624**	**0**	**0**	**0**	**56.919**	**0**		**6.372.705**
Profit (loss) for the year	**(56.919)**	**0**	**(56.919)**	**0**	**0**	**0**	**446.518**	**446.518**
Total shareholders' equity	**8.592.708**	**0**	**(56.919)**	**(3)**	**56.919**	**0**	**446.518**	**9.039.223**

Use of shareholders' equity

Details are given, in particular, related to the reserves that compose the Net Worth, specifying their origin or nature, and their possible uses and distributability limits as well as their uses in previous financial years (art. 2427, point 7-bis of the Civil Code):

Explanation column "Origin/nature": C = Capital reserve; U = Profit reserve.

Explanation column "Possible use": A = for capital increase; B = to cover losses; C = for distribution to shareholders.

Notes forming part of the financial statements

(EUR)

	Amount'	Origin / nature	Possible use	Available amount	Summary of uses in the three previous years	
					to cover losses	for other reasons
Capital	100.000	C	B	0	0	0
Legal reserve	20.000	U	B	0	0	0
Other reserves						
Contributions to cover losses	2.100.000	C	B, C	2.100.000	0	0
Total other reserves	2.100.000			2.100.000	0	0
Profit carried forward	6.372.705			6.372.705	0	0
Total	8.592.705			8.472.705	0	0
Unavailable amount				0		
Residual available share				8.472.705		

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

As of 31/03/2024 capital was fully underwritten and paid up.

Provisions for risks and charges

The composition and the movements in the single items are given in the following schedule (art. 2427, point 4 of the Civil Code).

(EUR)

	Provisions for pension liabilities and similar obligations	Deferred tax fund	Passive derivative financial instruments	Other funds	Total provisions for risks and charges
Year opening balance	0	0	0	117.516	117.516
Changes during the year					
Use in the financial year	0	0	0	117.516	117.516
Other changes	0	0	0	287	287
Total changes	0	0	0	(117.229)	(117.229)
Year closing balance	0	0	0	287	287

The Management, in the financial year closed as of 31.03.2024, evaluated the portfolio project as at the year end and decided to accrue a contingency for foreseeable losses on 'ready-to-deliver' projects and it amounted to Euro 287, whereas the amount of the previous year equal to Euro 117.516 was realised.

This schedule gives a detailed description of the item related to other contingency funds for risks and charges as well as the variations since the previous financial year, because they are held to be of appreciable amount (art. 2427, point 7 of the Civil Code).

Notes forming part of the financial statements

(EUR)

Description	As at March 31, 2023	Change during the year	As at March 31, 2024
Foreseeable losses on projects	117.516	**(117.229)**	**287**
Total	117.516	**(117.229)**	**287**

Staff severance fund

The fund being allocated represents the actual debt of the company with its employees as of al 31/03/2024 after deduction of paid advances.

The severance pay is directly deposited in the pension fund for employees who have opted for complementary social security which is shown on "Other"; in other cases the severance pay is transferred to the Treasury Fund managed by INPS. the amount booked as use is related to amount paid during the year.

Composition and uses are listed in the following schedule (art. 2427, point 4 of the Civil Code).

(EUR)

	Staff severance fund
Year opening balance	**1.504.029**
Changes during the year	
Operating accrual	**525.194**
Use in the financial year	**260.523**
Other changes	**(137.763)**
Total changes	**126.908**
Year closing balance	**1.630.937**

PAYABLES DUE TO COMPANIES CONTROLLED BY PARENT COMPANIES

Payables changes and due date

The composition, the variations in the single items and the subdivision by due dates of payables are illustrated in the following schedule (art. 2427, point 4 and 6 of the Civil Code).

(EUR)

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Advances	994.847	156.399	838.448	838.448	0	0
Payables to suppliers	2.231.469	611.455	1.620.014	1.620.014	0	0
Payables to parent companies	5.695.226	(4.736.941)	958.285	958.285	0	0
Payables due to companies controlled by parent companies	135.991	64.087	200.078	200.078	0	0
Tax payables	143.604	74.907	218.511	218.511	0	0
Payables due to social security and welfare institutions	277.842	(80.272)	197.570	197.570	0	0
Other payables	2.554.631	159.054	2.395.577	2.395.577	0	0
Total payables (D)	**12.033.610**	**(5.605.127)**	**6.428.483**	**6.428.483**	**0**	**0**

Notes forming part of the financial statements

Advance payments

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
a) **Advance payments due within a year**	994.847	**838.448**	**(156.399)**
Advance payments from customers	994.847	**838.448**	**(156.399)**
Total advance payments	994.847	**838.448**	**(156.399)**

Payables to suppliers

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
a) **Payables to suppliers due within a year**	2.231.469	**1.620.014**	**(611.455)**
Suppliers within a year:	1.486.818	**761.260**	**(725.558)**
Invoices to be received within a year:	744.651	**839.167**	**94.516**
Total payables to suppliers	2.231.469	**1.620.014**	**(611.455)**

Payables to parent companies

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
Tata Consultancy Services LTD	5.640.924	**873.937**	**(4.766.987)**
Tata Consultancy Services Netherlands B.V.	54.302	**84.348**	**30.046**
Total payables to parent companies	5.695.226	**958.285**	**(4.736.941)**

Under the item "Payables to parent companies" are reclassified not only the payables to Tata Consultancy Services Netherlands B.V, but also the payables to Indian parent company Tata Consultancy Services LTD. All the transactions are made at the arms'lenght value.

Payables due to companies subject to the control of the parent companies

(EUR)

	As at March 31, 2023	As at March 31, 2024	Variation
Tata Consultancy Services Deutschland GmbH	42.422	**66.318**	**23.896**
Tata Consultancy Services France SAS	37.008	**56.736**	**19.728**
Tata Consultancy Services Brasil LTD	16.712	**14.444**	**(2.268)**
Tata Consultancy Services Sverige AB	6.470	**11.715**	**5.245**
Tata Consultancy Services Belgium SA	8.849	**18.760**	**9.911**
Tata Consultancy Services Switzerland LTD	24.377	**23.834**	**(543)**
Tata Consultancy Services Espana SA	153		**(153)**
Tata Asia Pacific PTE e LTD		**8.271**	**8.271**
Total payables due to companies subject to the control of the parent companies	135.991	**200.078**	**64.087**

All the transactions are made at the arms'lenght value.

Notes forming part of the financial statements

Tax payables

(EUR)

Description	As at March 31, 2023	Variation	As at March 31, 2024
Income Tax (IRPEF) / Corporate Income Tax (IRES)		9.752	9.752
VAT		91.003	91.003
Employee withholding taxes	129.953	(13.636)	116.317
Consultant/collaborator withholding taxes	13.651	(12.212)	1.439
Total tax payables	143.604	**74.907**	**218.511**

The IRES payable shown here represents the balance for the year.

Payables with social security and insurance institutions

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
Payables with Inps (National Institute of Social Insurance)	277.842	197.570	(80.272)
Total social security and insurance payables	277.842	**197.570**	**(80.272)**

Other payables

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation
a) **Other payables following year**	2.554.631	2.395.577	(159.054)
Employees / similar payables	2.469.421	2.303.905	(165.516)
Other payables:			
- other	85.210	91.672	6.462
Total other payables	2.554.631	**2.395.577**	**(159.054)**

Breakdown of payables by geographic area

An illustrative schedule is also given with the breakdown of payables according to the geographic area of business of the creditor.

(EUR)

Geographic area	Italy	Europe	Rest of the World	Total
Advances	838.448	-	-	838.448
Payables to suppliers	1.620.014	-	-	1.620.014
Payables due to parent companies	-	84.348	873.937	958.285
Payables due to companies controlled by parent companies	-	177.363	22.715	200.078
Tax payables	218.511	-	-	218.511
Payables due to social security and welfare institutions	197.570	-	-	197.570
Other payables	2.395.577	-	-	2.395.577
Payables	5.270.120	261.711	896.652	6.428.483

Notes forming part of the financial statements

Accrued liabilities and deferred income

The following schedule indicates the composition and movements of the item under examination (art. 2427, point 7 of the Civil Code).

(EUR)

	Year opening balance	Change during the year	Year closing balance
Accrued liabilities	61.084	**130.285**	**191.369**
Total accrued liabilities and deferred income	61.084	**130.285**	**191.369**

SUPPLEMENTARY NOTES, INCOME STATEMENT

Value of production

Production worth composition is given below as well as variations in the single items compared to the previous financial year:

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation	Var. %
Revenue from sales and services	**44.525.765**	**39.412.033**	**(5.113.732)**	**(11,48)**
Other revenue and proceeds	**428.913**	**878.116**	**449.203**	**104,73**
Totals	**44.954.678**	**40.290.149**	**(4.664.529)**	

Breakdown of net revenue by geographic area

In accordance with the provisions of point 10) of article 2427 we specify the breakdown of revenue from sales and services by geographic area.

(EUR)

Geographic area	Current year value
Italy	33.276.674
Europe	4.372.689
Rest of the World	1.762.670
Total	39.412.033

Notes forming part of the financial statements

Cost of production

The following schedule illustrates the composition and movements in the "Production costs" item.

(EUR)

Description	As at March 31, 2023	As at March 31, 2024	Variation	Var. %
For raw materials, ancillary materials, consumables and goods	12.833	6.905	(5.928)	(46,19)
For services	26.098.721	21.866.473	(4.232.248)	(16,22)
For use of third party assets	1.941.376	1.987.647	46.271	2,38
For personnel:				
a) wages and salaries	12.300.069	11.706.190	(593.879)	(4,83)
b) social security contributions	2.170.119	2.283.609	113.490	5,23
c) severance pay	558.064	525.194	(32.870)	(5,89)
d) pension indemnity and similar				
e) other costs	439.602	383.823	(55.779)	(12,69)
Depreciations and write-offs:				
a) intangible fixed assets				
b) tangible fixed assets	77.797	113.901	36.104	46,41
c) other write-offs of fixed assets				
d) receivables write-offs included in current assets		657	657	
Variations in stocks of raw materials, ancillary materials and consumables and goods				
Contingency fund for risks				
Other funds	117.795		(117.795)	(100,00)
Sundry operating charges	331.902	54.707	(277.195)	(85,32)
Rounding off				
Totals	44.048.278	38.929.106	(5.119.172)	

Costs raw materials, ancillary materials, consumables and good

They include mainly the costs for the purchases of the goods and products required for the office uses.

Costs for services

They include all the costs relating to the services incurred by the company during the year. In particular: costs related to the providing of services for the projects (Euro 20.667.745), marketing and sponsorship related (Euro 71.586), legal, fiscal and consultancy expenese (Euro 163.558), and communication costs (Euro 399.208).

Use of third party assets

They include the fees incurred by the Company in relation to its offices (euro 190.455), for the rent of the cars given to the employees (Euro 156.970) and for the apartments rented for its employees (Euro 1.618.367).

Costs for personnel

It represents the full costs for employees, including also the accruals for vacation and deferred provided by law.

Depreciation tangible assets

They have been calculated applying the rates provided by our fiscal law.

Notes forming part of the financial statements

Sundry operations charge

They represent the residual category in which those costs not classified previously are accounted, like registration tax, stamp duty, government concession tax, fines and other management costs.

Financial income and charges

A schedule is also given concerning the composition of the "C.16.d) Proceeds other than the previous ones" item.

(EUR)

Description	Controlled companies	Associated companies	Controlling companies	Companies subject to the control of parent companies	Others	Total
Bank and postal interest	-	-	-	-	117.956	117.956
Totals	-	-	-	-	117.956	117.956

INCOME TAX FOR THE YEAR, CURRENT, DEFERRED AND PREPAID

Operating income taxes

The composition of the "Operating income taxes" item is illustrated in the following table:

(EUR)

Description	As at March 31, 2023	Variation	Var.%	As at March 31, 2024
Current taxes	1.006.392	1.661	0,17	1.008.053
Taxes relative to previous periods	28.072	(19.690)	(70,14)	8.382
Advanced taxes		33.976		33.976
Totals	1.034.464	15.947		1.050.411

"Current taxes" are composed by:

- IRES: Euros 700.255;
- IRAP: Euros 307.798.

Deferred taxation (art. 2427, point 14 of the Civil Code)

Deferred taxes were calculated taking into account the amount of all the temporary differences generated from application of tax regulations and applying the rates valid at the moment these differences arose.

Assets for advanced taxes were detected as it is reasonably certain that there will be, during subsequent financial year, a taxable base not inferior to the amount of the differences that will be written off. The total amount at the year end is Euro 221.741.For a full disclosure, it is reported that the company pays IRAP tax in three different regions:

- Tuscany: IRAP applicable rate 4,82%;
- Lombardy: IRAP applicable rate 3,9%;
- Piedmont: IRAP applicable rate 3,9%.

Notes forming part of the financial statements

SUPPLEMENTARY NOTES, OTHER INFORMATION

Employment data

In accordance with the provisions of point 15) of article 2427 of the Civil Code, the following schedule illustrates the data related to the composition of staff employed as of 31/03/2024.

(EUR)

	Average number
Directors	9
Middle management	35
Office staff	72
Other employees	17
Total employees	133

For a full disclosure, it is reported that the total of detached staff at the end of the financial year is composed by 72 engineers.

Remuneration to legal auditor or audit company

According to art. 2427 paragraph 16-bis we provide the following details about the legal auditor (auditing company) fees PAGANI RAFFAELLA for the rendered services, divided in legal audit services and other services.

(EUR)

	Value
Legal audit of annual accounts	13.072
Total remuneration due to the legal auditor or audit firm	**13.072**

Commitments, guarantees and potential liabilities not posted to the balance sheet

Compliant with art. 2427 no. 9 of the Civil Code, please note that the Company has no commitments, guarantees and contingent liabilities other than those resulting from the balance sheet.

INFORMATION ON ASSETS AND LOANS ADDRESSED TO SPECIFIC DEALS

Assets and loans allocated to a specific deal

The Company has not created any assets destined to the a specific business.

INFORMATION ON TRANSACTIONS WITH CORRELATED PARTIES

Related party transactions

According to Art. 2427 point 22-bis, please note that during the financial year related party transactions were not carried out with significant amounts and in any case they were fulfilled at regular market conditions. In any case, transactions with related parties are displayed in the following table:

(EUR)

Description	Controlling companies	Other related parties	Total
Revenue	**2.000.983**	**3.997.665**	**5.998.648**
Costs	**21.014.881**	**944.969**	**22.049.850**
Commercial receivables	**1.648.247**	**762.792**	**2.411.039**
Commercial debts	**958.285**	**200.078**	**1.158.636**

Notes forming part of the financial statements

In item "controlled companies" have been classified the transactions (revenues, costs, receivables and debts) toward the direct parent company Tata Consultancy Services B.V., Amsterdam, and toward the holding Tata Consultancy Services Ltd. Mumbai, India.

According to Art. 2427 point 22-bis, please note that during the financial year related party transactions took place and the year-end balance is the following ones:

(EUR)

Entity	Revenues	Costs	Receivables	Payables
Tata America International Corporation	287		1	
Tata Consultancy Services Luxembourg S.A.	51.022		5.377	
Tata Consultancy Services Asia Pacific Pte Ltd		132.216		8.271
Tata Consultancy Services Belgium N.V./S.A.	131.894		31.476	18.760
Tata Consultancy Services Deutschland GmbH	2.092.573	437.072	235.960	66.318
Tata Consultancy Services France S.A.S	350.983	257.663	187.554	56.736
Tata Consultancy Services Limited	1.466.975	20.827.595	1.556.621	873.937
Tata Consultancy Services Netherland BV	534.008	277.286	91.626	84.348
Tata Consultancy Services Osterreich GmbH	907.070		139.958	
Tata Consultancy Services Sverige AB	12.335		3.696	11.715
Tata Consultancy Services Switzerland Ltd	450.437		157.414	23.834
Tata Consultancy Services Espana SA	1.028		1.031	
Tata Consultancy Services Brazil Ltd.		118.018	289	14.444
Tata Consultancy Services Portugal, Unipessoal, LDA	36		36	
Totale	5.998.648	22.049.850	2.411.039	1.158.363

INFORMATION ON AGREEMENTS NOT POSTED TO THE BALANCE SHEET

Agreements not included in balance sheet

According to Art. 2427 point 22-ter, please note that the Company is not engaged in any agreement which is not included in the Balance Sheet, represents relevant risks or benefits and is necessary to evaluate the Company's assets and financial situation.

Information on significant events after yearend

Pursuant to art. 2427 no. 22 quater) of the Italian Civil Code after the end of the year there are anything to be reported.

INFORMATION REGARDING DERIVATIVE FINANCIAL INSTRUMENTS AS PER ART. 2427-B CIVIL CODE

Information concerning the "Fair value" of derivative financial instruments

It is hereby stated, in accordance with article 2427-bis, paragraph 1, number 1) of the Civil Code, that the Company does not use derivative instruments.

Summary of balance sheet of the company exercising management and coordination activities

The Company belongs to the Tata Group which carries on management and coordination through the Tata Consultancy Services Netherlands BV company.

The following schedule gives essential figures from the last Financial Statements approved by the Company which carries on management and coordination in accordance with paragraph 4 of article 2497-bis of the Civil Code. Figures provided in the following table are rounded to the nearest EUR '000.

Notes forming part of the financial statements

Summary of balance sheet of the company exercising management and coordination activities (overview)

(EUR)

		Last financial year	Previous year
Date of the last approved balance sheet		31/03/2023	31/03/2022
A)	receivables due from shareholders	0	0
B)	Fixed assets	159.126	151.268
C)	Current assets	345.089	275.009
D)	Prepaid expenses and accrued income	0	0
Total assets		504.215	426.277
A)	Shareholders' equity		
	share capital	66.000	66.000
	Reserves	161.744	125.111
	Profit (loss) for the year	56.661	61.634
	Total shareholders' equity	284.405	252.745
B)	Reserves for contingencies and other charges	0	0
	Total reserve for severance indemnities (TFR)	0	0
D)	Payables	219.810	173.532
E)	Accrued expenses and deferred income	0	0
Total liabilities and shareholders' equity		504.215	426.277

Summary of memorandum accounts of the company exercising management and coordination activities (overview)

(EUR)

		Last financial year	Previous year
		31/03/2023	31/03/2022
A)	Value of production	852.517	687.229
B)	Costs of production	810.924	653.595
C)	Financial income and charges	26.699	36.977
D)	Value adjustments to financial assets	0	0
Income taxes for the year		11.631	8.977
Profit (loss) for the year		56.661	61.634

PROPOSED USE OF PROFITS OR HEDGING OF LOSSES

Operating results allocation

Compliant with Art. 2427 no. 22-septies the following operating results allocation is proposed to the shareholders' meeting called to approve the Financial Statement:

(EUR)

Description	Value
Operating profits:	
- carry forward	446.518
Total	**446.518**

Notes forming part of the financial statements

Payment times for commercial transactions

Pursuant to art. 7-ter of Lgs. Decree 231/2002, the average time for payment of suppliers in commercial transactions is 30 days (end of month) from the date of receipt of invoice. Any general delays with regard to the agreed term will be limited to ten working days.

The company's business policies do not envisage requests to suppliers for particular deferments.

Shareholdings in unlimited liability companies

We point out, in accordance with article 2361 paragraph 2 of the Civil Code, that the company have not acquired shareholdings involving unlimited liability in any Company.

Financial Charges Capitalised on Assets in the Balance Sheet

We hereby certify that no capitalisation of financial charges was made to the values entered on the assets side of the balance sheet during the financial year (Article 2427.8 of the Italian Civil Code).

Finance Leasing Transactions

It is hereby certified that no financial leasing operations were performed during the financial year.

Information Concerning the Fair Value of Derivative Financial Instruments

Pursuant to Article 2427 bis, paragraph 1, number 1) of the Italian Civil Code it is hereby stated that the Company does not use derivative instruments.

Significant Effects of Changes in Foreign Exchange Rates

In accordance with the provisions of point 6-bis) of Article 2427 of the Italian Civil Code, we report that no significant changes in currency exchange rates occurred between the closing date of the financial year and the date of preparation of the draft financial statements.

Balance sheet conformity statement

MILANO, 17/04/2024

For the Directors

CHAPALAPALLI SAPTHAGIRI

The undersigned CHAPALAPALLI SAPTHAGIRI, as Director, aware of the penal responsibilities in case of false or misleading statement, as per art. 76 of Presidential Decree 445/2000, certifies the correspondence between the XBRL electronic document containing the balance sheet, income statement, financial statement and explanatory notes and the documents stored in the company records according to art.47 of the aforementioned decree.

MANAGEMENT REPORT

REPORT OF THE BOARD OF DIRECTORS OVER THE PERIOD ENDED ON 31/03/2024

To the Sole Shareholders,

compliant to the provisions of Art. 2428 of Civil Code, the Report of the Board of Directors comments on the management choices and the results for the period ended on 31/03/2024 in order to provide a faithful, impartial and exhaustive account about the state of the company, its management trend and its results as well as about the activities performed by the company during the current business year; the Report also provides information about the risks which the company is exposed to.

COMPANY ACTIVITIES

The company provides IT consultancy services and solutions. The broad range of services enables the company to provide comprehensive and high value-added services to its clients.

The Company is owned 100% by Tata Consultancy Services Netherlands B.V. with legal seat at Amsterdam, European headquarter of the holding company Tata Consultancy Services Limited, located at Mumbai (India). The sole shareholder also provides Management and coordination activity. The group structure did not change during the previous year.

The company headquarter and legal office is in MILAN, and operates through the following branches:

Municipality	Adress
Florence	via Panciatichi, 31
Maranello (MO)	via Giovanni Verga, 12
Turin (TO)	via Confienza, 10

COMPANY PERFORMANCE

The financial statements submitted for your approval show a profit of Euros 446.518; the main factors influencing the annual result are as follows:

- an improvement in operating profitability;
- an increase in financial income;
- a reduction in operating costs.

The tables below summarize the balance of assets and the company's performance over the period, outlining the factors above mentioned:

(EUR)

Balance Sheet	Balance as at March 31, 2023	Difference	Balance as at March 31, 2024
Receivables from shareholders for payments due			
Fixed assets	393.541	(96.112)	**297.429**
Current assets	21.549.609	(4.645.340)	**16.904.269**
Accruals and deferrals	365.797	(291.506)	**74.291**
TOTAL ASSETS	22.308.947	(5.032.958)	**17.275.989**
Net worth:	8.592.708	446.516	**9.039.224**
- of which operating profit (loss)	(56.919)	503.437	**446.518**
Contingency funds for risks and future	117.516	(117.229)	**287**
Severance pay	1.504.029	126.908	**1.630.937**
Short term debts	12.033.610	(5.619.438)	**6.414.172**
Long term debts			
Accruals and deferrals	61.084	130.285	**191.369**
TOTAL LIABILITIES	22.308.947	(5.032.958)	**17.275.989**

Description	Previous financial year balance	% of revenue	Current financial year balance	% of revenue
Revenue from typical operations	44.525.765	-	**39.412.033**	**-**
Variation in stocks of products currently being processed, semi-finished and finished products and fixed assets increase	-	-	**-**	**-**
Purchases and variation in stocks of raw materials, ancillary materials, consumables and goods	12.833	0,03	**6.905**	**0,02**
Costs for services and for use of third party assets	28.040.097	62,97	**23.854.120**	**60,52**
ADDED VALUE	16.472.835	37,00	**15.551.008**	**39,46**
Revenue from ancillary operations	428.913	0,96	**878.116**	**2,23**
Cost of labor	15.467.854	34,74	**14.898.816**	**37,80**
Other operating costs	331.902	0,75	**83.628**	**0,21**
GROSS OPERATING MARGIN	1.101.992	2,47	**1.446.680**	**3,67**
Depreciations, write-offs and other appropriations	195.592	0,44	**114.558**	**0,29**
ORDINARY RESULTS	906.400	2,04	**1.332.122**	**3,38**
Financial charges and proceeds and value adjustments to financial assets and liabilities	71.145	0,16	**135.886**	**0,34**
PRE-TAX RESULT	977.545	2,20	**1.468.008**	**3,72**
Income tax	1.034.464	2,32	**1.021.490**	**2,59**
OPERATING POFIT (LOSS)	(56.919)	(0,13)	**446.518**	**1,13**

Below are comments over several areas of the company's overall performance.

MACROECONOMIC TREND AND MARKET CONDITIONS

Italian GDP is expected to grow by 0.7% in 2024. Inflation deceleration, mostly determined by the decline of energy raw material prices and restrictive monetary policies implemented by ECB, will moderate the dynamics of resident household expenditure deflator in 2024 (+2.5%).

The forecast scenario is based on the assumptions that inflation will continue to decelerate in the coming months, international trade will recover and the National recovery and resilience plan will be effectively implemented.

The company's IT sector continuous to show a trend which is favourable. According to the forecast of the Anitec-Assinform report (report of IT market elaborated by Association of Companies of IT sector), the addressable market to TCS (Software Solutions and IT Services) will grow from 6.2-8- 9% during 2024, with AI, Cloud and Cybersecurity among the top growing digital enabling disciplines.

MARKET STRATEGY

The target market of your company is software consultancy. The target customer group did not experience any particular changes during the year. In fact, the markets in which Tata Consultancy Services Italia Srl is engaged, are traditional ones in which the ultimate Indian parent company is well recognized worldwide.

The Company has a prestigious pool of clients including the best Italian companies. Sales by country are detailed below:

(EUR)

Geographic area	Previous financial year balance	Variation	Var. %	Current financial year balance
Italy	38.761.965	**(5.485.291)**	**(14,15)**	**33.276.674**
Europe	4.827.989	**(455.300)**	**(9,43)**	**4.372.689**
Rest of the World	935.811	**826.859**	**88,36**	**1.762.670**
Totals	44.525.765	**(5.113.732)**		**39.412.033**

Sales expenditure split by cost category is shown below:

(EUR)

Category	Domestic	European Market	Foreign Countries
Advertising	71.586	-	-
Representation expenses	29.527	-	-
TOTAL	**101.113**	-	-

INVESTMENT STRATEGY

Investment during the period is detailed below:

(EUR)

Investment in tangible fixed assets	Financial year purchases
Fixed assets in progress and down payments	
Other assets	16.916
TOTAL	**16.916**

FINANCIAL STRUCTURE AND STRATEGY

The company's net financial debt is detailed below; the report, based on ESMA guidelines, highlights the composition of the financial debt; a negative value states a situation in which financial assets are greater than financial liabilities.

(EUR)

Description	Previous financial year	Variation	Current year adjustment	Current financial year
A) Cash	4.712.278	414.315	-	5.126.593
B) Cash equivalents	-	-	-	-
C) Other current financial assets	-	-	-	-
Other short term assets	-	-	-	-
D) Liquid assets (A+B+C)	4.712.278	**414.315**	-	**5.126.593**
E) Current financial debt	-	-	-	-
F) Current portion of long-term financial debt	-	-	-	-
Other short term liabilities	-	-	-	-
G) Current financial debt (E+F)	-	-	-	-
H) Current net financial debt (G-D)	(4.712.278)	**(414.315)**	-	**(5.126.593)**
I) Long-term financial debt	-	-	-	-
J) Debt instruments	-	-	-	-
K) Trade payables and other long-term payables	-	-	-	-
L) Non-current financial debt (I+J+K)	-	-	-	-
M) TOTAL FINANCIAL DEBT (H+L)	(4.712.278)	**(414.315)**	-	**(5.126.593)**

Following tables show a reclassification of the Balance Sheet on the basis of liquidity use and sources.

(EUR)

Uses	Value	% on the uses
Immediate liquidity	5.126.593	29,67
Deferred liquidity	11.851.967	68,60
Inventory		
Current assets	**16.978.560**	**98,28**
Intangible fixed assets		
Tangible fixed assets	297.429	1,72
Financial assets		
Fixed assets	**297.429**	**1,72**
TOTAL USES	**17.275.989**	**100,00**

(EUR)

Sources	Values	% on the sources
Current liabilities	6.605.541	38,24
Consolidated liabilities	1.631.224	9,44
Capital of third parties	**8.236.765**	**47,68**
Share capital	100.000	0,58
Accumulated funds and profits (losses)	8.492.706	49,16
Current year profit (loss)	446.518	2,58
Equity	**9.039.224**	**52,32**
TOTAL SOURCES	**17.275.989**	**100,00**

In compliance with the provisions of art. 2428 par. 2 of the Civil Code, we point out the main financial and non-financial indicators of results.

Structural indexes	Meaning	Previous financial year	Current financial year	Comment
Primary structure ratio Net worth ------------------------ Financial year fixed assets	The index measures the capacity of the company's financial structure to cover long term with long term sources.	21,83	**30,39**	Shareholders' equity is sufficient to fully cover fixed assets.
Secondary structure ratio Net worth + Consolidated liabilities ------------------------- Financial year fixed assets	The index measures the capacity of the company's financial structure to cover long term with long term sources.	25,95	**35,88**	Long-term sources and uses are in balance.

Patrimonial and financial indexes	Meaning	Previous financial year	Current financial year	Comment
Leverage (financial dependence) Invested capital -------------------------- Net worth	The index measures the intensity of use of indebtedness to cover invested capital.	2,60	**1,91**	The company does not resort to borrowing outside the Group.
Flexibility of the uses Circulating assets -------------------------- Invested capital	It allows to better define the percentage mix of uses, which depends substantially on the kinds of activity of the company and on the flexibility level of the business structure. The more flexible the structure of the uses is, the greater the capacity of the business to adapt itself to the changeable market conditions..	98,24	**98,28**	Invested capital is almost equal to current assets, highlighting the flexibility of the structure.
Total debt ratio Third party financing ------------------------- Net worth	The index represents the equilibrium degree of the financial sources.	1,60	**0,91**	The company resorts to financing only within the Group.

Managerial indexes	Meaning	Previous financial year	Current financial year	Comment
Personnel efficiency Net operating revenue ------------------------- Financial year cost of personnel	The index shows the personnel productivity, calculated as the ratio between the net operating revenue and the cost of personnel.	2,88	**2,65**	
Days' payables outstanding Payables with Suppliers * 365 ------------------------- Financial year purchases	The index measures, in days, the commercial extension received from the suppliers.	29	**24**	Index showing improvement
Days' sales in receivable Receivables with Customers * 365 ------------------------ Net operating revenue	The index measures, in days, the commercial extension offered to customers.	101	**69**	Index showing improvement

Liquidity indexes	Meaning	Previous financial year	Current financial year	Comment
Quick ratio Prompt liquidity + deferred liquidity ------------------------- Short term period payables	The index measures the degree of coverage of short term payables by assets presumably collectible in the short term.	1,80	**2,54**	There is a good relationship between the sources and uses of financial resources, with current assets covering current liabilities.

Profitability indexes	Meaning	Previous financial year	Current financial year	Comment
Return on sales (R.O.S.) Financial year operating result ------------------------------ - Net operating revenue	The index measures the percentage efficiency of current operations with respect to sales.	2,04	**3,38**	
Return on investment (R.O.I.) Financial year operating result ------------------------------ - Financial year invested capital	The index offers a summary percentage measurement of the economics of current operations and the capacity of the company to self- finance irrespective to the choices of the financial structure.	4,06	**7,71**	
Return on Equity (R.O.E.) Financial year operating result ------------------------------ - Net worth	The index offers a summary percentage measurement of the global economics of company operation as a whole and on the capacity to finance the owner's equity.	-0,66	**4,94**	

INFORMATION ABOUT THE ENVIRONMENT

At present the commitment about social and territory responsibility is an integral part of its principles and behaviours, which are oriented towards technology excellence, maintenance of high security levels, environmental protection and energy effectiveness as well as towards the training, the sensitization and involvement of the personnel as far as social responsibility matters are concerned. Therefore, the company's environmental strategy is based upon the following principles:

- optimize the use of renewable energy and natural resources;
- minimize negative environmental impacts and maximize positive ones;
- spread a correct approach to environmental culture;
- achieve continuous improvement in environmental performances;
- adopt purchasing policies in respect of environmental issues.

Particularly the following initiatives were undertaken during the year:

- Scrupulous separate waste collection to improve recycling: plastic, organic, aluminium, glass, toner;
- All the paper used to print is Eco-compatible and could be disposed via WC.

ENVIRONMENTAL LITIGATION

At the moment the Company is not involved in any civil or criminal litigation with third parties for damages caused to the environment or environmental crimes.

INFORMATION ABOUT THE PERSONNEL

SAFETY

The Company operates in its environment in accordance with the provisions of Decree-Law 81/08 for workers safety.

Activities in this area include:

- train employees and collaborators;
- recurrent medical examinations;
- organize and train safety intervention teams provided by law;
- permanent corporate monitoring from RSPP;
- preparation and distribution of documents regarding Decree-Law 81/08.

Particularly the following initiatives were undertaken during the year:

- update risk assessment documents;
- update and edit of procedures regarding safety and health at work;
- training course for n. 19 new employees.

INJURIES

During the year no injuries occurred to employees.

LITIGATION

Currently the Company is not involved in any litigation of any kind with employees or former employees.

With reference to the employed personnel we report following data:

- n. 83 men and n. 24 women are employed with a permanent contract;
- the average length of employment is 3/4 years;
- n.19 employees was hired during the year.

DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES WHICH MAY HAVE AN IMPACT ON THE COMPANY

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework or the specific environment the Company operates in, as well as risks related to strategic decisions and internal risk management.

The identification and mitigation of these risks were carried out on a regular basis through consistent monitoring and immediate reactions in face of risk events.

The Company can count on a central risk management, although it allows its supervisors to take care of identification, monitoring and mitigation of the risks themselves. The aim is to estimate the impact of each risk according to going concern premises, reduce risks' occurrence and/or moderate their effect in proportion to the determining factor (controllable by the Company or not).

On the topic of business risks, the main risks identified, monitored and managed by the company are as follows:

- risks dependent on exogenous variables;
- risk related to competitiveness;
- risks related to the demand / macro-economic cycles.

RISKS DEPENDENT ON EXOGENOUS VARIABLES

The company is exposed to foreign exchange risk as it deals in multi currencies. However, the risk is hedged to a great extent as the expenses are incurred in the respective foreign currency.

RISK RELATED TO COMPETITIVENESS

The company operates in highly competitive industry, which is reflected in intense price competition of products and services.

RISK RELATED TO OVERALL ECONOMIC DEVELOPMENT

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework and the consequent reduction in IT spending by the companies, in containing their costs, could impact the Company's business.

INFORMATION EX ART. 2428 C. 6 BIS

The company does not have investments in financial activities.

AIMS AND POLICIES ON FINANCIAL RISK MANAGEMENT

The Company aims to contain financial risks through a control system managed by the Executive Board and monitored by internal auditors.

COMPANY'S EXPO SURE TO RISKS

CREDIT RISK

The Company has a policy to extend credit terms, on an average 60 days, after carefully considering the credit worthiness of its clients based on reports obtained from Credit Rating Agencies.

Doubtful debts represent the 2.71% of the total amount of all receivables towards customers. The Company has a good portfolio of clients and carries on careful checks on the clients' credit worthiness. It is specified that, as per company policy, the receivables considered in the doubtful/ bad debts are those which have remained unrealized beyond 9 months.

LIQUIDITY RISK

Policy of the company is to manage accurately its spare funds, using tools able to schedule revenues and expenditures. The company intends to maintain liquidity reserves in order to avoid liquidity risk.

RESEARCH AND DEVELOPMENT

The Company has not made significant investments in Research and Development during the year.

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATED AND PARENT COMPANIES AND OTHER GROUP COMPANIES

Throughout the period ended 31st March 2024 the Company held commercial relations with companies of the Group.

Contract terms have been negotiated according to market conditions and do not give rise to significant advantages to any of the parties involved. Intercompany transactions are made at arm's length value. The amount of the intercompany trade relations is listed below:

(EUR)

Description	Controlling companies	Other related parties	Total
Revenues	**2.000.983**	**3.997.665**	**5.998.648**
Costs	**21.014.881**	**944.969**	**22.049.850**
Account receivables	**1.648.247**	**762.792**	**2.411.039**
Account payables	**958.285**	**200.078**	**1.158.363**

Entity	Revenues for services	Costs for services	Account receivables	Account payables
Tata America International Corporation	**287**	**-**	**1**	
Tata Consultancy Services Luxembourg S.A.	**51.022**		**5.377**	
Tata Consultancy Services Asia Pacific Pte Ltd		**132.216**	**-**	**8.271**
Tata Consultancy Services Belgium N.V./S.A.	**131.894**	**-**	**31.476**	**18.760**
Tata Consultancy Services Deutschland GmbH	**2.092.573**	**437.072**	**235.960**	**66.318**
Tata Consultancy Services France S.A.S	**350.983**	**257.663**	**187.554**	**56.736**
Tata Consultancy Services Limited	**1.466.975**	**20.827.595**	**1.556.621**	**873.937**
Tata Consultancy Services Netherland BV	**534.008**	**277.286**	**91.626**	**84.348**
Tata Consultancy Services Osterreich GmbH	**907.070**	**-**	**139.958**	
Tata Consultancy Services Sverige AB	**12.335**	**-**	**3.696**	**11.715**
Tata Consultancy Services Switzerland Ltd	**450.437**	**-**	**157.414**	**23.834**
Tata Consultancy Services Espana SA	**1.028**	**-**	**1.031**	
Tata Consultancy Services Brazil Ltd.		**118.018**	**289**	**14.444**
Tata Consultancy Services Portugal, Unipessoal, LDA	**36**		**36**	
Total	**5.998.648**	**22.049.850**	**2.411.039**	**1.158.363**

The contracts were concluded and executed during the financial year at normal market conditions, without any special concessions for the counterparties. The values shown herein are accurately confirmed in the group's consolidated financial statements, to which reference should be made for further details and in-depth analysis.

INFORMATION CONCERNING THE ACTIVITY OF DIRECTION AND COORDINATION

Compliant with the dispositions of Art. 2497 et seq. of the Civil Code, we communicate that the Company is subject to the direction and coordination of the Company TATA CONSULTANCY SERVICES NETHERLANDS BV. Compliant with art. 2497-bis, par. 4, Civil Code, in the notes to the financial statements we reported a summary of the essential data of the last financial statements of the Company that exerts the activity of direction and coordination.

Moreover, the Company fulfilled its obligation required under article 2497-bis, par.1 of the Civil Code, as it reported on acts and correspondence its subjection to the direction and coordination of the Company TATA CONSULTANCY SERVICES NETHERLANDS BV exercising management and coordination activities.

Pursuant to Article 2497-bis, Section 5, of the Italian Civil Code, the following tables show the company's relationships with the company TATA CONSULTANCY SERVICES NETHERLANDS B.V .

TRADE RELATIONS AND OTHERS

(EUR)

Description	TCS Netherlands BV
Receivables	**91.626**
Payables	**65.368**
Costs for services	**72.311**
Revenues for services	**534.008**

Finally, we state that no decision was influenced by the activity or direction and coordination of the Company TATA CONSULTANCY SERVICES NETHERLANDS BV.

OWN SHARES AND INVESTMENT IN PARENT COMPANIES

Compliant with Article 2428 c. 3 p. 3 and 4 of the Civil Code the Company holds no own shares or investment in Parent companies.

FORESEEABLE DEVELOPMENTS BY THE END OF THE PERIOD

According to the available information the subsequent year result is expected have a growth of 5% compared to the current year.

ACTIVITIES EX DECREE LAW 231/01

The company has adopted an Organization and Control Model pursuant to Legislative Decree no. 231/01, including a Code of Ethics, whose functioning is monitored by a Supervisory Board.

MILAN, 17th April 2024

For the Directors

CHAPALAPALLI SAPTHAGIRI

TATA CONSULTANCY SERVICES LUXEMBOURG S.A.
Société Anonyme

ANNUAL ACCOUNTS AND REPORT OF THE REVISEUR D'ENTREPRISES AGREE

MARCH 31, 2024

89 D, Rue Pafebruch

L-8308 Capellen

R.C.S. Luxembourg: B112.110

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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MANAGEMENT REPORT FY 2023-24

TATA Consultancy Services Luxembourg S. A. (the "Company"), during the fiscal year ending on the March 31, 2024, has an increased net margin by EUR 0.64 million compared to the previous year. The Company continues to work closely with Tata Consultancy Services Limited (hereinafter referred to as "TCS") relationship teams managing global TCS customers that have operations in Luxembourg. The long-term relationship with our customers, the quality of service and innovative offerings, has led to consolidating TCS's presence. The service contracts currently in place signify enhanced revenue growth going forward.

Finding and hiring local qualified resources remains an important challenge in growing our presence in the country. However, within the above limits, the Company regularly plans to position and showcase its services and solutions for acquiring new customers and to develop new areas of business with existing customers.

On the basis of the current visibility, the revenue for the year 2024-25 are expected to be at the same level as that of the revenue during the year 2023-24.

There are no significant events after the balance sheet date which has a bearing on the financial statements for the year 2023-24.

Currently, the Company has no significant credit risks. The Company does not have any concentrations of credit with a single customer or a geographical region which carries an unusually high credit risk and has no significant third-party interest risk. In FY 2023-24, the Company proved to be self-sufficient to meet its cash requirements and did not take recourse to Banks for financial operations.

The operations of the Company will continue as at the present, the current assets exceed current liabilities and net equity have improved. The Company will be provided with all the necessary mechanisms to ensure the continuity of operations, the realization of its assets and the settlement of its liabilities, in the normal course of its operations.

The Company operates in a competitive market scenario which is reflected in the competitive prices for services.

The Company does not hold its own shares and does not have any investment in the shares of its parent company (Tata Consultancy Services Netherlands B.V) and the Company does not have any branches. The Company did not incur research and development expenses during the financial year.

The total net turnover for the year was EUR 82.30 million compared to EUR 89.35 million for the previous year. The year ended with a net profit of EUR 6.95 million as compared to EUR 6.31 million for the previous year. The net profit is expected to grow going forward.

Mr. Sapthagiri Chapalapalli

Mr. Paul Arbab

May 3, 2024

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Board of Directors of
Tata Consultancy Services Luxembourg S.A.
89D, rue Pafebruch
L-8308 Capellen
Luxembourg

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Tata Consultancy Services Luxembourg S.A. (the "Company"), which comprise the balance sheet as at 31 March 2024, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 March 2024 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Luxembourg, 8 May 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

F. Rouault
Partner

Balance Sheet

(EUR)

	Reference(s)		As at March 31, 2024		As at March 31, 2023	
ASSETS						
A. Subscribed capital unpaid	1101		**101**	**-**	102	-
I. Subscribed capital not called	1103		**103**	**-**	104	-
II. Subscribed capital called but unpaid	1105		**105**	**-**	106	-
B. Formation expenses	1107		**107**	**-**	108	-
C. Fixed assets	1109		**109**	**179.361,41**	110	130.383,71
I. Intangible assets	1111		**111**	**-**	112	-
1. Costs of development	1113		**113**	**-**	114	-
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		**115**	**-**	116	-
a) acquired for valuable consideration and need not be shown under C.I.3	1117		**117**	**-**	118	-
b) created by the undertaking itself	1119		**119**	**-**	120	-
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		**121**	**-**	122	-
4. Payments on account and intangible assets under development	1123		**123**	**-**	124	-
II. Tangible assets	1125	3	**125**	**69.274,15**	126	27.961,29
1. Land and buildings	1127		**127**		128	-
2. Plant and machinery	1129	3	**129**	**29.964,86**	130	13.027,30
3. Other fixtures and fittings, tools and equipment	1131	3	**131**	**33.382,32**	132	10.286,99
4. Payments on account and tangible assets in the course of construction	1133	3	**133**	**5.926,97**	134	4.647,00
III. Financial assets	1135		**135**	**110.087,26**	136	102.422,42
1. Shares in affiliated undertakings	1137		**137**	**-**	138	-
2. Loans to affiliated undertakings	1139		**139**	**-**	140	-
3. Participating interests	1141		**141**	**-**	142	-
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		**143**	**-**	144	-
5. Investments held as fixed assets	1145		**145**	**-**	146	-
6. Other loans	1147		**147**	**110.087,26**	148	102.422,42
D. Current assets	1151		**151**	**29.480.751,18**	152	32.011.812,90
I. Stocks	1153		**153**	**-**	154	-
1. Raw materials and consumables	1155		**155**	**-**	156	-
2. Work in progress	1157		**157**	**-**	158	-
3. Finished goods and goods for resale	1159		**159**	**-**	160	-
4. Payments on account	1161		**161**	**-**	162	-

Balance Sheet

(EUR)

		Reference(s)		As at March 31, 2024		As at March 31, 2023	
II.	**Debtors**	1163		**163**	**20.383.589,51**	164	20.926.181,39
1.	Trade debtors	1165	4	**165**	**15.777.545,57**	166	16.457.922,66
a)	becoming due and payable within one year	1167	4	**167**	**15.777.545,57**	168	16.457.922,66
b)	becoming due and payable after more than one year	1169		**169**	**-**	170	-
2.	Amounts owed by affiliated undertakings	1171	4	**171**	**1.304.102,14**	172	980.065,04
a)	becoming due and payable within one year	1173	4	**173**	**1.304.102,14**	174	980.065,04
b)	becoming due and payable after more than one year	1175		**175**	**-**	176	-
3.	Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		**177**	**-**	178	-
a)	becoming due and payable within one year	1179		**179**	**-**	180	-
b)	becoming due and payable after more than one year	1181		**181**	**-**	182	-
4.	Other debtors	1183	5	**183**	**3.301.941,80**	184	3.488.193,69
a)	becoming due and payable within one year	1185	5	**185**	**3.301.941,80**	186	3.488.193,69
b)	becoming due and payable after more than one year	1187		**187**	**-**	188	-
III.	**Investments**	1189		**189**	**-**	190	-
1.	Shares in affiliated undertakings	1191		**191**	**-**	192	-
2.	Own shares	1209		**209**	**-**	210	-
3.	Other investments	1195		**195**	**-**	196	-
IV.	**Cash at bank and in hand**	1197		**197**	**9.097.161,67**	198	11.085.631,51
E.	**Prepayments**	1199	6	**199**	**2.489.321,62**	200	3.930.513,61
TOTAL (ASSETS)				**201**	**32.149.434,21**	202	36.072.710,22

Balance Sheet

(EUR)

	Reference(s)		As at March 31, 2024		As at March 31, 2023	
CAPITAL, RESERVES AND LIABILITIES						
A. Capital and reserves	1301	7, 8	**301**	**13.787.376,45**	302	13.338.708,18
I. Subscribed capital	1303	7.1, 8	**303**	**5.600.000,00**	304	5.600.000,00
II. Share premium account	1305		**305**	**-**	306	-
III. Revaluation reserve	1307		**307**	**-**	308	-
IV. Reserves	1309	7.2, 8	**309**	**1.219.100,00**	310	885.650,00
1. Legal reserve	1311	7.2.1, 8	**311**	**560.000,00**	312	560.000,00
2. Reserve for own shares	1313		**313**	**-**	314	-
3. Reserves provided for by the articles of association	1315		**315**	**-**	316	-
4. Other reserves, including the fair value reserve	1429	7.2.2, 8	**429**	**659.100,00**	430	325.650,00
a) other available reserves	1431		**431**	**-**	432	-
b) other non available reserves	1433	7.2.2, 8	**433**	**659.100,00**	434	325.650,00
V. Profit or loss brought forward	1319	8	**319**	**19.608,18**	320	541.163,18
VI. Profit or loss for the financial year	1321	8	**321**	**6.948.668,27**	322	6.311.895,00
VII. Interim dividends	1323		**323**	**-**	324	-
VIII. Capital investment subsidies	1325		**325**	**-**	326	-
B. Provisions	1331	9	**331**	**1.141.334,63**	332	1.174.109,73
1. Provisions for pensions and similar obligations	1333		**333**	**-**	334	-
2. Provisions for taxation	1335		**335**	**-**	336	-
3. Other provisions	1337	9	**337**	**1.141.334,63**	338	1.174.109,73
C. Creditors	1435		**435**	**12.995.475,29**	436	15.402.203,37
1. Debenture loans	1437		**437**	**-**	438	-
a) Convertible loans	1439		**439**	**-**	440	-
i) becoming due and payable within one year	1441		**441**	**-**	442	-
ii) becoming due and payable after more than one year	1443		**443**	**-**	444	-
b) Non convertible loans	1445		**445**	**-**	446	-
i) becoming due and payable within one year	1447		**447**	**-**	448	-
ii) becoming due and payable after more than one year	1449		**449**	**-**	450	-
2. Amounts owed to credit institutions	1355		**355**	**-**	356	-
a) becoming due and payable within one year	1357		**357**	**-**	358	-
b) becoming due and payable after more than one year	1359		**359**	**-**	360	-
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361		**361**	**-**	362	-
a) becoming due and payable within one year	1363		**363**	**-**	364	-

Balance Sheet

(EUR)

	Reference(s)		As at March 31, 2024		As at March 31, 2023	
b) becoming due and payable after more than one year	1365		365	-	366	-
4. Trade creditors	1367	10	367	1.553.329,45	368	95.321,77
a) becoming due and payable within one year	1369	10	369	1.553.329,45	370	95.321,77
b) becoming due and payable after more than one year	1371		371	-	372	-
5. Bills of exchange payable	1373		373	-	374	-
a) becoming due and payable within one year	1375		375	-	376	-
b) becoming due and payable after more than one year	1377		377	-	378	-
6. Amounts owed to affiliated undertakings	1379	11	379	4.410.285,02	380	8.148.138,77
a) becoming due and payable within one year	1381	11	381	4.410.285,02	382	8.148.138,77
b) becoming due and payable after more than one year	1383		383	-	384	-
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385	-	386	-
a) becoming due and payable within one year	1387		387	-	388	-
b) becoming due and payable after more than one year	1389		389	-	390	-
8. Other creditors	1451	12	451	7.031.860,82	452	7.158.742,83
a) Tax authorities	1393	12	393	6.942.246,45	394	7.123.465,30
b) Social security authorities	1395	12	395	48.556,99	396	29.447,46
c) Other creditors	1397	12	397	41.057,38	398	5.830,07
i) becoming due and payable within one year	1399	12	399	41.057,38	400	5.830,07
ii) becoming due and payable after more than one year	1401		401	-	402	-
D. Deferred income	1403	13	403	4.225.247,84	404	6.157.688,94
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	32.149.434,21	406	36.072.710,22

Profit And Loss Account

(EUR)

	Reference(s)			Year ended March 31, 2024		Year ended March 31, 2023
1. Net turnover	1701	14	**701**	**82.302.093,18**	702	89.346.131,55
2. Variation in stocks of finished goods and in work in progress	1703	-	**703**	**-**	704	-
3. Work performed by the undertaking for its own purposes and capitalised	1705		**705**	**-**	706	-
4. Other operating income	1713	15	**713**	**633.732,61**	714	652.828,16
5. Raw materials and consumables and other external expenses	1671		**671**	**(61.708.946,66)**	672	(70.063.668,68)
a) Raw materials and consumables	1601		**601**	**-**	602	-
b) Other external expenses	1603	16	**603**	**(61.708.946,66)**	604	(70.063.668,68)
6. Staff costs	1605	17	**605**	**(11.281.284,46)**	606	(10.153.579,55)
a) Wages and salaries	1607		**607**	**(10.779.042,23)**	608	(9.857.141,85)
b) Social security costs	1609		**609**	**(413.073,15)**	610	(250.251,68)
i) relating to pensions	1653		**653**	**(147.794,85)**	654	(103.031,70)
ii) other social security costs	1655		**655**	**(265.278,30)**	656	(147.219,98)
c) Other staff costs	1613		**613**	**(89.169,08)**	614	(46.186,02)
7. Value adjustments	1657		**657**	**(13.557,69)**	658	(15.996,48)
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		**659**	**(13.307,69)**	660	(17.440,96)
b) in respect of current assets	1661		**661**	**(250,00)**	662	1.444,48
8. Other operating expenses	1621	18	**621**	**(512.996,19)**	622	(524.931,51)
9. Income from participating interests	1715		**715**	**-**	716	-
a) derived from affiliated undertakings	1717		**717**	**-**	718	-
b) other income from participating interests	1719		**719**	**-**	720	-
10. Income from other investments and loans forming part of the fixed assets	1721		**721**	**-**	722	-
a) derived from affiliated undertakings	1723		**723**	**-**	724	-
b) other income not included under a)	1725		**725**	**-**	726	-
11. Other interest receivable and similar income	1727	19	**727**	**566.917,03**	728	1.016.927,49
a) derived from affiliated undertakings	1729	19	**729**	**141.337,10**	730	922.693,14
b) other interest and similar income	1731	19	**731**	**425.579,93**	732	94.234,35
12. Share of profit or loss of undertakings accounted for under the equity method	1663		**663**	**-**	664	-
13. Value adjustments in respect of financial assets and of investments held as current assets	1665		**665**	**-**	666	-
14. Interest payable and similar expenses	1627	20	**627**	**(244.830,81)**	628	(1.410.760,38)
a) concerning affiliated undertakings	1629	20	**629**	**(238.716,51)**	630	(498.551,04)
b) other interest and similar expenses	1631	20	**631**	**(6.114,30)**	632	(912.209,34)
15. TAX ON PROFIT OR LOSS	1635	21	**635**	**(2.792.458,74)**	636	(2.534.942,50)
16. PROFIT OR LOSS AFTER TAXATION	1667		**667**	**6.948.668,27**	668	6.312.008,10
17. Other taxes not shown under items 1 to 16	1637	21	**637**	**-**	638	(113,10)
18. PROFIT OR LOSS FOR THE FINANCIAL YEAR	1669	8	**669**	**6.948.668,27**	670	6.311.895,00

Notes forming part of the Financial Statements

1. ORGANISATION AND BUSINESS PURPOSE

TATA CONSULTANCY SERVICES LUXEMBOURG S.A. (the "Company") was incorporated on October 28, 2005 as a "Société Anonyme" under the laws of the Grand Duchy of Luxembourg for an unlimited period.

The Company is registered at 89 D, Rue Pafebruch, L-8308 Capellen and its commercial register number is R.C.S. Luxembourg B112.110.

The Company is a subsidiary of Tata Consultancy Services Netherlands B.V., a company organised under the Netherlands' laws under registered number 33237130 and whose registered address is Gustav Mahlerplein 85-91, 1082 MS Amsterdam, the Netherlands.

Tata Consultancy Services Netherlands B.V., a company organised under the Netherlands' laws is a subsidiary of TATA Consultancy Services Limited, a company incorporated under the laws of India under registered number L22210MH1995PLC084781 and whose registered address is Nirmal Building, 9th Floor, Nariman Point, Mumbai - 400 021, India.

The Company's object is the development, management, implementation and operating of information technology ("IT") and communication systems of credit institutions, professionals of the financial sector, undertakings for collective investment or pension funds established under Luxembourg or foreign laws. The Company may also develop and own IT and communication systems and make them available to its aforesaid clients.

The object further includes the processing and transfer of data stored in the IT systems.

The Company may also carry out any commercial, industrial, financial, movable and immovable operations, which are direct or indirect relation with its object, or which may deem useful in the accomplishment and development of its purposes.

The Company has the status of a professional of the financial sector, as such it may carry out any activities deemed useful for the accomplishment of its object remaining however within the limitations of articles 29(1), 29(2), 29(3) and 29(4) of the amended Luxembourg law of April 5, 1993 relating to the financial sector.

The Company's financial year starts on April 1 and ends on March 31 every year.

The consolidated accounts of TATA Consultancy Services Limited, which form the smallest and largest body of undertakings in which the Company is included, are available at the following address: Nirmal Building, 9th Floor, Nariman Point, Mumbai - 400 021, India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Company maintains its books and records in Euro (EUR) and the annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements and the going concern principle under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the board of directors of the Company (the "Board of Directors").

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

Significant accounting policies

2.1. Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

Notes forming part of the Financial Statements

2.2. Tangible assets

The value of tangible fixed assets with limited useful economic lives is reduced by value adjustments calculated on a straight-line basis to write off the value of such assets systematically over their useful economic lives.

The depreciation rates applied are as follows:

- Plant and machinery: 10%, 20% or 25%
- Other fixtures and fittings, tools and equipment: 10%, 20% or 25%

2.3. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4. Creditors

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

2.5. Foreign currency translation

These annual accounts are expressed in EUR.

The transactions made in a currency other than EUR are translated into EUR at the exchange rate prevailing at the transaction date.

Long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historic exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

All other assets and liabilities expressed in a currency other than EUR are translated separately respectively at the lower and at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates prevailing at the balance sheet date. Solely the unrealized exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account where as the net unrealised exchange gains are not recognised.

2.6. Revenues from operations

Revenues which are derived from management and operating of Information Technology are recognised over the term of related contract in the period when the services are provided.

Works in progress are classified as invoices to be issued under the caption "Trade debtors". Then invoices are issued in accordance with milestones set in the "Statement of work" agreed with each client.

2.7. Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges that have originated in the financial year under review or in previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Notes forming part of the Financial Statements

Provision for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years are recorded under the caption "Other creditors - Tax authorities". The advance tax payments are shown in the assets of the balance sheet under the "Other debtors" item.

2.8. Prepayments

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

2.9. Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

3. TANGIBLE ASSETS

The following movements have occurred in the course of the financial year:

(EUR)

	Plant and machinery	Other fixtures and fittings, tools and equipment	Payments on account and tangible assets in the course of construction	Total
Gross book value - opening balance	**562.175,74**	**566.343,28**	**4.647,00**	**1.133.166,02**
Additions for the year	**22.401,88**	**30.938,70**	**1.279,97**	**54.620,55**
Disposals for the year	-	-	-	-
Transfers for the year	-	-	-	-
Gross book value - closing balance	**584.577,62**	**597.281,98**	**5.926,97**	**1.187.786,57**
Accumulated value adjustment - opening balance	**(549.148,44)**	**(556.056,29)**	-	**(1.105.204,73)**
Allocations for the year	**(5.464,32)**	**(7.843,37)**	-	**(13.307,69)**
Reversals for the year	-	-	-	-
Transfers for the year	-	-	-	-
Accumulated value adjustment - closing balance	**(554.612,76)**	**(563.899,66)**	-	**(1.118.512,42)**
Net book value - closing balance	**29.964,86**	**33.382,32**	**5.926,97**	**69.274,15**
Net book value - opening balance	**13.027,30**	**10.286,99**	**4.647,00**	**27.961,29**

4. TRADE DEBTORS AND AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

Trade debtors are resulting from IT application support and application development business.

Claims on affiliated undertakings amount to EUR 1.304.102,14 (March 31, 2023: EUR 980.065,04) and results from sales and services provided. Income on work in process not yet invoiced to clients amounts to EUR 941.399,94 (March 31, 2023: EUR 1.658.316,10).

Notes forming part of the Financial Statements

5 OTHER DEBTORS

Other debtors may be broken down as follows:

(EUR)

	Within one year	After more than one year	As at March 31, 2024	As at March 31, 2023
Staff allowance for travel and recoverable expenses	**199.495,20**	**-**	**199.495,20**	225.269,18
Advances for taxes	**3.102.446,60**	**-**	**3.102.446,60**	3.262.924,51
Total	**3.301.941,80**	**-**	**3.301.941,80**	3.488.193,69

6 PREPAYMENTS

This asset item includes expenditure incurred during the financial year but relating to the subsequent financial year for an amount of EUR 2.489.321,62 (March 31, 2023: EUR 3.930.513,61)

7 CAPITAL AND RESERVES

7.1 Subscribed capital

As at March 31, 2024, the issued capital of the Company amounts to EUR 5.600.000,00 consisting of 5.600 registered shares with par value of EUR 1.000,00 fully paid up.

7.2 Reserves

7.2.1. Legal reserve

In accordance with Luxembourg commercial law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

7.2.2. Other non available reserves

The Company reduced its Net Wealth Tax liability in accordance with paragraph 8a of the Luxembourg Net Wealth Tax law. The Company allocates under non-distributable reserves an amount that corresponds to five times the amount of reduction of the Net Wealth Tax. This reserve is non-distributable for a period of five years from the year following the one during which the Net Wealth Tax was reduced.

The total amount of the Net Wealth Tax reserve amounts to EUR 659.100.00 (EUR 325.650,00 for 2023).

8 MOVEMENTS FOR THE YEAR ON CAPITAL, RESERVES AND PROFIT AND LOSS ITEMS

The movements for the year are as follows:

	Subsribed capital	Legal reserve	Other available reserves	Other non available reserves	Dividend	Result brought forward	Result for the financial year	Total
Balance as at March 31, 2023	5.600.000,00	560.000,00	-	325.650,00	-	541.163,18	6.311.895,00	13.338.708,18
Movements for the year:								
- Allocation of previous year's result	**-**	**-**	**-**	**333.450,00**	**6.500.000,00**	**(521.555,00)**	**(6.311.895,00)**	**-**
- Dividend distribution	**-**	**-**	**-**	**-**	**(6.500.000,00)**	**-**	**-**	**(6.500.000,00)**
- Result for the year	**-**	**-**	**-**	**-**	**-**	**-**	**6.948.668,27**	**6.948.668,27**
Balance as at March 31, 2024	**5.600.000,00**	**560.000,00**	**-**	**659.100,00**	**-**	**19.608,18**	**6.948.668,27**	**13.787.376,45**

Notes forming part of the Financial Statements

The Company has distributed dividends for an amount of EUR 6.500.000,00. Dividends were distributed to the shareholders based on the proportion of their shareholding in the Company and in accordance with Shareholder meeting held on 28th of September 2023. The payment of dividends occurred in the same month after deduction the applicable taxes.

9 OTHER PROVISIONS

Other provisions may be broken down as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Provision for subcontracting expenses	**24.900,00**	77.390,00
Provision for emoluments	**315.152,74**	246.212,71
Provision for intercompany expenses	**353.118,44**	361.380,09
Provision for professional fees	**140.393,62**	101.865,69
Others	**307.769,83**	387.261,24
	1.141.334,63	1.174.109,73

9.1. Others

Others consist mainly of Tata Brand Equity Provision for an amount of EUR 203.896,30 (March 31, 2023: EUR 220.466,00) and insurance expenses for EUR 49.036,84 (March 31, 2023: EUR 4.989,60).

10 TRADE CREDITORS

Trade creditors are made up of suppliers payable and a customer with a credit balance.

11 AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Amounts owed to affiliated undertakings are made of debts on purchase and services for an amount of EUR 4.410.285,02 (March 31, 2023: EUR 8.148.138,77).

12 OTHER CREDITORS

The amounts due and payable for the accounts shown under "Other Creditors" are as follows:

(EUR)

	Within one year	After more than one year	As at March 31, 2024	As at March 31, 2023
Tax authorities	**6.942.246,45**	**-**	**6.942.246,45**	7.123.465,30
Social security authorities	**48.556,99**	**-**	**48.556,99**	29.447,46
Other creditors:				
- Amounts payable to staff	**41.057,38**	**-**	**41.057,38**	5.830,07
Total	**7.031.860,82**	**-**	**7.031.860,82**	7.158.742,83

13 DEFERRED INCOME

Deferred income includes income received during the financial year ended March 31, 2024 but relating to a subsequent financial year.

Notes forming part of the Financial Statements

14 NET TURNOVER

Net turnover is broken down by category of activity and geographical markets as follows:

Categories of activity

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Telecom	**49.425.795,34**	61.744.067,06
Banking, Financial Services and Insurance	**27.151.357,16**	23.031.078,05
Manufacturing and Process	**5.025.942,70**	4.273.498,81
Retail & Distribution	**698.997,98**	183.928,43
Others	**-**	113.559,20
Total	**82.302.093,18**	89.346.131,55

Geographical markets

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Luxembourg	**80.442.439,08**	87.693.740,59
Outside Europe	**1.076.797,65**	1.147.604,21
Rest of Europe	**782.856,45**	504.786,75
Total	**82.302.093,18**	89.346.131,55

15 OTHER OPERATING INCOME

As at year-end, the Company's other operating income may be analysed as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Subsidies for operating activities	**22.213,10**	22.465,13
Benefits in kind	**561.131,60**	612.278,65
Other miscellaneous income	**50.387,91**	18.084,38
Total	**633.732,61**	652.828,16

16 OTHER EXTERNAL EXPENSES

The other external expenses amount of EUR 61.708.946,66 (March 31, 2023: EUR 70.063.668,68) mainly consists of sub-contract expenses of EUR 56.428.845,53 in current year (March 31, 2023: EUR 65.482.007,08) for projects development.

Notes forming part of the Financial Statements

17 STAFF

The average number of persons employed during the financial year by the Company is as follows:

	As at March 31, 2024	As at March 31, 2023
Senior Management	**2**	2
Employees	**130**	123
Total	**132**	125

18 OTHER OPERATING EXPENSES

As at March 31, 2024, the Company's other operating expenses may be analysed as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Staff & Wages - Meal Allowance	**310.736,89**	296.843,94
Tata Brand Equity Contribution	**202.259,30**	218.783,89
Miscellaneous operating charges	**-**	9.303,68
	512.996,19	524.931,51

19 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

This item is composed of foreign currency exchange gains and interests on bank accounts.

20 INTEREST PAYABLE AND SIMILAR EXPENSES

This item is mainly composed of foreign currency exchange losses and interests on bank accounts

21 TAXATION

The Company is subject to all the taxes relevant to commercial companies in Luxembourg.

In 2023 Luxembourg enacted legislation implementing the OECD Pillar Two rules, which are designed to ensure that large multinationals pay a minimum 15% rate of corporation tax. As a member of the Tata group, the Company is potentially in scope of the Pillar Two rules, which will first apply to the Company for its financial year beginning April 1, 2024. The Company has performed a preliminary assessment of its potential exposure under Pillar Two. On the basis of this assessment, the Company does not currently expect any additional tax liability to arise under Pillar Two.

Notes forming part of the Financial Statements

22 OFF-BALANCE SHEET COMMITMENTS

The off-balance sheet commitments may be broken down as follows:

(EUR)

	Within one year	After more than one year	As at March 31, 2024	As at March 31, 2023
Fixed rental payments	**143.339,97**	**143.732,68**	**287.072,65**	430.805,32
Company cars	**43.455,09**	**52.537,78**	**95.992,87**	72.340,94
Total	**186.795,06**	**196.270,46**	**383.065,52**	503.146,26

23 EMOLUMENTS, ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

The Company has not granted any emoluments in respect of the financial year to members of the management and supervisory bodies by reason of their responsibilities.

As at March 31, 2024, the Company has not granted advances or loans to members of its administration (March 31, 2023: none).

24 RELATED PARTIES

During the financial year, no significant transactions were concluded outside the normal market conditions with persons holding participations in the Company neither with entities in which the company holds participations, nor with members of the administrative, management or supervisory bodies of the Company.

25 AUDITOR'S FEES

The total fees expensed by the Company and due for the current financial year to the audit firm amounts to EUR 33.022,95 (March 31, 2023: EUR 41.225,50).

26 SUBSEQUENT EVENTS

No significant subsequent event has occurred since the balance sheet date.

Tata Consultancy Services Osterreich GmbH

FINANCIAL STATEMENTS

For the year ended March 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2024

CONTENT	PAGE

Independent Auditor's Report

To the Board of Directors
Tata Consultancy Services Osterreich GmbH
Report on the special purpose Ind AS Financial Statements

Opinion

We have audited the accompanying Special purpose Ind AS financial statements of Tata Consultancy Services Osterreich GmbH ('the Company), which comprises the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements"). The special purpose Ind AS financial statements have been prepared by the management as described in Note 2 to the Special Purpose Ind AS financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and it's profit (including other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose Ind AS financial statements under the provisions of the Act and the Rules thereunder and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Special purpose Ind AS financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Special purpose Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose Ind AS financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(To the extent applicable to a Company incorporated outside India)

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

Restriction on Distribution and Use

This Special purpose Ind AS financial statements have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Limited for the year ended 31st March,2024 in accordance with Accounting Standard specified in section 133 of the Companies Act 2013. Our report is intended solely for the information and use of Board of Directors of the company and Tata Consultancy Services Limited for the preparation of consolidated this Special purpose Ind AS financial statements as aforesaid and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For KBJ & ASSOCIATES
(Chartered Accountants)
(Firm Registration No. 114934W)

Date: 30 April 2024
Place: Mumbai

Kaushik B. Joshi
Proprietor
(Membership No.48889)

Balance Sheet

EUR

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8(a)	**1,77,314**	2,417
(b) Capital work in progress	8(b)	**16,505**	-
(c) Right-of-use Assets	7	**4,407**	13,548
(d) Income tax assets (net)		**7,894**	3,006
(e) Deferred tax assets (net)	15	**55,188**	51,215
(f) Other financial assets	6(d)	**4,680**	4,680
Total non-current assets		**2,65,989**	74,866
Current assets			
(a) Financial assets			
(i) Trade receivables			
Billed	6(a)	**37,55,462**	50,76,855
Unbilled	6(a)	**12,78,049**	23,997
(ii) Cash and cash equivalents	6(b)	**6,95,196**	11,76,676
(iii) Loans receivables	6(c)	**39,344**	38,333
(iv) Other financial assets	6(d)	**11,742**	12,336
(b) Other assets	8(c)	**5,92,281**	6,97,164
Total current assets		**63,72,073**	70,25,361
TOTAL ASSETS		**66,38,062**	71,00,227
EQUITY AND LIABILITIES			
Equity			
(a) Share capital		**35,000**	35,000
(b) Other equity	9	**5,05,233**	4,29,723
Total Equity		**5,40,233**	4,64,723
Liabilities			
Non-current liabilities			
(i) Lease Liabilities		**-**	4,660
Total non-current liabilities		**-**	4,660
Current liabilities			
(a) (i) Lease Liabilities		**4,660**	9,243
(ii) Trade payables	6(e)	**45,77,323**	54,05,587
(iii) Other Financial Liabilities	6(f)	**2,49,991**	1,76,708
(b) Unearned and deferred revenue	10	**6,44,040**	4,06,777
(c) Employee benefit obligations	12	**37,038**	12,172
(d) Other liabilities	8(d)	**5,57,702**	6,18,163
(e) Current Tax Liabilities		**27,074**	2,194
Total current liabilities		**60,97,829**	66,30,844
TOTAL EQUITY AND LIABILITIES		**66,38,062**	71,00,227
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1-17**		

As per our report of even date attached

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date:30 April, 2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Osterreich GmbH

Pradeep Manohar Gaitonde
Director
Mumbai, India

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Profit and Loss

EUR

		Note	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue	10	**1,18,49,838**	87,36,003
I.	Other income	11	**31,490**	4,580
II.	**TOTAL INCOME**		**1,18,81,328**	87,40,583
III.	**Expenses**			
IV.	(a) Employee benefit expenses	12	**10,19,049**	10,87,713
	(b) Depreciation expense		**52,157**	10,948
	(c) Other expenses	13(a)	**1,07,09,653**	75,95,044
	(d) Finance costs	14	**108**	4,758
	TOTAL EXPENSES		**1,17,80,967**	86,98,463
V.	**PROFIT BEFORE TAX**		**1,00,361**	42,120
VI.	**Tax expenses**			
	(a) Current tax	15	**28,824**	4,056
	(b) Deferred tax	15	**(3,973)**	8,567
	TOTAL TAX EXPENSES		**24,851**	12,623
VII.	**PROFIT FOR THE YEAR**		**75,510**	29,497
VIII.	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**		**75,510**	29,497
	NOTES FORMING PART OF FINANCIAL STATEMENTS	**1-17**		

As per our report of even date attached

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date:30 April, 2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Osterreich GmbH

Pradeep Manohar Gaitonde
Director
Mumbai, India

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

EUR

Balance as at April 1, 2023	Change in equity share capital during the period	Balance as at March 31, 2024
35,000	**-**	**35,000**

EUR

Balance as at April 1, 2022	Change in equity share capital during the period	Balance as at March 31, 2023
35,000	-	35,000

B. OTHER EQUITY

EUR

	Reserves and surplus	
	Retained earnings	Total equity
Balance as at April 1, 2022	4,00,226	4,00,226
Profit for the year	29,497	29,497
Balance as at March 31, 2023	4,29,723	4,29,723
Profit for the year	**75,510**	**75,510**
Balance as at March 31, 2024	**5,05,233**	**5,05,233**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-17

As per our report of even date attached

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date:30 April, 2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Osterreich GmbH

Pradeep Manohar Gaitonde
Director
Mumbai, India

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Cash Flow

EUR

		Year ended March 31, 2024	Year ended March 31, 2023
I	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit/ (loss) for the year	**75,510**	29,497
	Adjustments to reconcile profit and loss to net cash provided by operating activities:		
	Depreciation expense	**52,157**	10,948
	Tax Expense	**24,851**	12,623
	Finance Costs	**108**	4,758
	Interest on bank overdrafts and loans	**(8,507)**	-
	Unrealised exchange gain	**839**	(941)
	Loss on sale of asset	**509**	-
	Operating Profit/(Loss) before working capital changes	**1,45,467**	56,885
	Net change in		
	Trade receivables	**13,21,393**	(18,67,037)
	Unbilled receivables	**(12,54,052)**	(18,784)
	Other assets	**1,04,883**	(25,971)
	Loans receivables	**(1,011)**	(23,333)
	Other financial assets	**594**	135
	Trade payables	**(8,28,264)**	13,07,707
	Other financial liabilities	**56,777**	83,876
	Unearned and deferred revenues	**2,37,264**	3,73,375
	Employee benefit obligations	**24,866**	4,073
	Other liabilities and provisions	**(60,461)**	3,56,552
	Cash generated (used) from operations	**(2,52,543)**	2,47,477
	Taxes paid (net of refund)	**(8,832)**	7,104
	Net cash generated (used) in operating activities	**(2,61,375)**	2,54,581
II	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Payment for purchase of property and equipment	**(2,18,421)**	(778)
	Net cash used in investing activities	**(2,18,421)**	(778)
III	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Interest paid	**-**	(4,547)
	Interest Received	**8,507**	-
	Repayment of lease liabilities	**(9,243)**	(18,873)
	Repayment of lease Interest	**(108)**	(211)
	Net cash used in financing activities	**(844)**	(23,631)
	Net change in cash and cash equivalents	**(4,80,640)**	2,30,172
	Cash and cash equivalents at the beginning of the year	**11,76,675**	9,45,562
	Exchange difference on translation of foreign currency cash	**(839)**	941
	Cash and cash equivalents, as at the end of the year (Refer Note 6 (b))	**6,95,196**	11,76,675

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1-17**

As per our report of even date attached.

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date:30 April, 2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Osterreich GmbH

Pradeep Manohar Gaitonde
Director
Mumbai, India

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Osterreich GmbH is into business of providing a wide range of information technology and consultancy services.

The Company is incorporated in Austria. The address is Fleischmarkt 1, 6th floor, 1010 Wien, Austria. Tata Consultancy Services Netherlands B.V, the holding Company owned 100% of the Company's equity share capital.

2. STATEMENT OF COMPLIANCE

This special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time for sole purpose of inclusion for Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act').

3. BASIS OF PREPARATION

These financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been presented in EURO which is the functional currency of the Company.

The functional currency is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct

Notes forming part of the Financial Statements

performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Financial Statements

f. Employee benefits

All the employees of the Company have been seconded from the holding Company. The costs relating to the employee cost is reimbursed to the holding Company which is including the retirement cost as applicable to such seconded employees. Hence no separate actuarial valuation is required to be done by the Company.

g. Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of asset to another entity. The Company derecognises a financial liabilities when, and only when, the Company's obligations are discharged , cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Notes forming part of the Financial Statements

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, the Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Trade Receivables

Trade receivables (unsecured) consist of following:

EUR

Trade Receivable - Current	**As at March 31, 2024**	**As at March 31, 2023**
Considered Good	**37,55,462**	50,76,855
	37,55,462	50,76,855

Above balances of trade receivables includes balance with related parties (Refer Note 17)

Ageing for trade receivables - current outstanding as at March 31, 2024 is as follows:

EUR

	Outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade	**24,22,285**	**13,29,087**	**4,090**	**-**	**-**	**-**	**37,55,462**
	24,22,285	**13,29,087**	**4,090**	**-**	**-**	**-**	**37,55,462**
							37,55,462
Trade Receivables - unbilled							**12,78,049**
							50,33,511

Notes forming part of the Financial Statements

Ageing for trade receivables current outstanding as at March 31, 2023 is as follows:

EUR

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade	36,08,948	14,67,907	-	-	-	-	50,76,855
	36,08,948	14,67,907	-	-	-	-	50,76,855
							50,76,855
Trade Receivables - unbilled							23,997
							51,00,852

Other financial assets

b. Cash and cash equivalents

Cash and cash equivalents consist of the following:

EUR

	As at March 31, 2024	As at March 31, 2023
Balances with banks In current accounts	**6,95,196**	11,76,083
Remittances in Transit	**-**	593
	6,95,196	11,76,676

c. Loans receivables

Loans receivables (unsecured) consist of the following:

Loan receivables - current

EUR

	As at March 31, 2024	As at March 31, 2023
Considered Good		
Loans and advances to employees	**39,344**	38,333
	39,344	38,333

d. Other financial assets

Other financial assets consist of the following:

Other financial assets – Non- current

EUR

	As at March 31, 2024	As at March 31, 2023
Security deposits	**4,680**	4,680
	4,680	4,680

Notes forming part of the Financial Statements

Other financial assets - Current

EUR

	As at March 31, 2024	As at March 31, 2023
Others	**1,516**	2,049
Security deposits	**10,226**	10,287
	11,742	12,336

e. Trade payables

Trade payables consist of the following:

EUR

	As at March 31, 2024	As at March 31, 2023
Accrued expenses	**13,23,592**	10,67,091
Trade and other payables	**32,53,731**	43,38,497
	45,77,323	54,05,587

Above balances of trade payables includes balance with related parties (Refer Note 17)

Ageing for trade payable - current outstanding as at March 31, 2024 is as follows:

EUR

	Outstanding for following periods from due date of payment					
Particulars	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More years than 3**	**Total**
Others	**30,02,906**	**3,09,189**	**-**	**(27,734)**	**(30,630)**	**32,53,731**
	30,02,906	**3,09,189**	**-**	**(27,734)**	**(30,630)**	**32,53,731**
						32,53,731
Accrued expenses						**13,23,592**
						45,77,323

Ageing for trade payable - current outstanding as at March 31, 2023 is as follows:

EUR

	Outstanding for following periods from due date of payment					
Particulars	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Others	24,54,661	10,40,917	-	8,30,392	12,527	43,38,497
	24,54,661	10,40,917	-	8,30,392	12,527	43,38,497
						43,38,497
Accrued expenses						10,67,091
						54,05,587

Notes forming part of the Financial Statements

f. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

EUR

	As at March 31, 2024	As at March 31, 2023
Accrued Payroll	**2,31,867**	1,71,432
Others	**1,619**	5,276
Capital creditors	**16,505**	-
	2,49,991	1,76,708

g. Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2024 is as follows:

EUR

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**6,95,196**	**6,95,196**
Trade receivables	**37,55,462**	**37,55,462**
Unbilled receivables	**12,78,049**	**12,78,049**
Loans receivables	**39,344**	**39,344**
Other financial assets	**16,422**	**16,422**
Total	**57,84,473**	**57,84,473**
Financial liabilities		
Trade payables	**45,77,323**	**45,77,323**
Lease liabilities	**4,660**	**4,660**
Other financial liabilities	**2,49,991**	**2,49,991**
Total	**48,31,974**	**48,31,974**

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

EUR

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	11,76,676	11,76,676
Trade receivables	50,76,855	50,76,855
Unbilled revenues	23,997	23,997
Loans receivables	38,333	38,333
Other financial assets	17,016	17,016
Total	63,32,877	63,32,877
Financial liabilities		
Trade payables	54,05,587	54,05,587
Lease liabilities	13,903	13,903
Other financial liabilities	1,76,708	1,76,708
Total	55,96,199	55,96,199

Notes forming part of the Financial Statements

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans receivables and trade payables as at March 31, 2024 and March 31, 2023 approximate the fair value. Difference between carrying amounts and fair values of balance with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required.

h. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 —Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no financial liabilities or assets measured at fair value at the end of each reporting period.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- ***Foreign currency exchange rate risk***

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

  Considering the countries and economic environment in which the Company operates, its operations are subject to risk arising from fluctations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Its hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

  The foreign exchange rate sensitivity is calculated by aggregation of net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all currencies by 10% against the functional currency of the Company.

  The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and equity.

Notes forming part of the Financial Statements

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2024

EUR)

	USD	SEK	CHF	HUF	DKK	NOK
Net financial assets	**23,290**	**6,95,196**	**25,110**	**-**	**-**	**-**
Net financial liabilities	**10,627**	**3,752**	**5,693**	**102**	**1,680**	**141**

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately EUR 72160 for the year ended March 31, 2024.

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2023

EUR)

	USD	SEK	CHF	HUF	DKK	NOK
Net financial assets	2,05,217	-	-	-	-	-
Net financial liabilities	45,518	2,785	6,365	102	3,070	129

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately EUR 14725 for the year ended March 31, 2023.

- ***Interest rate risk***

  The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables (PY unbilled revenue), investments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

- ***Exposure to credit risk***

  The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 5,745,129 as of March 31, 2024 and EUR 6,294,544 as of March 31, 2023, respectively, being the total of the carrying amount of balances with banks, trade receivables, unbilled receivables and other financial assets excluding equity & loans.

- ***Trade Receivables and Contract Assets***

  The entity's exposure to credit risk with regards to trade receivables and contract assets is influenced mainly by the individual characteristics of each customer in relation to the industry practices and business environment in which they operate. The entity limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 365 days for its customers after which they are in default (credit impaired). To manage this risk, the Company has a robust Credit Management process in place. The Company has adopted a policy of dealing only with creditworthy counterparties. The Company's exposure of the counterparties is continuously monitored and necessary changes to the credit terms are made. The carrying amounts of financial assets represent the maximum credit risk exposure. None of the customer balances have been written off and no customer balances have been credit impaired at the reporting date.

Notes forming part of the Financial Statements

The following customers form more than 10% of outstanding trade receivable and unbilled receivables (PY Unbilled revenue) as at March 31, 2023 and March 31, 2022 are as follows.

EUR

	As at March 31,2024		As at March 31,2023	
	Total Trade receivables and Unbilled revenue	Percentage	Total Trade receivables and Unbilled revenue	Percentage
Customer A	**21,82,449**	**43%**	41,18,153	76%
Customer B	**8,65,205**	**17%**	5,00,132	9%
Customer C	**3,40,109**	**27%**	2,24,441	4%

Company's cash and cash equivalents, trade receivables, unbilled receivables (PY unbilled revenue), short-term loans and other financial assets are substantially held in Austria.

- ***Geographic concentration of credit risk***

  The Company is not exposed to the risk as the customer base of Company is concentrated in Austria.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

EUR

As at March,31 2024	Due in 1st year	Due in 2nd year	Total
Non-derivative financial liabilities:			
Trade payables	**45,77,323**	**-**	**45,77,323**
Lease Liability	**4,768**	**-**	**4,768**
Other financial liabilities	**2,49,991**	**-**	**2,49,991**
Total	**48,32,082**	**-**	**48,32,082**

EUR

As at March,31 2023	Due in 1st year	Due in 2nd year	Total
Non-derivative financial liabilities:			
Trade payables	54,05,587	-	54,05,587
Lease Liability	9,351	4,768	14,119
Other financial liabilities	1,76,708	-	1,76,708
Total	55,91,647	4,768	55,96,415

Notes forming part of the Financial Statements

Other risk

Financial assets of EUR 695,196 as at March 31,2024 (PY: EUR 1,176,676 as at March 31, 2023) carried at amortised cost is in the form of cash and cash equivalents, where the Company has assessed the counterparty credit risk. Trade receivables of EUR 3,755,462 as at March 31, 2024 (PY:EUR 50,76,855 as at March 31, 2023) forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. The Company has specifically evaluated the potential impact with respect to customers in Retail, Manufacturing and Energy verticals which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables EUR 1,278,049 as at March 31, 2024 (EUR 23,997 as at March 31, 2023) while arriving at the level of provision that is required.

j. Equity

The authorised, issued, subscribed and fully paid-up share capital comprises of the following:

EUR

	As at March 31, 2024	As at March 31, 2023
Authorised :		
Equity share capital	**35,000**	35,000
(Share Capital of EUR 35000, PY EUR 35000)		
	35,000	35,000
Issued, subscribed		
Equity share capital	**35,000**	35,000
(Share Capital of EUR 35000, PY EUR 35000)		
	35,000	35,000

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

i. Reconciliation

EUR

	As at March 31, 2024	As at March 31, 2023
Equity shares		
Opening balance	**35,000**	35,000
Closing balance	**35,000**	35,000

* The Company does not have number of equity shares.

ii. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares which is an 100% investment by TCS Netherlands. Since TCS Netherlands is the only shareholder for the Company, TCS Netherlands carry a right to dividend and also in the event of liquidation, TCS Netherlands is eligible to receive the remaining assets of the Company.

Notes forming part of the Financial Statements

iii. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

EUR

	As at March 31, 2024	As at March 31, 2023
Equity Shares		
TCS Netherlands NV (Holding Company)	**35,000**	35,000
% Holding in class	**100%**	100%

iv. Disclosure of shareholding promoters

EUR

Disclosure of shareholding of promoters as at March 31st 2024 is as follows:					
Shares Held by Promoters					
Promoter name	**Number of Shares**	**%of Total Shares**	**Number of Shares**	**%of Total Shares**	**% Change During the year**
TCS Netherlands NV	**35,000**	**100%**	**35,000**	**100%**	**0%**
Total	**35,000**	**100%**	**35,000**	**100%**	**0%**

EUR

Disclosure of shareholding of promoters as at March 31st 2023 is as follows:					
Shares Held by Promoters					
Promoter name	**Number of Shares**	**%of Total Shares**	**Number of Shares**	**%of Total Shares**	**% Change During the year**
TCS Netherlands NV	35,000	100%	35,000	100%	0%
Total	35,000	100%	35,000	100%	0%

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include

Notes forming part of the Financial Statements

fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re¬measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

EUR

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Leasehold building	**-**	**-**
Leased Motor Cars	**-**	**4,407**
Total	**-**	**4,407**

EUR

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Leasehold building	-	-
Leased Motor Cars	-	13,548
Total	-	13,548

Depreciation on right-of-use asset is as follows:

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Leasehold building	**-**	-
Leased Motor Cars	**(9,141)**	(9,141)
Total	**(9,141)**	(9,141)

The details of the right-of-use asset held by the Company is as follows:

Interest on lease liabilities is EUR 108 for the year ended on March 31, 2024 and EUR 211 for the year ended on March 31, 2023.

Lease contracts entered by the Company pertains for motor cars taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Notes forming part of the Financial Statements

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Computer equipment	4 years

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consist of the following:

EUR

	Computer equipment
Cost as at April 1, 2023	**12,284**
Additions	**2,18,421**
Disposals	**(1,220)**
Cost as at March 31, 2024	**2,29,485**
Accumulated depreciation as at April 1, 2023	**(9,867)**
Depreciation for the year	**(42,304)**
Accumulated depreciation as at March 31, 2024	**(52,171)**
Net Carrying amount as at March 31, 2024	**1,77,314**

Notes forming part of the Financial Statements

Property, plant and equipment consist of the following:

EUR

	Computer equipment
Cost as at April 1, 2022	11,506
Additions	778
Disposals	-
Cost as at March 31, 2023	12,284
Accumulated depreciation as at April 1, 2022	(8,059)
Depreciation for the year	(1,807)
Accumulated depreciation as at March 31, 2023	(9,867)
Net Carrying amount as at March 31, 2023	2,417

b. Capital Work In Progress as at March 31, 2024

Capital Work in Progress	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	16,505	**-**	**-**	**-**	**16,505**
	-	**-**	**-**	**-**	**-**
	16,505	**-**	**-**	**-**	**16,505**

Capital Work In Progress as at March 31, 2023

Capital Work in Progress	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

c. Other assets

Other assets consist of the following:

EUR

Other assets – Current	As at March 31, 2024	As at March 31, 2023
Considered Good		
Contract assets	**-**	3 14 197
Prepaid expenses	**5,92,281**	3,47,988
Others	**-**	34,979
	5,92,281	6,97,164

Notes forming part of the Financial Statements

d. Other liabilities

Other liabilities consist of the following:

EUR

	As at March 31, 2024	As at March 31, 2023
Other liabilities - Current	**5,57,702**	6,18,163
	5,57,702	6,18,163

9. OTHER EQUITY

Other equity consist of the following:

EUR

	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	**4,29,723**	4,00,226
Profit/(Loss) for the year	**75,510**	29,497
	5,05,233	4,29,723

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing information technology, consultancy services and business solutions for its customers. The Company offers a consulting-led, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the entity expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number o transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront a the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Notes forming part of the Financial Statements

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue disaggregation by nature of services is as follows:

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Consultancy services	**1,18,49,838**	87,36,003
Total	**1,18,49,838**	87,36,003

Revenue disaggregation by industry vertical is as follows:

EUR

Industry Vertical	Year ended March 31, 2024	Year ended March 31, 2023
Banking, Financial Services and Insurance	**63,14,093**	55,90,409
Manufacturing	**28,56,512**	2,33,029
Communication , Media and Technology	**1,05,336**	1,05,318
Energy & Utilities	**24,31,159**	23,77,994
Others	**1,42,738**	4,29,252
	1,18,49,838	87,36,003

Notes forming part of the Financial Statements

Revenue disaggregation by geography is as follows:

EUR

Geography	Year ended March 31, 2024	Year ended March 31, 2023
Europe	**1,18,49,838**	87,36,003
	1,18,49,838	87,36,003

Geographical revenue is allocated based on the location of the customers.

Information about major customers:

UniCredit Services GmbH represents 10% or more of the Company's total revenue during the year ended March 31, 2024 and March 31, 2023.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 1,62,45,053 out of which 23.71% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in Contract assets are as follows :

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**3,14,197**	6,49,400
Revenue recognised during the year	**12,68,447**	3,14,197
Invoices raised during the year	**(3,14,197)**	(6,49,400)
Balance at the end of the year	**12,68,447**	3,14,197

Changes in Unearned and deferred revenue are as follows :

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	**(4,06,777)**	(33,402)
the unearned and deferred revenue at the	**4,06,777**	33,402
Increase due to invoicing during the year, excluding amounts recognised as revenue	**(6,44,041)**	(4,06,777)
Balance at the end of the year	**(6,44,040)**	(4,06,777)

Notes forming part of the Financial Statements

Reconciliation of revenue recognized with the Contracted price is as follows :

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Contracted price	**1,18,49,838**	87,36,003
Revenue recognised	**1,18,49,838**	87,36,003

11. OTHER INCOME

Other Income consist of the following:

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Net foreign exchange gains/(loss)	**(492)**	(263)
Other income	**23,474**	4,843
Interest on bank	**8,507**	-
	31,490	4,580

12. EMPLOYEE BENEFITS

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, incentives and allowances	**9,14,273**	9,83,060
Contributions to Retirement funds	**85,362**	70,960
Staff welfare expenses	**19,414**	33,693
	10,19,049	10,87,713

Notes forming part of the Financial Statements

Employee benefit obligations consist of the following:

EUR

Employee benefit obligations – Current	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Other employee benefit obligations	**37,038**	12,172
	37,038	12,172

13. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

a. Other expenses

Other expenses consist of the following:

EUR

	Year ended March 31, 2024	**Year ended March 31, 2023**
Fees to external consultants (including subcontractor cost)*	**23,15,390**	28,30,362
Project expenses	**81,24,841**	45,58,715
Facility expenses	**64,331**	48,785
Travel expenses	**25,558**	20,373
Communication expenses	**1,584**	1,235
Other expenses	**1,77,949**	1,35,575
	1,07,09,653	75,95,044

* Cost of personnel on deputation from TCS.

14. FINANCE COSTS

Finance costs consist of the following:

EUR

	Year ended March 31, 2024	**Year ended March 31, 2023**
Other interest costs	**-**	4,547
Interest on lease liabilities	**108**	211
	108	4,758

15. INCOME TAX

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Notes forming part of the Financial Statements

Current income taxes

The current income tax expense for the entity has been computed based on the tax laws applicable in the jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction provided the Company has a legally enforceable right to set off the recognised amounts and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

The Income-tax expenses consist of the following:

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax expense for current year	**28,824**	4,056
	28,824	4,056
Deferred tax		
Deferred tax (benefit)/ expense for current year	**(3,973)**	8,567
Deferred tax (benefit)/ expense pertaining to prior years	**-**	-
	(3,973)	8,567
Total income tax expense recognised in current year	**24,851**	12,623

Notes forming part of the Financial Statements

The reconciliation of estimated income-tax expenses at statutory income tax rate to the income tax expenses reported in the statement of profit and loss is as follows:

EUR

	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) before taxes	**1,00,361**	42,120
Enacted Income tax rate in Osterreich	**23.00%**	24.00%
Expected Income tax expense	**23,083**	10,109
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	**-**	2,515
	23,083	12,624

The tax rates under TCS Osterreich Income Tax Act, for the year ended March 31, 2024 and March 31, 2023 is 23% and 24% respectively.

Significant components of net deferred tax assets and deferred tax liabilities for the year ended March 31, 2023 are as follows:

As at March 31, 2024

EUR

Particulars	Opening balance	Recognised in profit or loss	Recognised in retained earning	Closing balance
Deferred tax assets/ (liabilities) in relation to				
Accumulated Losses	**51,216**	**3,972**	**-**	**55,188**
Total deferred tax assets/ (liabilities)	**51,216**	**3,972**	**-**	**55,188**

Gross deferred tax assets and liabilities are as follows:

EUR

As at March 31, 2024	Assets	Liabilities	Net
Deferred tax assets/ (liabilities) in relation to			
Others	**1,26,533**	**(71,344)**	**55,188**
Total deferred tax assets/ (liabilities)	**1,26,533**	**(71,344)**	**55,188**

As at March 31, 2023

EUR

Particulars	Opening balance	Recognised in profit or loss	Recognised in retained earning	Closing balance
Deferred tax assets/ (liabilities) in relation to				
Accumulated Losses	59,783	(8,567)	-	51,216
Total deferred tax assets/ (liabilities)	59,783	(8,567)	-	51,216

Notes forming part of the Financial Statements

Gross deferred tax assets and liabilities are as follows:

EUR

As at March 31, 2023	Assets	Liabilities	Net
Deferred tax assets/ (liabilities) in relation to			
Others	2,17,103	(1,65,887)	51,215
Total deferred tax assets/ (liabilities)	2,17,103	(1,65,887)	51,215

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

16. SEGMENT INFORMATION

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

17. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Osterreich GmbH's principal related parties consist of its holding Company Tata Consultancy Services Netherlands BV , intermediate holding Company Tata Consultancy Services Limited and ultimate holding Company Tata Sons Private Limited. Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties are as follows:

EUR

	Year ended March 31, 2024			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Revenue	**-**	**-**	**8,62,079**	**8,62,079**
Purchases of goods and services (including reimbursement)	**-**	**57,13,908**	**22,98,715**	**80,12,623**
Cost Recovery	**-**	**1,13,885**	**1,20,128**	**2,34,013**
Brand equity contribution	**27,469**	**-**	**-**	**27,469**
Total	**27,469**	**58,27,793**	**32,80,922**	**91,36,184**

EUR

	Year ended March 31, 2023			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Revenue	-	36,078	6,40,997	6,77,075
Purchases of goods and services (including reimbursement)	-	35,20,538	11,72,593	46,93,131
Cost Recovery	-	(48,256)	53,717	5,461
Brand equity contribution	2,217	-	-	2,217
Total	2,217	35,08,360	18,67,307	53,77,884

Notes forming part of the Financial Statements

Balance Receivable from related parties are as follows:

EUR

	Year ended March 31, 2024			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade receivables and unbilled receivables (net)	**-**	**6,01,673**	**3,42,354**	**9,44,026**
Loans Receivable, other financial assets and other assets	**-**	**-**		**-**
Commitments	**-**	**-**	**-**	**-**
Total	**-**	**6,01,673**	**3,42,354**	**9,44,026**

EUR

	Year ended March 31, 2023			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade receivables and unbilled receivables (net)	-	1,55,677	3,16,887	4,72,564
Loans Receivable, other financial assets and other assets	-	3,47,988	-	3,47,988
Commitments	-	2,049	-	2,049
Total	-	5,05,714	3,16,887	8,22,601

Balance Payable to related parties are as follows:

EUR

	Year ended March 31, 2024			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade payables, unearned and deferred revenue and Other liabilities	**27,469**	**19,71,532**	**9,20,672**	**29,19,674**
Commitments	**-**	**1,516**	**(104)**	**1,412**
Total	**27,469**	**19,73,048**	**9,20,568**	**29,21,086**

Notes forming part of the Financial Statements

EUR

	Year ended March 31, 2023			
	Tata Sons Private Limited	**Tata Consultancy Services (TCS) limited**	**Subsidiaries of TCS**	**Total**
Trade payables, unearned and deferred revenue and Other liabilities	2,217	39,25,718	4,43,544	43,71,479
Commitments	-	-	2,948	2,948
Total	2,217	39,25,718	4,46,492	43,74,427

As per our report of even date attached

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date:30 April, 2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Osterreich GmbH

Pradeep Manohar Gaitonde
Director
Mumbai, India

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

TATA CONSULTANCY SERVICES FRANCE

Public Limited Company

Annual Report and Financial Statements

For the year ended
March 31, 2024

The English language text below is a translation provided for information purposes only. The original French text shall prevail in the event of any discrepancies between the English translation and the French original.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

CONTENTS **PAGE**

Auditors' report on the financial statements

This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

TATA CONSULTANCY SERVICES FRANCE S.A.

1, Terrasse Bellini - 92919 La Défense

Statutory Auditors' report on the financial statements

For the year ended March 31, 2024

To the annual general meeting of Tata Consultancy Services France S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Tata Consultancy Services France S.A. for the year ended March 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors rules applicable to us, for the period from April 1, 2023 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Your company performs an impairment test on goodwill as described in notes « V. Principes comptables – Méthodes d'évaluation » and « V.1 Immobilisations incorporelles » to the financial statements. Our work consisted in assessing the reasonableness of data and assumptions on which estimates are based and reviewing the calculations made by the Company.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-6 of the French Commercial Code (Code de commerce).

In accordance with French law, we report to you that the non-financial statement provided for in article L.225-102-1 of the French Commercial Code (Code de commerce) is not included in the management report and that the Company has not designated an independent third party to perform such procedures.

Report on Corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of thefinancial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going

concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris la Défense, 3 May 2024

KPMG S.A.

French original signed by Guillaume Salommez

Balance Sheet

Financial Statement (Thousands of Euro)

(EURO in Thousand)

ASSETS	As at March 31, 2024			As at March 31, 2023
CAPITAL SUBSCRIBED & UNCALLED				
FIXED ASSETS				
Intangible assets	**57,756**	**(1,107)**	**56,648**	56,654
Tangible assets	**10,410**	**(6,277)**	**4,133**	4,589
Financial assets	**1,913**		**1,913**	1,851
TOTAL I	**70,079**	**(7,385)**	**62,695**	63,094
CURRENT ASSETS				
Trade receivables	**139,126**	**(11)**	**139,115**	143,760
Other receivables	**8,078**	**(2)**	**8,076**	10,152
Investments in securities	**15,739**		**15,739**	3,000
Liquid assets	**2,100**		**2,100**	6,841
TOTAL II	**165,044**	**(13)**	**165,031**	163,753
PREPAID EXPENSES				
Deferred charges	**21,941**		**21,941**	10,484
Conversion adjustment - assets	**23**		**23**	61
TOTAL ASSETS	**257,086**	**(7,398)**	**249,689**	237,393

LIABILITIES	As at March 31, 2024	As at March 31, 2023
EQUITY		
Registered capital	**446**	446
Merger, issue and contribution premiums	**2,822**	2,822
Reserves	**10,692**	10,692
Carry forward	**(16,981)**	(20,577)
Profit or loss for the FY	**5,528**	3,596
TOTAL I	**2,506**	(3,021)
PROVISIONS FOR RISKS AND EXPENSES TOTAL II	**1,571**	1,225
DEBTS		
Loans and debts with credit institutions	**27**	1
Loans and financial debts	**434**	394
Trade accounts and notes payables	**170,942**	176,752
Social security and tax liabilities	**32,965**	28,656
Liabilities on fixed assets and related Other payables	**19,248**	20,165
TOTAL III	**223,616**	225,967
PREPAID EXPENSES		
Unrecognised revenues	**21,948**	13,124
Conversion adjustment - liabilities	**48**	97
ACCRUED LIABILITIES	**249,689**	237,393

Statement of Profit and Loss

(EURO in Thousand)

	Year ended March 31, 2024	Year ended March 31, 2023
	(12 months)	(12 months)
PROFIT AND LOSS ACCOUNT		
Revenues excl. of tax	**331,360**	317,244
Other operating income	**12,941**	11,371
TOTAL OPERATING INCOME	**344,301**	328,615
Other operating expenses	**218,053**	205,829
Direct and indirect taxes	**3,897**	4,206
Personnel cost	**115,524**	112,555
Depreciation allowances & provisions	**1,702**	1,064
Other expenses	**1,480**	918
TOTAL OPERATING EXPENSES	**340,656**	324,571
1. OPERATING RESULT	**3,645**	4,043
Income from subsidiaries		
Other financial income	**533**	377
Reversals of provisions and depreciation	**61**	67
TOTAL FINANCIAL INCOME	**594**	444
Allowances for provisions and depreciation	**23**	61
Interests and assimilated expenses	**61**	4
TOTAL FINANCIAL EXPENSES	**83**	65
2. FINANCIAL RESULT	**511**	378
3. PRE-TAX OPERATING RESULT	**4,155**	4,422
Extraordinary income		
Extraordinary expenses	**1**	1
4. EXTRAORDINARY RESULT	**(1)**	(1)
Tax on profits	**(1,757)**	437
Employee participation in expansion	**384**	387
5. NET RESULT	**5,528**	3,596

Notes forming part of the Financial Statements

I. NATURE OF THE ACTIVITY AND ACCOUNTING STANDARDS

TATA CONSULTANCY SERVICES FRANCE SA is an IT services company launched in 1995. The Company offers a wide range of specialized services related to IT systems set up, ranging from consulting to expert advice in advance technologies.

The balance sheet total before appropriation of earnings for the financial year is 249,688,646 euro and the statement of income for the year, presented in list form, recorded a profit of 5,527,556 euro on a turnover of 331,359,965 euro.

The FY was 12 months long, from 01/04/2023 to 31/03/2024.

The notes and the tables below are an integral part of the annual accounts.

The accounts for the bygone FY were drawn up and presented in compliance with accounting rules and principles stipulated by articles 121-1 to 121-5 and the subsequent ones of the Plan comptable général.

General accounting conventions have been applied in line with the principle of prudence and with the basic accounting concepts of going concern, consistency of accounting methods from one financial year to another, independence of financial years and pursuant to the general rules for drawing up and presenting annual accounts.

The basis for evaluating the items recorded in the accounts is the historical-cost method.

The accounting conventions applied comply with the provisions of the Commercial Code, more specifically, of the accounting decree of 29/11/83 as well as the regulation by ANC 2014-03 and the regulation by ANC 2018-07 prescribed by the Plan Comptable Général, applicable on the closure of the financial year.

The Company's accounts for the current FY have been finalised according to the principle of going concern.

II. CHARACTERISTIC FACTS OF THE PERIOD

Events from previous years affecting this one.

- On 1 July 2021, TCS France entered into a sub-lease agreement with the Company GREEN YELLLOW (S.A.S. with a capital of 16,854 thousand euros) for the premises of 2 floors (24th and 25th) leased in the building complex located "Tour Initiale" at La Défense (92919), 1, Terrasse Bellini.

  This sublease is granted for a period of 9 years and expiring on 16 February 2030, for an annual rent of 1,025 thousand euros. This agreement has a 28.6-month rent deduction.

- Tax audits started on January 28, 2021 for the FY 2017-2018 to 2019-2020. The wrap-up meeting took place on December 14, 2021. After various exchanges, the tax authorities sent the Company a rectification notice on October 12, 2023, which resulted in a reduction of €1,301 K of the carry-forward losses existing as of March 31, 2023.
- The audit over the periods 2017 and 2018 having been carried out, TCS France has contacted the tax authorities again in order to receive the research tax credits determined for these years, and not received. As a result, the following research tax credits were received for 2017 (€1.03 million) and 2018 (€1.17 million).
- The emergence of an armed conflict between Russia and Ukraine in early 2022 impacted economic and business activities worldwide. However, this situation did not have any major impact on our business during this fiscal year.

III. NOTEWORTHY EVENTS THAT TOOK PLACE DURING THE FY

The Company has reported revenues of 331,360 million Euro for the FY 2023-24, which represents an increase of 4.45% compared to the last FY, over comparable scope.

The result of the year was a profit of 5.5 million Euro after considering 461 thousand euros of profit-sharing due to employees (including social contributions) and 434 thousand euros of corporate taxes. As on 31 March 2023, the result of TCS France recorded a profit of 3.6 million Euro.

The return to profitability is due to the slight increase in the revenues, controlled gross margins from key customers, improved utilization rates and a continued focus on operational efficiencies.

Finally, the Company is continuously working on identifying expenses incurred during this fiscal year which qualify for research tax credit, as was done for the year ended on March 31, 2023. As the requests for the return of these tax credits under previous tax periods have been audited by the administration, TCS France S.A. chose to post these amounts once

Notes forming part of the Financial Statements

they have been cashed.

A risk has been identified with regard to the decisions rendered by the Court of Cassation dated September 13, 2023, related to the calculation of paid leave earned by employees during periods of absence. However, to date, it has not been possible to make a sufficiently accurate estimate of the risk or to calculate it accurately enough and, consequently, no provision has been set aside.

IV. NOTEWORTHY EVENTS FOLLOWING BOOK CLOSING

Apart from the above-mentioned points, the company has not identified any other significant event that could have an impact on the next financial year.

V. ACCOUNTING PRINCIPLES – METHODS OF EVALUATION

General rules for drawing up and presenting accounts

Methods of evaluation and calculation used for the accounts of the financial year that ended on 31 March 2024 are identical to those used for the previous financial year that ended on 31 March 2023.

Method of evaluation chosen for certain items in the income statement

Research and development spend

The company's spend on research and development is meant to develop its know-how and define its new technical positioning, especially in line with the potential customers' expectations. The corresponding expenses are recorded under the charges for the financial year in which they were incurred, depending upon their nature.

Tangible and intangible assets

Gross value of tangible and intangible assets corresponds to their initial value obtained after adding the extra expenses needed for readying them for use.

Depreciation is calculated over the normal lifetime of the assets which are generally as follows:

• Software	Linear	1 year
• Licences	Linear	1 year
• Leasehold facilities	Linear	3 to 7 years
• Transport equipment	Linear	4 years
• Office equipment	Linear	4 years
• IT equipment	Linear	3 to 4 years
• Furniture	Linear	5 to 7 years

Intangible assets - Goodwill

Goodwill is assessed once a year based on the updated projections of future cashflow (c.f. § Financial assets hereafter).

Goodwill represents the cost of activities acquired as stated upon the date of acquisition of the business minus the buyer's participation.

Goodwill is not amortised as it is for an unlimited duration.

Goodwill is subject to a depreciation test annually or when the events or circumstances indicate a possible loss of value. If the recoverable amount is estimated to be lower than the book value, the book value is reduced to the recoverable value. A loss in value is recorded in the profit and loss account.

Financial assets

The security deposits are entered in the assets of the balance sheet for the amount corresponding to their payments.

Notes forming part of the Financial Statements

Client receivables and recognition of revenues

Sequential performance contracts (T & M):

Services provided and not billed on the date of closing, in case of T&M contracts are considered as "due for billing".

Fixed price contracts:

Only that percentage of the fixed price contracts that has been delivered is taken into consideration.

According to this method, the revenue tagged to each contract is pro-rata to the time spent by associates as on the date of accounts closing.

When the amount of predictable costs for completion of an engagement could potentially record a loss, a provision for this risk is made based on the best available estimate of the losses at the date of accounts closing.

Account receivables:

Receivables are considered at their nominal value. A depreciation allowance is made on a case by case basis when the inventory value is lower than the book value, depending upon the risks of non-recovery.

Conversion of Account receivables and payables into foreign currency:

Receivables and debts in foreign currency are converted and considered in Euros based on the last known exchange rate on the date of the transaction. Assets and debts shall be revalued at the exchange rate on the date of closure of the FY.

When the application of the conversion rate at the date of FY closing impacts the amounts previously considered, the difference in the conversion rate is reported in a transitory account and adjusted later on, based on the:

- asset side of the income statement for the differences corresponding to unforeseeable losses (due to foreign exchange adjustment)
- liability side of the income statement for the differences corresponding to unforeseeable gains (due to foreign exchange adjustment)

Unrealised losses call for the earmarking of a provision commensurate with the risk.

In compliance with ANC no 2015-05, foreign exchange margins on payables and receivables fall under operating result and not under financial result.

Provision for Risks & Contingencies

At the closing of accounts, provisions have to be made for risks and charges that have been identified but not factored, and are likely to result as a consequence of the events that have occurred over the financial year. These provisions are estimated on a case by case basis, depending upon the information available.

Credit risk

Financial instruments that pose a credit risk to the company include mainly cash and cash equivalents, investments in securities and client receivables.

The Company's cash and cash equivalents are mainly expressed in Euro and are in the safekeeping of two major French banks.

Transactions on bank accounts in foreign currency shall be entered against their equivalent value on the date of transaction. The balance in foreign currency is updated as per the prevalent exchange rate and recorded in the financial result.

Assumptions and estimations made by the Management

For drawing up the financial statement, TCS FRANCE S.A management needs to give estimates and make assumptions that are likely to have an impact on the values of assets, liabilities, revenues and charges as well as on the information given in the appendices.

These assumptions are determined based on the "going concern" principle and depend upon the information available on the date of drawing up the accounts and upon corresponding historical data as well as upon other factors deemed relevant in the circumstances.

Notes forming part of the Financial Statements

Upon each book closure, the assumptions and estimations can be reviewed if the circumstances on which they were based have changed or new information is available to the management. The items in the future financial statements could vary from the present estimations on account of the changes in assumed values.

VI. NOTES ON THE INCOME STATEMENT

1. Intangible assets

(EURO in Thousand)

	Gross Values				Depreciation operated				Net Values
	31/03/2023	Increase	Decrease	31/03/2024	31/03/2023	Allowance	Provision	31/03/2024	31/03/2024
Merger losses TCS France	37,456			**37,456**					**37,456**
Other intangible assets	20,278			**20,278**	(1,096)			**(1,096)**	**19,182**
Licence – software	22			**22**	(6)	**(5)**		**(11)**	**11**
Total	57,756			**57,756**	(1,102)	**(5)**		**(1,107)**	**56,649**

The increase relates to the acquisition of computer software.

The item "other intangible assets" is composed of the following:

(EURO in Thousand)

	Gross Values				Depreciation operated				Net Values
	31/03/2023	Increase	Decrease	31/03/2024	31/03/2023	Allowance	Provision	31/03/2024	31/03/2024
Euractiv	801			**801**					**801**
Cybertech	50			**50**					**50**
Cartem conseil	3,065			**3,065**					**3,065**
PL7 Conseil	44			**44**					**44**
Masterline SI	2,959			**2,959**					**2,959**
Nucleus	250			**250**	(250)			**(250)**	**0**
Bright	546			**546**	(546)			**(546)**	**0**
Colego	237			**237**					**237**
Itras	5,313			**5,313**	(300)			**(300)**	**5,013**
E-Factory	560			**560**					**560**
Advoo	368			**368**					**368**
CGPI	486			**486**					**486**
Aralys	5,598			**5,598**					**5,598**
Total	20,278			**20,278**	(1,096)			**(1,096)**	**19,182**

Goodwill, just like participating interests, listed in paragraph V.3 was tested for impairment during the financial year that ended.

The Company considers goodwill and merger losses (56.6 million Euro) as one single asset contributing to the activity of TCS FRANCE SA whose assets have been evaluated as part of the depreciation test.

Notes forming part of the Financial Statements

The recoverable value of this asset subject to test is equivalent to its value in use. It is calculated based on the updated projections of future cashflows, based on the following hypotheses:

- Budgetary data for 2024-2025 and revenue projections for FYs 2025-2026 to 2028-2029 have been approved by the Management.

  These assumptions are laid down , based on the visibility that the management has of the various sectors and growth prospects. These projections have been made at the end of the first quarter of 2024 in connection with the drawing up of a business plan for 2024-2025 and for the four subsequent FYs. They take into account the assumption of business as usual:

- Final values are calculated over 5 years by taking into account a perpetual growth rate of 1.5%.

- The discount rate considered as on 31 March 2024 is 8.67%.

  The recoverable value of the tested asset calculated based on the assumptions above seems higher than the net accounting value of the asset tested. Therefore no depreciation has been observed as on 31 March 2024 on the asset tested following the implementation of this depreciation test.

Key influencing factors

The recoverable value of TCS FRANCE S.A. is based on the assumption that the revenue targets will be reached and cost-cutting plan will give expected results. The company has estimated revenue projections based on the existing orders, materialisation of the expected contracts and the market's development potential. Estimated reduction in sales costs, general operational expenses and administrative expenses is based upon the cost optimisation initiatives such as continuous focus on resource utilisation.

The Company has carried out an analysis of the sensitivity of values to changes in the key assumptions and it has revealed that:

- A variation of +1 point of the discount rate and / or of -1 point of the perpetual growth rate would not result in a recoverable value of the tested assets to be lower than their accounting value.

- An annual variation of -5% of revenue targets and /or +4% of operational expenses over the period 2025-2029 would not result in a recoverable value of the tested assets to be lower than their accounting value. Beyond this variation, the accounting value of the assets tested could be challenged.

2. Tangible assets

(EURO in Thousand)

	Gross Values				
	31/03/2023	Increase Capital injection	Item-wise	Decrease	31/03/2024
Set up / arrangement	1,819	**1,138**			**2,957**
Office equipment and hardware	4,745	**628**		**(38)**	**5,335**
Furniture	1,514	**65**			**1,579**
Current capital assets	1,717	**317**		**(1,495)**	**539**
Total	9,795	**2,148**	**0**	**(1,533)**	**10,410**

Notes forming part of the Financial Statements

(EURO in Thousand)

	Depreciation operated				
	31/03/2023	Allowances	Item-wise	Provision	31/03/2024
Set up / arrangement	(707)	**(332)**			**(1,039)**
Office equipment and hardware	(3,270)	**(638)**		**37**	**(3,871)**
Furniture	(1,229)	**(138)**			**(1,367)**
Current capital assets					
Total	(5,206)	**(1,108)**	**0**	**37**	**(6,277)**

(EURO in Thousand)

	Net accounting values		
	Gross Values	Amortisation Provision	Net Values
Set up / arrangement	**2,957**	**(1,039)**	**1,918**
Office equipment and hardware	**5,335**	**(3,871)**	**1,464**
Furniture	**1,579**	**(1,367)**	**212**
Current capital assets	**539**		**539**
Total	**10,410**	**(6,277)**	**4,133**

3. Financial assets

(EURO in Thousand)

	March 31, 2024			March 31, 2023		
	Gross value	Provision	Net value	Gross value	Provision	Net value
Loans, deposits and sureties	**1,913**		**1,913**	1,851		1,851
Total	**1,913**		**1,913**	1,851		1,851

4. Customer receivables

Payment term of receivables is less than one year.

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Customer receivables	**99,415**	112,408
Group clients	**4,094**	1,927
Doutbful and contentious clients	**11**	36
Invoices to be made outside the group	**35,606**	29,425
Intercompany bills	**0**	0
Depreciation of customer receivables	**(11)**	(36)
Total	**139,115**	143,760

Notes forming part of the Financial Statements

5. Other receivables

Receivables are due in less than one year.

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Current account balance minus provisions / charges		
Tax receivables	**2,069**	2,219
VAT	**2,217**	2,822
Personal receivables (advance)	**213**	310
Vendor debtor	**2,823**	3,929
Others	**755**	873
Depreciation of other receivables	**(2)**	(2)
Total	**8,075**	10,151

6. Accrued liabilities and income

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Accrued income		
Clients - yet to be billed	**35,606**	29,425
Suppliers - credit notes	**2,049**	3,265
Other receivables		
Total	**37,655**	32,690

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Accrued charges		
Vendors - bills not received	**41,202**	34,941
Clients - credit notes to be issued	**6,110**	7,923
Tax and social security debts	**14,327**	14,569
Other payables	**113**	104
Total	**61,752**	57,537

7. Income and charges to be carried over to the next financial year

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Prepaid expenses[1]	**21,941**	10,484
Unearned revenue[2]	**(21,948)**	(13,124)

[1] Prepaid expenses are reported in the asset line item "Accruals and prepaid expenses account". They correspond mostly to the % of the project executed.

[2] Unearned revenue corresponds to the excessive billing recorded as compared to the revenue figures, given the status of the project in fixed price contracts.

Notes forming part of the Financial Statements

8. Equity capital

The break-up of the equity capital is as follows:

(EURO in Thousand)

	March 31, 2023	Transactions on the capital	Income appropriation	Distribution of dividends	Operating result	March 31, 2024
Registered capital	446					446
Issue and merger premiums	2,822					2,822
Legal reserves	37					37
Other reserves	10,655					10,655
Carry forward	(20,577)		**3,596**			(16,981)
Operating result for the FY	3,596		**(3,596)**		5,528	5,528
Total	(3,021)		**0**		5,528	2,506

Registered capital

	Number of securities	Face value	Total in Euro
March 31, 2024	**14,867,651**	**0.03**	**446,029.53**

Shares entitled to double voting rights

A shareholder who can prove that s/he has personally held those shares for at least two years, enjoys double voting rights.

As of 31 March 2024, there are no securities with double voting rights.

Own shares of Group

None.

Stock options

No stock options have been floated since 30 September 2010.

Subscription warrants for founders' shares

There have been none since 30 September 2010.

Free shares

No free shares have been allotted since 27 October 2007.

Holding

TCS FRANCE S.A. previously known as ALTI S.A. is held wholly by Tata Consultancy Services Netherlands since 28 June 2013.

Notes forming part of the Financial Statements

9. Provisions for risks and charges

(EURO in Thousand)

	Time period	March 31, 2023	Capital injection	Allowance	Used provision	Unused provision	March 31, 2024
Provisions for risks							
Labour cases	1 to 5 years	839		**363**	**(150)**		**1,052**
URSSAF inspection	1 to 5 years	276			**(4)**		**272**
Foreseeable loss	1 year	49		**224**		**(49)**	**224**
Exchange rate related losses	1 year	61		**23**		**(61)**	**23**
Total		1,225		**610**	**(154)**	**(110)**	**1,571**

Labour cases

The Company has identified and classified the risks (high, medium, low) related to disputes with its employees. Based on its lawyers' opinions, the Company has evaluated the extent of its liability involved.

Disputes are of 2 types:

1. Employees disagreeing with their being laid-off
2. Employees demanding additional remuneration (for working Sunday, for being on call etc.)

To factor for the disputes in front of the "Prud'hommes" between TCS FRANCE S.A and its current or former employees, the Company has set aside a provision for risk when there is a probability of an outflow of funds, based on the best risk evaluation along with the legal counsels. A provision of 1,052 K Euro has been earmarked as on 31 March 2024.

URSSAF inspection

Alti SA, having become TCS FRANCE S.A., went through a URSSAF inspection in FY 2012 whose conclusions have been formally contested by the company. Provision has been made for the total amount of payroll tax revision in the said financial year.

In February 2018, URSSAF proposed a transaction for the FYs 2010 and 2011. Based on the discussions underway, the amount payable towards the above is 0.2 million Euro.

The findings of the URSSAF inspection, which began on April 8, 2021, aim for an adjustment of €0,2 million. After various discussions held between the Company and the tax authorities over the previous year, the Company agreed to a settlement of €136 K. As on March 31, 2024, the amount in dispute was €47 K, for which the provision has been earmarked.

10. Financial loans and debts

The various loans and financial debts (€434 K) consist of the security deposits received:

- for a sub-lease agreement for €270 K,
- by the expatriates for the accommodation they rent for €164 K.

Notes forming part of the Financial Statements

11. Accounts payables

Payment term of accounts payables is less than a year.

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Accounts payables	**2,540**	5,112
Group vendors	**127,200(*)**	136,699(*)
Invoices yet to be received from outside the group	**28,111**	24,934
Invoices yet to be received from the group	**13,092**	10,007
Total	**170,942**	176,752

(*) paid in arrears 77,392 k€ (94,704 k€ as on 31 March 2023)

12. Other payables

Payment term for these payables is less than one year.

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Expense bills	**144**	127
Provision for volume discounts & credit notes to be issued	**6,110**	7,923
Client receivables	**12,988**	12,108
Client receivables Group	**6**	7
Total	**19,248**	20,165

13. Liquidities and investment securities

The Company took out 4 fixed-term deposit contracts on March 31, 2024, the characteristics of which are:

Contracts in foreign currency	Contracts in euros	Date of deposit	Date of expiry	Annual interest
€5,000,000	**5,000,000.00**	**28 March 2024**	**04 April 2024**	**3.52%**
€6,400,000	**6,400,000.00**	**28 March 2024**	**02 April 2024**	**3.47%**
$900,000	**833,873.40**	**28 March 2024**	**02 April 2024**	**5.02%**
€3,500,000	**3,500,000.00**	**26 March 2024**	**03 April 2024**	**3.53%**
Total	**15,733,873.40**			

The item cash and cash equivalents refers to bank accounts and cash.

Notes forming part of the Financial Statements

VII. NOTES ON THE INCOME STATEMENT

1. Revenues

Revenues as on 31 March 2024 stand at 331,360 K€ against 317,244 K€ on 31 March 2023.

The break-up of the revenues is as follows:

(EURO in Thousand)

Activity	Revenues (%)
Energy and resources	**25%**
Healthcare	**18%**
BFSI	**18%**
Industry	**12%**
Others	**27%**
Revenues	**100%**

2. Other income and expenses

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Trademark fee	**(981)**	(200)
Credit losses	**(26)**	(49)
Translation gains and losses on purchases and sales	**(19)**	(404)
Other income	**989**	103
Total	**(38)**	(550)

3. Headcount

The Company headcount as on 31 March 2024 is 1.088 compared to 1.076 on 31 March 2023.

Executives		Non-executives		Consultants		Average headcount As on March 31, 2024	Average headcount As on March 31, 2023
Men	Women	Men	Women	Men	Women		
775	264	35	12	1	1	**1,088**	1,076

Notes forming part of the Financial Statements

4. Financial income and charges

The break-up of the financial results is as follows:

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Revenues from receivables	**533**	58
Financing commission		(4)
Bank interest		
Interest to related parties		
Exchange rate related gain/losses	**(61)**	229
Allowance for exchange rate related losses	**39**	5
Provision for impairment losses, current account and risk		
Net effect of merger operations		
Miscellaneous		90
Total	**511**	378

5. Extraordinary income and charges

The break-up of the extraordinary results is as follows:

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Penalties		
Transfer – Disposal of fixed assets	**(1)**	(1)
Donations		
Total	**(1)**	(1)

6. Corporate taxes and employee profit sharing

Impact of tax provisions on the result is as follows:

(EURO in Thousand)

	March 31, 2024	March 31, 2023
Corporate tax	**434**	437
Research tax credit	**(2,192)**	
Employee profit-sharing	**384**	387
Total	**(1,374)**	824

The above profit-sharing amount does not take into account social contributions (20%).

As on 31 March 2024, after considering the reduction of losses carried forward following the tax inspection audit and the result for the FY 2023-2024 i.e. (4,476 K€), and the limitation on the use of losses for the FY, the amount of losses carried forward stands at 73,997 K€.

Notes forming part of the Financial Statements

Tax break-up between operating and extraordinary results

(EURO in Thousand)

	Pre-tax	Tax	Post-tax
Operating result	4,155	(434)	3,721
Extraordinary result	(1)		(1)
Employee profit-sharing	(384)		(384)
Tax credit	2,192		2,192
Tax readjustment			
Total	5,962	(434)	5,528

Projected tax rebate / excess tax:

(EURO in Thousand)

	Base	Post-tax effect	
		Surcharge	Rebate
Conversion adjustments as on 31 March 2024	23	6	
Provision for foreign currency adjustment	23		6
Provision for foreseeable losses	224		56
Organic	522		131
Building-related	333		83
Employee profit-sharing and social contributions	461		115
Carry-forward losses	73,997		18,499
Total	-	6	18,889

Tax slab considered: 25%.

7. List of subsidiaries and interests

None.

8. Directors' remuneration

Salaries paid out for the year 2023/-2024 by TCS FRANCE SA are as follows:

(EURO in Thousand)

	Gross annual remuneration paid out
Rammohan Gourneni	531 K€
Jean Pernet	31 K€ (included in the overhead expenses)
Pradeep Gaitonde	-

No advance payments, credits or allotment of free shares were extended to the members of the Management Committee.

Notes forming part of the Financial Statements

9. Other information

Commitments and other contractual obligations

(EURO in Thousand)

	Total	< 1 year	1 to 5 years	> 5 years
Financing lease commitments	**None**			
Operational lease commitments	**16,293**	**3,389**	**10,721**	**2,182**
Other long-term commitments	**None**			
Total	**16,293**	**3,389**	**10,721**	**2,182**

Commitments related to retirement benefits

There is no special contractual commitment within TCS FRANCE SA. The employees of the Group are covered by the provisions of the "SYNTEC Collective Convention" in terms of retirement gratuity.

On this basis, the commitment amount is 6,724 K Euro including social security contributions as on 31 March 2024 against 5,371 KEuro as on 31 March 2023. No provision has been made for this amount in the Company accounts that have just been closed.

The cost of the services defined is determined using the actuarial valuation method based on projected unit credit.

The calculations were based on the following assumptions:

- Discount rate: 3.60%
- Annual salary increase rate: 2.38%
- Mortality table: TH/TF 00-02
- Turnover rate:

Age	Turnover rate
16-44 years	15.38%
45-49 years	5.77%
50-59 years	2%
60 years and above	0%

Auditors' fees

The auditor' fee are split as follows:

(EURO in Thousand)

	2023-2024	2022-2023
Auditors	**103 K€**	109 K€

Auditor' fee as it appears in the income statement for the FY is 103,287 Euros that is made up of the following:

- Fee charged for auditing the accounts: 103.287 Euros
- Fee charged for advice and services that are part of the advisory obligations arising from the legal auditing of the accounts, as defined by the professional rules and standards mentioned in II of article L.822-11: 0 Euros

VIII. IDENTITY OF THE HOLDING COMPANY

TCS FRANCE SA is a 100% subsidiary of TATA CONSULTANCY SERVICES Netherlands BV. All financial information about the Company is included in the consolidated financial statements of the ultimate holding company, Tata Consultancy Services Limited.

Tata Consultancy Services Switzerland Ltd, Zurich

Report of the Statutory Auditor to the General Meeting on the Financial Statements 2023/2024

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITORS' REPORT

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF TATA CONSULTANCY SERVICES SWITZERLAND LTD, ZURICH

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Consultancy Services Switzerland Ltd (the Company), which comprise the balance sheet as at 31 March 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Anna Pohle
Licensed Audit Expert
Auditor in Charge

Lea Stettler
Licensed Audit Expert

Zurich, 26 April 2024

Enclosures:

- Financial statements (balance sheet, income statement and notes)

- Proposed appropriation of available earnings

BALANCE SHEETS

(SWISS FRANCS)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Current assets			
Cash and banks		**8,459,683**	7,897,483
Time deposits		**9,354,851**	11,893,700
Trade receivables			
Due from third party	3.1	**112,583,381**	105,267,045
Due from affiliated companies		**8,026,713**	8,103,837
Due from shareholders		**521,119**	405,208
Other receivables			
Due from third parties	3.2	**228,017**	1,230,661
Due from affiliated companies.		**5,040,528**	6,573,638
Unbilled Revenue		**27,299,678**	28,134,646
Prepaid expenses			
Due from third parties		**12,770,310**	16,605,297
Due from affiliated companies..		**1,012,400**	2,467,323
Total current assets		**185,296,681**	188,578,838
Non-current assets			
Deposits and guarantees	3.3	**2,694,480**	2,492,091
Fixed assets, net	3.4	**269,573**	286,047
Intangible assets, net	3.5	**56,534**	119,665
Total non-current assets		**3,020,587**	2,897,803
TOTAL ASSETS		**188,317,268**	191,476,641
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables			
Due to third parties		**1,603,808**	1,973,649
Due to affiliated companies		**7,146,334**	6,260,989
Due to shareholders		**1,578,275**	1,018,601
Accounts payable - others	3.6	**20,472,474**	15,265,576
Deferred revenue		**12,309,793**	13,662,672
Accrued expenses			
Due to third parties	3.7	**19,182,890**	20,865,603
Due to affiliated companies		**22,242,259**	30,554,360
Tax provision		**5,064,262**	6,077,655
Total current liabilities		**89,600,094**	95,679,105
Shareholders' equity			
Share capital		**1,500,000**	1,500,000
Legal retained earnings		**1,030,000**	1,030,000
Available earnings			
Profit Brought Forward		**73,267,536**	69,651,174
Profit For the current Year		**22,919,638**	23,616,362
Total shareholders' equity		**98,717,174**	95,797,536
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**188,317,268**	191,476,641

STATEMENTS OF INCOME AND AVAILABLE EARNINGS

(SWISS FRANCS)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Gross revenue from sales of services		**496,236,374**	523,584,395
Cost from sales of services		**(360,338,887)**	(388,755,013)
GROSS PROFIT		**135,897,487**	134,829,382
Operating expenses			
Salaries		**(101,802,549)**	(100,672,608)
Travel expenses		**(1,515,653)**	(1,292,404)
Marketing and advertising expenses		**(541,043)**	(440,910)
Rent expenses		**(1,122,318)**	(1,132,868)
Office expenses		**(1,099,877)**	(1,934,279)
Insurance		**(18,850)**	(15,349)
Administrative expenses & others		**(818,983)**	(944,899)
Depreciation		**(204,607)**	(259,668)
Total operating expenses		**(107,123,880)**	(106,692,985)
Operating profit		**28,773,607**	28,136,396
Non-operating (expenses) / income			
Interest income		**632,006**	161,878
Interest expenses and bank charges		**(71,698)**	(75,915)
Exchange gains / (losses)		**(1,809,317)**	893,667
Release tax accruals		**439,207**	0
Other income, net		**19,335**	-
TOTAL NON-OPERATING (EXPENSES) / INCOME		**(790,467)**	979,630
Profit for the year before taxes		**27,983,140**	29,116,026
Direct taxes		**(5,063,502)**	(5,499,664)
Profit for the year		**22,919,638**	23,616,362

Notes forming part of the Financial Statements

1. GENERAL INFORMATION

Tata Consultancy Services Switzerland Ltd ("the Company") was incorporated on January 15, 1985. The Company was established as a limited company in Switzerland and is domiciled in Oerlikon, ZH. Its main activities consist of providing software products and computer services in Switzerland.

The Company is a wholly-owned subsidiary of Tata Consultancy Services Netherlands B.V. in the Netherlands ("the Group"). The Group is ultimately owned by Tata Consultancy Services Ltd, Mumbai, India.

The share capital is divided into 150,000 registered shares of CHF 10 par value.

The average number of full-time employees during 2024 and 2023 did not exceed 250.

As the Company is a wholly-owned step down subsidiary of Tata Consultancy Services Ltd in Mumbai, India that prepares consolidated financial statements in accordance with IFRS, the Company is exempt from additional disclosure requirements for larger companies in accordance with Art. 961d para 1 CO and also exempt to prepare consolidated accounts in accordance with Art 963a para. 1 CO.

2. KEY ACCOUNTING AND VALUATION PRINCIPLES

Principles of financial reporting

The annual accounts for the Company have been prepared in accordance with the regulations of Swiss financial reporting law. The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.

Estimates and assumptions made by management

Financial reporting under the Code of Obligations requires certain estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors (e.g. anticipations of future results, which seem appropriate under the circumstances). The results subsequently achieved may deviate from these estimates.

Actual items in the annual accounts, which are based on the estimates and assumptions made by management, are as follows:

- trade receivables
- unbilled revenue
- accrued expenses

Foreign currency items

The functional currency is Swiss Francs (CHF). Transactions in foreign currencies are converted into the functional currency (CHF) at the exchange rate on the day the transaction takes place.

- Monetary assets and liabilities in foreign currencies are converted into the functional currency (CHF) at the exchange rate on the balance sheet date. Any profits or losses resulting from the exchange are recorded in the profit and loss account.
- Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction. Any foreign exchange profits are deferred in the balance sheet as not having an effect on net income. Foreign exchange losses, on the other hand, are recorded in the profit and loss account.

Related parties

Related parties include subsidiary companies, members of the board of directors and the shareholders of the Company. Transactions with related parties must take place under proper market conditions (dealing at an arm's length).

Trade receivables

Trade receivables are recorded at their original net invoice amount, less a value adjustment for specific receivables carrying risk (contingency reserves). Value adjustments are carried out for receivables, which are more than 12 months overdue (in arrears) for the full amount, 50% of the amount for receivables which are overdue for 9 to 12 month or for which specific risks have been identified. Doubtful receivables are written off.

Notes forming part of the Financial Statements

Tangible fixed assets

The straight-line depreciation method is used for tangible fixed assets according to their expected useful life. Useful lives are established as follows and are revised each year:

- Leasehold improvements according to rent contract
- Furniture and fixtures 5 years
- Computer 4 years
- Office equipment 4 to 5 years

If there is any evidence of an over-valuation, the accounting values are checked and adjusted where necessary.

Revenue recognition

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the percentage of completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue from sale of software licenses are recognised upon delivery.

Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

In respect of Business Process Services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised using the percentage of completion method with contract cost determining the degree of completion.

When recognized revenue is not billed then it is accounted as unbilled revenue in balance sheet.

Revenue is reported net of discounts.

3. INFORMATION RELATING TO ITEMS ON THE BALANCE SHEET AND STATEMENT OF INCOME

3.1 Trade receivables – due from third parties

(In CHF)

	As at March 31, 2024	As at March 31, 2023
Receivables from third parties	**113,078,084**	105,527,721
Less allowance for doubtful accounts	**(494,702)**	(260,676)
Total	**112,583,381**	105,267,045

3.2 Other receivables – due from third parties

(In CHF)

	As at March 31, 2024	As at March 31, 2023
Recoverable from employees	**72,099**	137,213
Recoverable Other	**155,918**	1,093,448
Total	**228,017**	1,230,661

3.3 Deposits and guarantees

Deposits for flats and offices on postal and bank accounts amount to CHF 2,694,480 as of March 31, 2024 (2023: CHF 2,492,091).

Notes forming part of the Financial Statements

3.4 Fixed assets

(In CHF)

	As at March 31, 2024	As at March 31, 2023
Computer	**725,547**	699,987
Furniture and fixtures	**627,283**	627,283
Office equipment	**295,735**	282,048
Leasehold improvements	**1,876,747**	1,876,747
Less depreciation and value adjustments	**(3,255,739)**	(3,200,018)
Total	**269,573**	286,047

3.5 Intangible assets

(In CHF)

	As at March 31, 2024	As at March 31, 2023
Software licences	**262,772**	260,764
Less depreciation and value adjustments	**(206,238)**	(141,099)
Total	**56,534**	119,665

3.6 Other payables

(In CHF)

	As at March 31, 2024	As at March 31, 2023
Liabilities due to tax authorities	**10,343,539**	5,112,198
Liabilities due to VAT authorities (Output tax)	**8,937,509**	9,697,494
Liabilities due to institutions and staff	**1,191,426**	455,884
Total	**20,472,474**	15,265,576

Notes forming part of the Financial Statements

3.7 Accrued expenses – due to third parties

(In CHF)

	As at March 31, 2024	As at March 31, 2023
Provision for staff and social obligations	**7,157,527**	6,992,356
Provision for vendors	**12,025,362**	13,873,247
Total	**19,182,890**	20,865,603

3.8 Rent and other commitments

As of March 31, 2024 the Company has rent commitments for its offices in Zurich, Nyon and Basel for CHF 2,406,420 (2023: CHF 3,018,980).

3.9 Leasing

As of March 31, 2024, the Company has outstanding liabilities for leasing contracts in the amount of CHF 138,615 (2023: CHF 114,962).

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS AS PER MARCH 31, 2024

The Board of Directors proposes to the General Shareholder Meeting the dividend distribution as follows:

(In CHF)

Profit Brought Forward	**73,267,536**
Profit of the Year	**22,919,638**
Available earnings at the disposal of the General Meeting	**96,187,174**
Dividend	**(20,000,000)**
Carry forward the balance of	**76,187,174**

TATA CONSULTANCY SERVICES DE ESPAÑA, S.A.U.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
MARCH 31, 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

MANAGEMENT REPORT

EVOLUTION OF BUSINESS DURING THE YEAR

The revenue from operations during the financial year 2023-2024 was 59.588.209 euros, which has shown a decrease of 6% against the previous year, due to lower demand from clients. The main activity contributing to this turnover continued to be information technology (IT) and IT enabled services.

The employee benefit expenses of 41.676.798 euros represent 70% of sales, being the direct cost of the activities. The employee cost increased by 18% compared to the previous year due to higher personnel expenses, which is affecting the industry around the world.

Operative income for the year 2023-2024 was losses for 611.799 euros which is due to the deterioration of margins in some projects and the decrease in turnover.

Financial income showed a loss of 404.130 euros due to the movements of the exchange rate Euro/USD, which has not been favorable to the Company in this financial year.

The Company's investments in fixed assets during the year have been mainly in computer and hardware for improvement of the facilities.

The main clients of the Company are multinational companies and the companies in the field of transportation, life sciences & healthcare and financial services.

The main business risks that the Company faces arises from the general economic situation and specifically the services business in information technology, where the principal players are the multinational companies.

The Company is using its Secure Borderless Work Space TM (SBWSTM) model, which allows its employees to work from home, with support from minimal associates working from office, to ensure business support to all its customers. The Company is then able to seamlessly adapt and extend this model to prospect for new business, sell, contract and execute programs with strong cybersecurity framework, project management practices and systems needed to ensure that work allocation, monitoring and reporting.

PAYMENT TERMS TO SUPPLIERS

The average term for payments to suppliers has been 28 days which is lower to the previous year, having improved the management of payments to. avoid overdues over and above the contracted payment terms. The Company will keep strengthening their processes going forward having in account that payables to the group companies constitute a major component of the total payables.

POSITION OF THE COMPANY

The equity of the Company was 14.521.682 euros. Share capital is represented by 60.200 shares with a face value of Euro 1, fully subscribed and paid. At the end of the year all the share capital belongs to the Group's company TCS Netherlands, B.V. and indirectly, all the share capital is owned by the Company TATA CONSULTANCY SERVICES LIMITED.

BUSINESS FORECAST

The evolution of inflation rates in recent times, jointly with the difficulties in hiring personnel are generating pressure on wages that may affect margins in the future, although their effect is not expected to be significant in the long term.

OBJECTIVES AND MANAGEMENT OF FINANCIAL RISKS

Management of risk is controlled by the Company according to the policies approved by the Directors:

- **Market risk**

  There are no financial investments made by the Company. Hence there are no market risks in respect of financial investments.

- **Credit risk**

  The Company has a concentrated credit risk in few clients outside the group, being mainly multinational companies. The Company has policies to assess that the revenue is generated from the clients having a clean track record of payments. The Company has policies to limit the amount of credit risk with any customer.

  Impairment for credit risk from clients' insolvencies implies an elevated level of judgment by the Management and review of individual balances based on the credit quality of the clients, current trends and historical analysis of the insolvencies at an aggregated level with no forecasts of material impairments for credit risk.

- **Liquidity risk**

  The Company has a prudent management of the liquidity risk, based in holding adequate cash in order to meet its payment commitments.

  No financial instruments are carried at fair value. Financial instruments carried at amortised cost as of 31 March 2024 are 21.836.623 euros and were 24.883.058 euros as of 31 March 2023.

  Financial assets of 4.811.620 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of 16.693.144 euros forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance for doubtful debts. The Company closely monitors its customers who are going through financial stress and assesses suitable actions on case-to-case basis. Similar assessment is done in respect of unbilled receivables while arriving at the level of provision that is required.

- **Foreign currency exchange risk**

  The Company has considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

- **Interest rate risk**

  Financial assets subject to interest are only Cash in banks as liabilities do not accrue interest, then the interest rate risk is not significant. A change in interest rate of 1% represents approximately 50.000 euros for the income before taxes.

- **Price risk**

  There are no financial investments made by the Company. Hence there are no price risks in respect of financial investments.

ENVIRONMENT

There are no significant assets dedicated to protection and improvement of the environment, neither any major expenses of this nature have been incurred during the year. Equally, it is estimated that no material contingency related to protection and improvement of environment exists.

OWN SHARES

The Company does not own any shares of the company, neither any transaction on its own shares has been carried out during the year.

ACTIVITIES OF RESEARCH AND DEVELOPMENT

The company did not incur any research and development expenses in the current year.

STATEMENT OF NON-FINANCIAL INFORMATON

The company has used the exemption for preparing of the Statement of Non-Financial Information established in article 262.5 of the Law of Capital Companies, considering that the group's ultimate parent company, TATA CONSULTANCY SERVICES LIMITED, includes in its consolidated report the Company and its subsidiary, which has been prepared in accordance with GRI standards. This consolidated report will be deposited in the relevant Indian Register and is available on the group's website.

The present management report included from pages 1 to 4 above has been issued by the Board of Directors in Madrid, on 02 May 2024.

Sapthagiri Chapalapalli	**Prithwis Chandra Ray**	**Rabindran Vennimalai**
President	Director	Director

Independent Auditor's Report

To the Sole Shareholder of
Tata Consultancy Services De España, S.A.U.

Opinion

We have audited the financial statements of TATA CONSULTANCY SERVICES DE ESPAÑA, S.A.U., (the Company), which comprise the balance sheet as of 31 March 2024, the statement of income, the statement of changes in equity, the statement of cash-flows and the notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements express, in all material matters, a true and fair view of the equity and financial position of the Company as of 31 March 2024, and of its financial performance and its cash-flows for the year then ended in accordance with the applicable accounting framework, which is identified in note 2 and, specifically, with the principles and accounting criteria included in it.

Basis for Opinion

We conducted our audit in accordance with the regulation of the audit activity currently in force in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements, included those of independence, which are applicable to our audit of the financial statements in Spain as obliged by the regulation of the audit activity in Spain. In this way, we have not rendered services different to the audit of the financial statements neither other situations nor circumstances have happened that, according to those established in the mentioned regulation, have affected to the necessary independence in a way that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant audit matters

The most relevant audit matters are those matters that, in our professional judgment, were considered as most significant risks of material misstatement in our audit of the financial statements for the current period. These risks have been addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and do not provide a separate opinion on those risks.

We have determined that the issues described below are the most relevant audit matters which we have to disclose in our report.

Progress of revenue in services rendered

As explained in the attached notes to the financial statements 4 h) and 9, the Company estimates the value of the works performed at the end of the fiscal year but unbilled on that date and records the corresponding amount of assets as trade debtors for services rendered.

On our side, the procedures applied in our audit have consisted ofan analysis of the criteria employed in the calculations of the amount of "Unbilled revenue", checking through selective samples of the data used in those calculations, checking their arithmetic integrity and comparison with the accounting balance.

Other information: Management report

Other information comprises exclusively the management report for the financial year ended on 31 March 2024, whose preparation is a responsibility of the Directors of the Company and is not a part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility on the management report, in accordance with the compulsory legal regulation of the audit activity, consists in:

a) Check only that the statement of non-financial information, has been provided in the form established by the applicable regulation and, otherwise, to report on it

b) Assessing and disclosing the concordance of the rest of information included in the management report with the financial statements, from the knowledge about the Company obtained when performing the audit of the mentioned financial statements and also to assess and disclose whether the content and disclosures of this part of the management report are in conformity with the applicable regulation. If, based on the work that we have performed, we conclude that there exist material misstatements, we are obliged to inform of it.

Based on our work performed, as described above, we have checked that the information mentioned in the paragraph a) above is disclosed ad established in the applicable regulation and the resto of the information that is contained in the management report is in accordance with the information of the financial statements for the year ended on 31 March 2024 and its content and disclosures are in conformity with the applicable regulation.

Responsibilities of the Directors of the Company for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the attached financial statements in order to present the true and fair view of the equity and financial position and the financial performance of the Company in conformity with the legal framework of financial information applicable to the Company in Spain, which is identified in note 2, and for such internal control as the Directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the legal regulation of the audit activity in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the risks communicated to the Directors, we determine those risks that were of most significance in the audit of the financial statements of the current period and are therefore considered the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the risks.

BNFIX AUDIT AUDITORES, S.L.P.
Registered in ROAC No. S0294

José María Hinojal Sánchez
Partner Auditor of accounts
ROAC number 16660

02 May 2024

Balance Sheet

(EUR)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non current assets		**2.668.766**	907.753
Fixed assets		**713.260**	876.296
Property, plant and equipment	(5)	**713.260**	876.296
Non current, investments in group's companies		**5.500**	5.500
Equity instruments	(8)	**5.500**	5.500
Deferred tax assets	(14)	**1.950.006**	25.957
Current assets		**22.286.894**	25.594.319
Trade receivables and other debtors		**16.931.780**	19.951.408
Trade receivables	(9)	**12.509.638**	14.118.603
Trade receivables, group's companies	(10)	**4.183.506**	5.227.896
Other debtors		**238.398**	309.871
Current tax assets		**238**	295.038
Short term investments		**93.461**	93.461
Other financial assets	(6)	**93.461**	93.461
Accruals		**450.033**	416.223
Prepaid expenses	(11)	**450.033**	416.223
Cash and equivalents		**4.811.620**	5.133.227
Cash and bank balances	(12)	**4.811.620**	5.133.227
TOTAL ASSETS		**24.955.660**	26.502.072
EQUITY AND LIABILITIES			
Net equity		**14.521.682**	13.622.786
Shareholders' funds	(13)	**14.521.682**	13.622.786
Share capital		**60.200**	60.200
Reserves		**354.501**	136.632
Prior years' earnings		**13.208.085**	8.184.654
Income for the year		**898.896**	5.241.300
Non current liabilities		**44.486**	---
Deferred tax liabilities		**44.486**	---
Current liabilities		**10.389.492**	12.879.286
Short term liabilities		**13.555**	---
Other financial liabilities		**13.555**	---
Trade payables and other creditors		**9.424.578**	11.936.120
Suppliers		**246.908**	383.076
Suppliers, group's companies	(10)	**4.456.068**	7.257.169
Other creditors		**585.581**	1.227.534
Employees (salaries pending)		**995.272**	785.201
Other debts with public entities	(14)	**3.140.749**	2.283.140
Short term accruals		**951.359**	943.166
TOTAL EQUITY AND LIABILITIES		**24.955.660**	26.502.072

Statement of Profit and Loss

(EUR)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
OPERATIONS			
Net revenue from operations		**59.588.209**	63.413.832
Services rendered	(15)	**59.588.209**	63.413.832
Procurements		**(14.549.693)**	(17.782.346)
Works performed by other companies	(16)	**(14.549.693)**	(17.782.346)
Employee benefit expenses	(17)	**(41.676.798)**	(35.369.150)
Salaries and others		**(31.612.710)**	(27.210.912)
Social charges		**(10.064.088)**	(8.158.238)
Other operative expenses		**(3.618.576)**	(3.622.375)
External services	(18)	**(3.618.576)**	(3.622.375)
Depreciation and amortizacion of fixed assets	(5)	**(354.030)**	(302.290)
Impairment and income from sales of fixed assets		**(911)**	---
Other income		**---**	21
OPERATIVE INCOME		**(611.799)**	6.337.692
Exchange differences	(20)	**(404.130)**	(372.199)
FINANCIAL INCOME		**(404.130)**	(372.199)
INCOME BEFORE TAXES		**(1.015.929)**	5.965.493
Corporate tax	(14)	**1.914.825**	(724.193)
Income for the year from operations		**898.896**	5.241.300
INCOME FOR THE YEAR		**898.896**	5.241.300

Statement of changes in Equity

(EUR)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
STATEMENT OF INCOME RECOGNISED			
Income for the year		**898.896**	5.241.300
Other income		**---**	7.663
Total income directly recongnised in equity		**---**	7.663
Total transfer to the profit and loss account		**---**	---
Total income recognised		**898.896**	5.248.963

STATEMENT OF TOTAL CHANGES IN EQUITY	Share capital	Reserves	Income from previous years	Income for the year	TOTAL
Final balance as at 31/03/2022	60.200	12.040	6.122.889	2.178.694	8.373.823
Adjusted balances, initial as at 01/04/2022	60.200	12.040	6.122.889	2.178.694	8.373.823
Total income recognised	---	---	7.663	5.241.300	5.248.963
Other variations in equity	---	124.592	2.061.765	(2.186.357)	---
Final balance as at 31/03/2023	**60.200**	**136.632**	**8.192.317**	**5.233.637**	**13.622.786**
Adjusted balances, initial as at 01/04/2023	**60.200**	**136.632**	**8.192.317**	**5.233.637**	**13.622.786**
Total income recognised	**---**	**---**	**---**	**898.896**	**898.896**
Other variations in equity	**---**	**124.592**	**5.109.045**	**(5.233.637)**	**---**
Final balance as at 31/03/2024	**60.200**	**261.224**	**13.301.362**	**898.896**	**14.521.682**

Cash flow statement

(EUR)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		**260.873**	1.686.395
Income before taxes		**(1.015.929)**	5.965.493
Adjustments on the income for:		**759.071**	674.489
Depreciation and amortizacion of fixed assets	(5)	**354.030**	302.290
Impairment and income from sales of fixed assets		**911**	---
Exchange differences		**404.130**	372.199
Working capital changes		**(94.608)**	(3.934.356)
Trade receivables and other debtors		**2.442.551**	(5.118.374)
Other current assets		**(33.810)**	(362.704)
Trade payables and other creditors		**(2.511.542)**	1.077.266
Other short term liabilities		**8.193**	469.456
Other cash flows from operating activities		**612.339**	(1.019.231)
Collections (Payments) for income tax	(14)	**612.339**	(1.019.231)
CASH FLOWS FROM INVESTING ACTIVITIES		**(191.905)**	(663.972)
Payments for investments		**(192.943)**	(663.972)
Fixed assets	(5)	**(192.943)**	(636.174)
Other financial assets		**---**	(27.798)
Collections from disinvestments		**1.038**	---
Fixed assets	(5)	**1.038**	---
CASH FLOWS FROM FINANCING ACTIVITIES		**13.555**	---
Collections and payments for financial liabilities instruments		**13.555**	---
Issuing			
Other debts		**13.555**	---
Effect from exchange differences	(20)	**(404.130)**	(372.199)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(321.607)**	650.224
Cash and cash equivalents at beginning of the year		**5.133.227**	4.483.003
Cash and cash equivalents at the end of the year	(12)	**4.811.620**	5.133.227

Notes forming part of the Financial Statements

1. GENERAL INFORMATION ABOUT THE COMPANY AND NATURE OF ITS ACTIVITY

a) Incorporation and company's name

On 30 May 2003, TATA CONSULTANCY SERVICES DE ESPAÑA, S.A.U. was incorporated, whose social address is situated at Santa Leonor 65, F building, 28037 in Madrid.

b) Social purpose

According to the bylaws the social purpose is, advisory and consultancy services, implementation and maintenance services related to information systems and information technologies.

The Company's activity is focused on rendering Information Technology and IT enabled Services.

c) Group companies

The Company is integrated in the TCS group as disclosed in note 13, the group's company TATA CONSULTANCY SERVICES NETHERLANDS, B.V., whose social address situated at Symphony Towers 20th floor, Gustav Malherplein 85-91, Amsterdam (The Netherlands) is the direct parent company and the sole shareholder. The last parent company is the company TATA CONSULTANCY SERVICES LIMITED, with social address at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021 (India).

d) Consolidated financial statements

The directors of the last parent company issue the consolidated financial statements as of 31 March 2024, which will be presented before the authority of India.

The company and its subsidiary TATA CONSULTANCY SERVICES PORTUGAL, UNIPESSOAL LIMITADA form a group of companies as established in the article 42 of the Spanish Commercial Code. The Directors issue consolidated financial statements for the Group that will be presented before the House of Companies in Madrid.

2. BASIS OF PRESENTATION

a) True and fair view

The financial statements have been prepared from the accounting records of the Company according to the current commercial law and the rules established in the General Accounting Plan, in order to present the true and fair view of the equity and financial position as of 31 March 2024 and the results of its operations, changes in net equity and cash flows for the year then ended.

The financial statements as of 31 March 2024 have not been submitted to the approval of the sole shareholder; nevertheless, the Directors hope that they will be approved without changes.

b) Functional and presentation currency

The financial statements are presented in euros, rounded to the nearest unit, which is the functional and presentation currency for the Company.

c) Changes in accounting standards

Law 18/2022 has introduced the obligation to report on the monetary volume and number of invoices paid in a period lower than the maximum established in the payment terms regulations and the percentage they represent on the total number of invoices and on the monetary amount of payments to suppliers. As it is the first year of application, comparative information is not included for this concept.

d) Comparative figures

The financial statements present, for comparative purposes, with each entry of the balance sheet, the statement of profit and loss, the statement of changes in equity, the cash flow statement and the notes, in addition to the figures for the year ended on 31 March 2024 (that are pending to be approved by the Sole Shareholder), those for the prior year which were included in the financial statements for the year ended on 31 March 2023 which have been approved by the sole shareholder.

Notes forming part of the Financial Statements

e) Significant valuation issues and use of estimates and relevant judgements in applying the accounting policies.

Preparing the financial statements require applying relevant accounting estimates and making judgments, forecasts and hypotheses in the process of applying the accounting policies of the Company. In this process, the aspects that imply a major level of judgment, complexity or where hypotheses and forecasts are significant for preparing the financial statements are mainly:

- The recognition of turnover and expense by reference to the stage of completion. This method is based on the estimations of the stage of completion of the projects. Based on the method to establish the completion of the projects, the forecasts include the cost incurred in executing the projects.
- The recoverability of deferred tax assets that depend on the future evolution of income and the obtaining of positive tax bases to offset tax losses from previous years.

f) Addition of entries

Some entries of the balance sheet, the statement of profit and loss, the statement of changes in equity, the cash flow statement and the notes are disclosed or added in order to enable easy comprehension, although when material, the information has been disaggregated in the notes.

3. DISTRIBUTION OF INCOME

The Directors will propose to the sole shareholder the next distribution of income:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Basis of distribution		
Income for the year	**898.896**	5.241.300
	898.896	5.241.300
Distribution		
Prior's years earnings	**898.896**	5.241.300
	898.896	5.241.300

4. VALUATION AND RECORDING STANDARDS

a) Intangible assets

Assets included as intangible are software that is initially valued at cost. Costs of maintenance are expensed when incurred. As of 31 March 2024, and 2023, all of them are fully amortised.

b) Tangible assets

Assets included as tangible assets are recorded at cost of acquisition. Tangible assets are presented in the balance sheet at cost less accumulated amortisation.

Depreciation is calculated on a straight-basis method, during their estimated useful lives, in such a way that at the end of it, the net value is zero. Percentages of amortisation annually applied are:

Furniture and fixtures	20,0%
Computers	25,0%

The company reviews the residual value, useful life and method of amortisation of property, plant and equipment at the end of each year. Modifications in established criteria are recognised as change of estimations.

After the initial recognition of the asset, only those costs that increases the capacity, productivity or enhances the useful life are capitalised, writing-off those elements substituted. The daily maintenance costs are expensed when incurred.

The company evaluates periodically the possible existence of impairment in the value of tangible assets.

Notes forming part of the Financial Statements

c) Operating leases

The company has the right of use for some assets under lease contracts. Given that those contracts do not transfer to the Company substantially all the risk and benefits inherent to the property of the goods, those leases are classified as operating leases.

Amounts paid for operating leases are recognised as expense on a straight-line basis during the term of the contract.

d) Financial instruments

i. ***Classifications and separation of financial instruments***

Financial instruments are classified initially as a financial asset or a financial liability, as appropriate, according to the arrangement and definition of financial asset or financial liability.

In order to be valued, financial instruments are classified as financial assets or liabilities at fair value through profit or loss, financial assets at amortised cost and financial assets at cost. The classification in those categories is made initially according to the instrument and the Management intention.

Financial instruments are recognised when the Company is obliged by a contract or arrangement.

Transactions of purchase or sale of financial assets documented in contracts in which reciprocal obligations must be carried out in an established time and cannot be settled by difference are recognised at the date of contract or settlement.

ii. ***Non-compensation principle***

A financial asset and a financial liability are compensated only when the Company has the right to compensate the recognised amounts and has the intention to settle the net amount or cancel the asset and the liability simultaneously.

iii. ***Financial assets at amortised cost***

Financial assets at amortised cost are trade and non-trade credits with fixed collections or fixable that are not traded in an active market and different from other financial assets. These assets are initially recognised at fair value, including transactions costs and are valued after initial measurement at amortised cost using the effective interest rate method. Nevertheless, financial assets that does not have an interest rate or from which the maturity is less than a year and the effects are not material, are valued at face value.

iv. ***Rental Deposits***

Rental Deposits given are initially valued as financial instruments. After the initial valuation, given that the effect is not material, these are valued at face value.

v. ***Interests***

Interests are recognised using the effective interest rate method, which is the rate that equals the book value of the financial instrument with the cash flows estimated in the life of the instrument, from their contract conditions and with no loss for future credit risk.

vi. ***Derecognition of financial assets***

The Company derecognises a financial asset or a part of it, when it gets expired or when the rights on the cash flows of the financial asset are transferred, being necessary that risks, and rewards of ownership are substantially transferred.

When the financial asset is derecognised, the difference between the amount received net of transactions costs and the book value of the financial asset is the resultant profit or loss which arises upon de-recognition of the financial asset is included in the income for the year.

The Company applies the average price in order to evaluate and derecognise the cost of equity instruments or debt that are included in a portfolio and have the same rights.

Notes forming part of the Financial Statements

vii. ***Impairment of financial assets***

A financial asset or a group of financial assets is impaired and a loss for impairment arises, if there is objective evidence of the impairment as a consequence of the events that have occurred after the initial recognition of the asset and which affects the estimated future cash flows from the asset or group of financial assets, that can be reliably estimated.

For financial assets at amortised cost, it is considered that there exists impairment when an event that causes reduction or delay in the future estimated cash flows, motivated by an insolvency of the debtor.

The amount of the impairment is the difference between the account value of the financial asset and the current value of the cash flows estimated, excluding future losses for credit risk, using the effective interest rate. For those financial assets with variable interest rate, the interest rate on the date of valuation is used according to the arrangement.

Losses for impairment are recognised in the income statement and it is reversible in future years if the decrease can be objectively related to a future event. Nevertheless, the reversal of the loss has a limit in the amortised cost of the asset with no loss for impairment.

viii. ***Financial liabilities at amortised cost.***

Financial liabilities at amortised cost, including trade creditors and other payable, are initially recognised at fair value, less, in case costs of transaction which are directly attributable to issuing them. After initial recognition, financial liabilities at amortised cost are valued using the effective interest rate method. Nevertheless, financial liabilities that do not have an established interest rate and the maturity is less than a year and the effect is not material are valued at face value.

ix. ***Derecognition of financial liabilities***

The Company derecognizes a financial liability or a part of it when it has accomplished the obligation included in the liability or it is legally freed from the responsibility included in the liability, from a trial or agreement with the creditor.

e) Cash and equivalents

Cash and equivalents include cash in hand and disposable bank deposits in credit entities. Other investments of great liquidity are also included if they are easily converted in fixed amounts of cash and the risk of change value is not material. For these reasons, investments with a maturity of less than three months from acquisition are included.

f) Accruals

Turnover and expense invoiced that have not been carried out at the end of the year is recorded as a current liability or asset as short-term accruals.

g) Turnover and expenses

Turnover and expenses are accrued independent of the time / moment of cash flows from them. Nevertheless, the Company only recognises profits realisable at the end of the year, but risks and losses are recognised when known.

h) Revenue from services rendered

- The Company's contracts with customers could include commitments to transfer multiple products and services to a customer. The Company assesses the commitment related to the product/services in a contract and identifies distinct performance obligation in the contract. which involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price can be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price unless it is a payment for a distinct product or service form the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the

Notes forming part of the Financial Statements

extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and it is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period. The Company considers indicator such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenues for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

i) Employee benefit expenses

The Company recognises the cost of the cash bonuses to employees when there is an obligation, legal or constructive, because of past events and can be reliably estimated.

Employee termination benefits are recognised when there is a formal plan and there is a valid expectation in the affected staff that the termination is going to be carried out, as the plan has been started or the main characteristics have been informed.

j) Corporate tax

Expense or turnover for corporate tax includes current and deferred income tax.

Current income tax is the amount to be paid or collected for the corporate tax from the taxable base for the year. Assets or liabilities for the current income tax are valued for the amounts that are expected to be paid or recovered from the tax authority, using the current law and tax rates or those approved and pending to be published at the end of the year.

Income tax, current or deferred is recognised in the statement of profit and loss unless it arises from a transaction or event that is recognised in the same year or in other years and is recognised directly in net equity or a business combination.

Deductible temporary differences are recognised if it is likely with high probability that there will exist positive taxable bases in the future, enough for their compensation.

Deferred tax assets are valued according to the tax rates that will be applied in the years when it is expected to compensate those assets with the law and rates currently applicable.

k) Classification of current and non-current assets and liabilities

Assets are classified in the balance sheet as current when it is expected to be recovered or is intended to be sold or consumed in the normal operating cycle, are kept mainly to trade, is expected to be sold in twelve month after the end of the year or is cash or cash equivalents, except in those cases when they cannot be exchanged or used to settle a liability, at least in the next twelve months after the end of the year, when they are classified as non-current.

Liabilities are classified in the balance sheet as current when it is expected to be settled in the normal operating cycle, are kept mainly to trade, and must be settled in the next twelve months or the Company does not have the right to delay the cancellation of the liability during the next twelve months after the end of the year, presented as non-current in any other case.

Financial liabilities are classified in the balance sheet as current when it must be settled in the next twelve months after the end of the year although the initial maturity is for a period higher to twelve months and there exists an agreement for refinancing or restructuring payments in a term completed after the end of the year and before the annual accounts are issued. In any other circumstance, they are classified as non-current liabilities.

Notes forming part of the Financial Statements

l) Transaction with related parties

Transactions carried out with related parties are recognised at fair value of the consideration to be given or received. The main transactions carried out during the year with related parties have been recorded with the criteria given below:

- Services rendered have been valuated at cost of the work carried out plus a market margin.
- Cash balances for credits generate interests according to preferential market rates.

m) Foreign currency transactions

Those transactions in foreign currency are converted to the functional currency by applying the current exchange rates between the functional and the foreign currency at the date when the transactions are carried out. Nevertheless, the Company uses monthly exchange rates for those transactions carried out in that term.

Monetary assets and liabilities denominated in foreign currency have been converted to euros by applying the exchange rate at the end of the year and non-monetary assets valued at historic cost are converted applying the exchange rate when the transaction was carried out. Finally, conversion to euros of the non-monetary assets that are valued at fair value has been carried out by applying the exchange rate at the date when the valuation of the asset was made.

5. TANGIBLE ASSETS

a) Composition and movement as of 31 March 2024 in accounts included as tangible assets have been as follows:

(EUR)

	Balance as at March 31, 2023	Additions (Expense)	Disposals	Transfers	Balance as at March 31, 2024
Cost value					
Computers	1.253.560	153.867	(3.254)	20.487	1.424.660
Office equipment	96.039	8.610	---	5.057	109.706
Furniture and fixtures	1.422.246	8.487	---	---	1.430.733
Tangible assets in progress	107.464	21.979	---	(25.544)	103.899
	2.879.309	192.943	(3.254)	---	3.068.998
Cumulated amortisation					
Computers	(800.388)	(202.166)	1.305	---	(1.001.249)
Office equipment	(46.431)	(26.511)	---	---	(72.942)
Furniture and fixtures	(1.156.194)	(125.353)	---	---	(1.281.547)
	(2.003.013)	(354.030)	1.305	---	(2.355.738)
Net value					
Computers	453.172				423.411
Office equipment	49.608				36.764
Furniture and fixtures	266.052				149.186
Tangible assets in progress	107.464				103.899
	876.296				713.260

Notes forming part of the Financial Statements

b) Composition and movement as of 31 March 2023 in accounts included as tangible assets have been as follows:

(EUR)

	Balance as at March 31, 2022	Additions (Expense)	Disposals	Transfers	Balance as at March 31, 2023
Cost value					
Computers	944.376	309.184	---	---	1.253.560
Office equipment	84.419	11.620	---	---	96.039
Furniture and fixtures	1.221.775	200.471	---	---	1.422.246
Tangible assets in progress	(146)	107.610	---	---	107.464
	2.250.424	628.885	---	---	2.879.309
Cumulated amortisation					
Computers	(621.621)	(178.767)	---	---	(800.388)
Office equipment	(28.845)	(17.586)	---	---	(46.431)
Furniture and fixtures	(1.057.546)	(98.648)	---	---	(1.156.194)
	(1.708.012)	(295.001)	---	---	(2.003.013)
Net value					
Computers	322.755				453.172
Office equipment	55.574				49.608
Furniture and fixtures	164.229				266.052
Tangible assets in progress	(146)				107.464
	542.412				876.296

c) There are no significant tangible assets fully amortised.

d) The Company has contracted insurance policies in order to cover the risk for the goods in tangible assets. The coverage of those policies is considered enough.

6. OPERATING LEASES

a) The Company has taken on lease from third parties office buildings and vehicles. The total leases expenses incurred during the year as of 31 March 2024 have amounted to 576.014 euros and in the prior year as of 31 March 2023 were 526.008 euros.

b) The main lease contract included in the a) above is for lease for the facilities that the Company occupies in Santa Leonor, 65, F Building in Madrid, where is also the social address, which has incurred rents and expenses for an amount of 522.999 euros in this year and 617.593 euros in the prior year. This contract ends in April 2024.

c) The Company has made rental deposits for 93.461 euros.

d) Amount of lease commitments at the end of the year is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Amounts to pay		
Less than 1 year	**99.746**	497.253
Between 1 and 5 years	**61.783**	98.656
More than 5 years	**-**	-
	161.529	595.909

Notes forming part of the Financial Statements

e) The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centres / sales offices are long term in nature and no changes in terms of those leases are expected at the end of the rental period whose renewal is currently in negotiation with the owners.

7. FINANCIAL INSTRUMENTS

a) The classification of financial assets by categories and classes, without cash and equivalents nor equity instruments in group's companies is as follows:

(EUR)

	Balance As at March 31, 2024	Balance As at March 31, 2023
Short term financial assets		
Financials assets at amortised cost		
Trade receivables and other debtors	**16.931.542**	19.656.370
Other financial assets	**93.461**	93.461
	17.025.003	19.749.831

b) The classification of financial liabilities by categories and classes is as follows:

(EUR)

	Balance As at March 31, 2024	Balance As at March 31, 2023
Short term financial liabilities		
Financial liabilites at amortised cost		
Trade payables and other creditors	**6.283.829**	9.652.980
	6.283.829	9.652.980

c) Nature and level of risk from financial instruments

Management of risk is controlled by the Company according to the policies approved by the Directors:

i. ***Market risk***

There are no financial investments made by the Company. Hence there are no market risks in respect of financial investments.

ii. ***Credit risk***

The Company has a concentrated credit risk in few clients outside the group, being mainly multinational companies. The Company has policies to assess that the revenue is generated from the clients having a clean track record of payments. The Company has policies to limit the amount of credit risk with any customer.

Impairment for credit risk from clients' insolvencies implies an elevated level of judgment by the Management and review of individual balances based on the credit quality of the clients, current trends and historical analysis of the insolvencies at an aggregated level. No impairments for credit risk are forecasted.

iii. ***Liquidity risk***

The Company has a prudent management of the liquidity risk, based in holding adequate cash in order to meet its payment commitments.

No financial instruments are carried at fair value. Financial instruments carried at amortised cost as of 31 March 2024 are 21.836.623 euros and were 24.883.058 euros as of 31 March 2023.

Notes forming part of the Financial Statements

Financial assets of 4.811.620 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of 16.693.144 euros forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance for doubtful debts. The Company closely monitors its customers who are going through financial stress and assesses suitable actions on case-to-case basis. Similar assessment is done in respect of unbilled receivables while arriving at the level of provision that is required.

iv. ***Foreign currency exchange risk***

The Company has considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company believes that there is no impact on effectiveness of its hedges.

v. ***Interest rate risk***

Financial assets subject to interest are only Cash in banks as liabilities do not accrue interest, then the interest rate risk is not significant. A change in interest rate of 1% represents approximately 50.000 euro before taxes.

vi. ***Price risk***

There are no financial investments made by the Company. Hence there are no price risks in respect of financial investments.

8. EQUITY INSTRUMENTS FROM GROUP'S COMPANIES

a) The balance of equity instruments in group companies are shares of TATA CONSULTANCY SERVICES PORTUGAL UNIPESSOAL LIMITADA, owning the 100% of its share capital.

b) The social address of that company is Avenida José Gomes Ferreira 15, 7º-U, Miraflores - Algés (Portugal) and its activities are in consultancy of information technologies.

c) The financial information of it is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Net equity		
Share capital	**5.500**	5.500
Reserves	**3.863.292**	1.572.353
Income for the year	**2.154.276**	2.290.939
	6.023.068	3.868.792

d) That company is not listed in stock exchange and during the years as of 31 March 2024 and 2023 has not paid dividends.

9. TRADE RECEIVABLES

a) Detail of the balance is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Clients		
For services rendered	**14.700.163**	16.165.660
Unbilled revenue	**1.992.981**	3.180.839
	16.693.144	19.346.499

b) No movement of credit risk impairment has arisen during the year nor in the prior year.

Notes forming part of the Financial Statements

10. BALANCES AND TRANSACTIONS WITH GROUP'S COMPANIES

a) Detail of debtor balances and revenues for services rendered to group's companies is as follows:

(EUR)

	Assets		Turnover for services	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Debtors				
Tata America International Corporation	637	(15)	---	---
Tata Consultancy Services (Portugal) Unipessoal, Limitada	144.191	33.921	95.845	---
Tata Consultancy Services Belgium, N.V./S.A.	400.914	548.029	2.005.711	2.792.536
Tata Consultancy Services De Mexico S.A., De C.V.	24.057	---	---	---
Tata Consultancy Services Deutschland, GmbH	512.868	368.367	1.703.790	774.169
Tata Consultancy Services France S.A.	76.376	203.395	464.403	320.677
Tata Consultancy Services Ireland Limited	(1.392)	---	15.280	
Tata Consultancy Services Italia SRL	---	361	---	---
Tata Consultancy Services Japan, Ltd.	---	46.991	74.078	309.480
Tata Consultancy Services Luxembourg S.A.	---	(52.448)	81.820	17.100
Tata Consultancy Services Netherlands BV	306.928	323.772	1.046.767	1.928.954
Tata Consultancy Services Osterreich GmbH	448	391	22.668	---
Tata Consultancy Services Sverige AB	1.560.313	2.665.587	7.491.850	8.995.783
Tata Consultancy Services Switzerland, Ltd.	282.765	264.221	1.823.956	1.795.135
TCS Uruguay S.A.	6.197	117.525	---	---
Tata Consultancy Services, Limited	1.348.071	1.253.277	1.741.032	2.756.457
Tata Sons Private Limited	223.175	---	---	---
	4.885.550	5.773.371	16.567.200	19.690.290

b) The detail of credit balances and expenses for services rendered by group's companies is as follows:

(EUR)

	Liabilities		Services received	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Creditors				
Tata America International Corporation	---	---	(653)	---
Tata Consultancy Services (Portugal) Unipessoal, Limitada	3.170	1.489	(11.256)	(4.139)
Tata Consultancy Services Belgium	58.286	19.327	24.643	695
Tata Consultancy Services De Mexico S.A., De C.V.	132.532	185.941	550.487	541.779
Tata Consultancy Services Deutschland GmbH	89.459	171.418	(884.126)	(113.984)
Tata Consultancy Services France	47.713	69.330	66.888	55.540
Tata Consultancy Services Ireland Limited	---		---	
Tata Consultancy Services Italia s.r.l.	1.031	---	1.028	(633)
TCS Japan, Ltd.	---	29.403	---	---
TCS Luxcembourg, S.A.	---	---	(30)	(1.397)
Tata Consultancy Services Netherlands BV	58.328	62.118	55.612	27.598
Tata Consultancy Services Osterreich GmbH	---	---	(1.401)	(4.059)
Tata Consultancy Services Sverige AB	28.947	14.428	31.368	13.339
Tata Consultancy Services Switzerland Ltd.	13.979	40.696	15.787	24.524
TCS Uruguay, S.A.	74.288	241.085	228.885	330.404
Tata Consultancy Services Limited	3.471.698	5.570.610	14.120.756	12.660.365
Tata Sons Limited	---	---	---	190.537
	3.979.431	6.405.847	14.197.988	13.720.570

Notes forming part of the Financial Statements

11. PREPAID EXPENSES

a) Detail of the balance and movement is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Project expenses		
Balance at the beginning of the year	**416.223**	53.519
Transfer to income for the year	**(416.223)**	(53.519)
Services TCS Limited	**450.033**	365.272
Other prepaid expenses	**---**	50.951
	450.033	416.223

12. CASH AND BANK BALANCES.

Detail of the balance by categories is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Cash in credit entities		
Current accounts, Euro	**4.808.063**	5.129.697
Current accounts, USD	**3.557**	3.530
	4.811.620	5.133.227

13. SHAREHOLDERS' FUNDS

a) Share capital is represented by 60.200 shares with a face value of 1 euro each, fully subscribed and paid being the sole shareholder being the group's company TATA CONSULTANCY SERVICES NETHERLANDS, B.V.

b) Indirectly, all the share capital belongs to the Company TATA CONSULTANCY SERVICES LIMITED in both years.

c) Detail of reserves is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Reserves		
Legal Reserve	**12.040**	12.040
Other reserves	**342.461**	124.592
	354.501	136.632

The legal reserve has been created according to the Law of Capitalists Companies, establishing that in any case, an amount equal to 10 per cent of the profit in the year will be dedicated to it until it is, at least, 20 per cent of the share capital. This reserve is not distributable to the shareholders, and it can only be used to compensate losses in case other reserves are not available for the same.

The capitalization reserve has been calculated in accordance with the provisions of the Corporate Income Tax regulations for the increase in equity equivalent to the reduction of the tax base for the year. This reservation is unavailable within five years.

d) The balance of income from previous years are profits pending to be distributed according to the sole shareholder's decisions.

Notes forming part of the Financial Statements

14. PUBLIC ENTITIES AND TAX POSITION.

a) Detail of balances is as follows:

(EUR)

	Non Current		Current	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Assets				
Deferred tax assets	**1.950.006**	25.957	**---**	---
Current tax assets	**---**	---	**238**	295.038
	1.950.006	25.957	**238**	295.038
Liabilities				
Deferred tax liabilities	**44.486**	---	**---**	---
Withholdings on personal tax	**---**	---	**418.813**	386.457
Added Value Tax	**---**	---	**1.631.488**	919.646
Social Security Entities	**---**	---	**1.090.448**	977.037
	44.486	---	**3.140.749**	2.283.140

b) The Company has generated negative taxable bases that can be compensated with positive taxable bases in future years. Thea tax rate used in calculating the applicable for future company's operations is 25%. The tax credit from the negative tax bases amounts 1.890.837 euros and it was 1.632.786 euros at the end of the prior year. Until this fiscal year the tax credit was not recognised for prudent reasons. This year, based on forecasts for future income, the directors consider that there is a high probability for the Company to be able for compensating then with positive tax bases in future years.

c) Detail of negative bases pending to be compensated in the corporate tax is as follows:

Euro

End of the original year	
31/03/2013	1.162.453
31/03/2014	2.289.977
31/03/2015	2.493.129
31/03/2016	585.585
31/03/2024	1.045.366
	7.576.510

d) Detail and movements for deferred tax assets are as follows:

(EUR)

	As at March 31, 2023	Addition	Reduction	As at March 31, 2024
Deferred tax assets				
Tax credit from negative bases	---	1.890.837	---	**1.890.837**
Temporary differences	25.957	33.212	---	**59.169**
	25.957	1.924.049	---	**1.950.006**

Notes forming part of the Financial Statements

e) Movements for the prior year are as follows:

(EUR)

	As at March 31, 2022	Addition	Reduction	As at March 31, 2023
Deferred tax assets				
Deductions pending to apply	159.810	---	(1.775)	**158.035**
Other deferred tax assets	82.831	---	(214.909)	**(132.078)**
	242.641	---	(216.684)	**25.957**

f) The reconciliation between the net amount of revenues and expenses for the year and the taxable base is as follows:

(EUR)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance of revenues and expenses for the year	**898.896**	5.241.300
Corporate tax	**(1.914.825)**	724.193
Permanent differences	**---**	193.826
Capitalisation reserve Temporary differences	**---**	(234.142)
Depreciation non-deductible and others	**(29.437)**	(9.815)
Compensation of negative bases	**---**	(2.906.600)
Taxable base	**(1.045.366)**	3.008.762
Tax amount	**---**	(752.191)
Witholdings and payments in advance	**238**	1.047.228
Net receivable (payable)	**238**	295.038

g) The reconciliation between the income before tax and the tax expense for income tax is as follows:

(EUR)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Income before taxes for the year	**(1.015.929)**	5.965.493
Income for corporate tax recognised in the statement of profit and loss		
Amount at tax general rate	**253.982**	(1.491.373)
Recognition of deferred tax assets	**1.668.048**	726.650
Other differences	**(7.205)**	40.530
	1.914.825	(724.193)

h) The Company has open to be reviewed tax assessment for the years given below:

Tax issue

Corporate tax	2013 to 2023
Value Added Tax	2019 to 2023
Witholdings on personal tax	2019 to 2023
Local tax	2019 to 2023

Consequently, among others, of different possible interpretations of the current tax law, additional tax liabilities could arise as a result of a tax audit. Nevertheless, the directors of the Company consider that in that case those liabilities would not affect materially to the financial statements.

Notes forming part of the Financial Statements

15. SERVICES RENDERED

a) Detail of the amount by geographical areas is as follows:

(EUR)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Area		
Europe	**58.210.401**	61.089.470
United Kingdom	**818.298**	1.656.949
Americas	**485.431**	357.932
Asia Pacific	**74.078**	309.480
	59.588.208	63.413.832

16. WORKS PERFORMED BY OTHER COMPANIES

a) The entire amount comes from works in consultancy subcontracted to other companies.

Approximately, 90% of the balance in the year ended as at 31 March 2024 and 76% in the prior year is from acquisition of services from group's companies.

b) Detail of expense by geographical markets is as follows:

(EUR)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Area		
Spain	**1.412.258**	1.387.612
Rest of Europe	**701.487**	5.668.229
America	**778.720**	110.048
Asia Pacific	**11.657.228**	10.616.457
	14.549.693	17.782.346

17. PERSONNEL

a) The average staff during the years by categories is as follows:

(EUR)

	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Wome	Men	Total	Women	Men	Total
Categories						
Managers	**1**	**---**	**1**	1	---	1
Technicians	**124**	**608**	**732**	111	543	654
Administrative	**12**	**11**	**23**	12	12	24
	137	**619**	**756**	124	555	679

Notes forming part of the Financial Statements

b) Staff at the end of the year is as follows:

(EUR)

	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Women	Men	Total	Women	Men	Total
Categories						
Managers	**1**	**---**	**1**	1	---	1
Technicians	**126**	**624**	**750**	121	588	709
Administrative	**12**	**11**	**23**	12	11	23
	139	**635**	**774**	134	599	733

c) Staff includes 6 handicapped persons, with a level higher than 33%, hired as technicians in both financial years.

d) Detail of the balance of social charges in both years is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Social charges		
Social Security charged to the Company	**9.375.892**	7.598.639
Other social charges	**688.196**	559.599
	10.064.088	8.158.238

18. EXTERNAL SERVICES

a) Detail of the balances by concepts is as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
External services		
Leases and mantenaince of facilities	**912.321**	818.517
External consultants	**495.596**	443.495
Travel expenses	**499.316**	509.483
Communications	**278.737**	190.908
Other expenses	**1.432.606**	1.659.972
	3.618.576	3.622.375

19. BALANCES AND TRANSACTIONS IN FOREIGN CURRENCIES

Detail of balances and transactions performed in foreign currency different from euros is as follows:

	US Dollar		SEK Krona		Other currencies	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Balance sheet						
Trade receivables and other debtors	519.317	181.685	708.455	825.519	270.195	349.314
Trade payables and other creditors	192.665	190.854	265.842	327.954	27.186	149.220
Cash and equivalents	3.557	3.530	---	---		---
Statement of profit and loss						
Services rendered	1.382.189	2.436.687	7.470.342	8.709.196	2.996.843	2.533.733
Services received	504.507	590.694	---	932	75.074	(58.990)

Notes forming part of the Financial Statements

20. INFORMATION ON DEFERRED PAYMENTS TO SUPPLIERS. THIRD ADDITIONAL DISPOSITION "COMMITMENT TO INFORM" LAW 15/2010, 5 JULY

a) The detailed information to be presented related to payments delayed is as follows:

(EUR)

	As at March 31, 2024		As at March 31, 2023	
Average period of payments to suppliers	**29**	**days**	95	days
Ratio of paid transactions	**29**	**days**	113	days
Ratio of payable transactions	**31**	**days**	31	days
Amount of payments carried out	**59.576.729**	**100%**	24.196.486	100%
Amount of payments in legal term	**46.484.602**	**78%**	9.772.546	40%
Amount of payments pending	**4.279.078**		6.526.592	
Total number of invoices	**4.690**	**100%**	3.634	100%
Number of invoices paid in the legal term	**3.010**	**64%**	1.742	48%

b) The excess in the average period of payments over the legal limit is explained because the payments are to those suppliers that are Group's Companies and therefore, the payment to them is carried out depending of the availability of cash in the Company. Therefore, average period of payments to third parties is approximately 40 days.

21. OTHER COMMITMENTS AND CONTINGENCIES

The Company does not have bank guarantees neither the directors know other material contingencies different to those from the leases.

22. INFORMATION RELATED TO THE DIRECTORS AND OTHER RELATED PARTIES

a) In both years, the directors, all men, have not received any remuneration for their functions in the Company. Additionally, at the end of both years there were no balances pending with directors, neither the Company has commitments for pensions or life insurances with old or current directors of the Company.

b) Accomplishing the article 229 of the Spanish Law of Capitalistic Companies, the Directors state that they do not have any situation of conflict of interests with the activities carried out by the Company and also, they do not own significant stakes in other companies with the same, similar or complementary activity to the social purpose neither execute functions in other companies different from those belonging to the TCS group.

c) The top executive has received as salaries during the year ended on 31 March 2024 an amount of 217.000 euros and was 208.538 euros for the year ended on 31 March 2023.

23. ENVIRONMENTAL INFORMATION

At the end of the year, there are no significant assets dedicated to protection and improvement of the environment and no significant expenses of this nature have been incurred during the year. It is also estimated that no material contingency related to protection and improvement of environment exists, and hence it is not considered necessary to record any provisions in respect of risks and expenses for environmental reasons.

Notes forming part of the Financial Statements

24. REMUNERATION TO THE AUDITORS

Fees of professional services accrued for BNFIX have been:

(EUR)

	March 31, 2024	March 31, 2023
Fees		
Audit	**7.350**	7.350
Tax advising	**8.121**	7.222
	15.471	14.572

25. SUBSEQUENT EVENTS

After the end of the year, no facts or circumstances have arisen that could affect materially to these financial statements.

The present financial statements included from pages 1 to 25 above have been issued by the Board of Directors in Madrid, on 02 May 2024 .

Sapthagiri Chapalapalli
President

Prithwis Chandra Ray
Director

Rabindran Vennimalai
Director

TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.

FINANCIAL STATEMENTS

For the year ended
March 31, 2024

FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

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MANAGEMENT REPORT

Introduction

In accordance with what is stated in the by-laws and in accordance with the applicable requirements of the Commercial Companies Code, the Management of TATA CONSULTANCY SERVICES PORTUGAL, UNIP.LDA submits the MANAGEMENT REPORT for the year 2023 for consideration in the General Meeting of the Company.

Company Performance

The company's activity improved satisfactorily in 2023 and despite the challenges, the company presents positive net results, representing 13.0% of turnover.

The results obtained by the company in the current financial year were within the estimates made, as better described in chapter < Analysis of Economic and Financial position of the Company>.

We project the continuation of the company's growth on a sustainable basis, despite of taking into account the constant uncertainty of the markets' s evolution.

Economic and financial Company position analyses

The comparative situation of the various company indicators is shown in the following table:

(Eur)

	2020	2021	2022	2023
Sales	3,820,212	6,662,320	12,035,084	**16,124,479**
Income before tax	593,047	1,224,665	2,789,814	**2,788,691**
Net income	541,347	1,118,631	2,162,749	**2,072,661**
Current assets	3,551,301	4,607,876	7,811,135	**10,711,922**
Non-current Assets	9,569	54,645	115,668	**565,840**
TOTAL ASSETS	3,560,870	4,662,522	7,926,803	**11,277,763**
TOTAL EQUITY	540,953	1,659,584	3,822,333	**5,894,944**
TOTAL LIABILITIES	3,019,918	3,002,938	4,104,469	**5,382,769**
TOTAL LIABILITY AND EQUITY	3,560,870	4,662,522	7,926,803	**11,277,763**
Number of employees	11	11	11	**43**
Employee Expenses	891,802	919,331	1,015,268	**1,841,128**

The 2023 fiscal year was influenced by an increase turnover volume, from 12,035,084 € in 2022 to 16,124,479 € in the year to which this report concerns, representing an increase of 34%.

The net turnover increase led to the improvement in the operating and current results, with an increase of 230,736 € while compared with previous year.

In 2023, the company proved to be self-sufficient to meet its cash requirements and did not take recourse to Banks for financial operations.

The financial position of the company, is presented in the following table:

Indicators

Indicator	2020	2021	2022	2023
Financial autonomy	15.18%	35,59%	48,22%	**52,27%**
Solvency	17.90%	55,27%	93,13%	**109,52%**

The operations of the company will continue as at the present, the current assets exceed current liabilities, net equity has improved. The company will be provided with all the necessary mechanisms to ensure the continuity of operations, the realization of its assets and the settlement of its liabilities, in the normal course of its operations.

Human resources

Regarding the employees, in 2023, the company increased the number of jobs existing in the previous year, through expats.

Market Conditions

As in the previous year, the price levels practiced by the Company in 2023 were maintained this year by the consideration to maintain the services quality, which will enable sustained growth for the coming years. The market for our services has been characterized as quite competitive. Despite the increase in competition, which is highly competitive in terms of prices, the quality of TATA CONSULTANCY SERVICES PORTUGAL, UNIP. LDA. services, together with the seriousness with which the company operates, has allowed us to continue to improve the trust and preference of our current customers.

Communication and Image

In the perspective of the increase in sales volume, during the year 2023 and, in order to increase the market share, TATA CONSULTANCY SERVICES PORTUGAL, UNIP.LDA has benefited from an international corporate image.

Investments

Direct investment in 2023 was 711,942 € in IT equipment.

Relevant subsequent events

The year 2023 ended with strong signs of an economic recovery which is expected to continue in 2024 and is expected to slow down in subsequent years.

Prices are likely to rise, as in the previous year, which entails some uncertainty for all activities, and a general increase in prices is expected in all sectors of the economy.

However, taking into account the present scenario, We expect would not have any impact on the continuity of the Company. Hence the assumption of the continuity of operations as a going concern used in the preparation of these financial statements, remains appropriate.

Events occurring after the balance sheet date on conditions that existed at the balance sheet date have been are considered in the preparation of the financial statements.

Business Forecast

Management believes that the results obtained at all levels by the company reinforce its stability both in economic and financial terms and in terms of the current market share.

The Company's activity in the first months of the next fiscal year is expected to remain identical compared to the activity in 2023.

Management believes that the company has adequate facilities to manage with the desirable evolution in turnover.

Proposal for profit appropriation

Management proposes that the net profit for 2023, in the amount of 2,072,660.51 €, should be transferred to the Retained Earnings account.

Final note

To the Companies and Entities that honored us with their preference, we thank the trust, shown, which was an important incentive and compensation for the efforts assumed by those who work in this Company.

To all the employees who contributed to the company's performance, with its professionalism and dedication, the Management expresses its gratitude.

Amadora, 26th of April 2024

The Management

STATUTORY AUDIT REPORT

(Translation of a report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TATA Consultancy Services (Portugal), Unipessoal, Lda. (the Entity), which comprise the balance sheet as at 31 March 2024 (which shows total assets of Euro 11,277,763 and total shareholders' equity of Euro 5,894,994 including a net profit of Euro 2,070,661), the statement of income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of TATA Consultancy Services (Portugal), Unipessoal, Lda. as at 31 March 2024, and its financial performance and its cash flows for the year then ended, in accordance with generally accepted accounting principles in Portugal.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for:

- the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with the with generally accepted accounting principles in Portugal.
- the preparation of the Management' Report, in accordance with the applicable law and regulations;
- the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of appropriate accounting policies and criteria;
- the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

Our responsibility also includes verifying that the information included in the Management' report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Management's report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our understanding that the Management's report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Management' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

Lisbon, 26th April 2024

RSM & Associados – Sroc, Lda

Represented by Joaquim Patrício da Silva (ROC no. 320)

TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.
BALANCE SHEET AS OF MARCH 31, 2024 AND 2023

(Translated from the Portuguese original – Note 25)

(EUR)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets:			
Tangible fixed assets	6	**558,386**	95,045
Tangible fixed assets in progress		**359**	12,910
Other financial assets		**7,095**	7,713
		565,840	115,668
Current assets:			
Trade receivables	8	**3,822,992**	3,020,447
State and other public entities	15	**1,198,312**	838,705
Other receivables	8	**782,712**	1,223,471
Deferrals	10	**287,369**	1,953
Cash and bank deposits	4	**4,620,538**	2,724,492
		10,711,923	7,809,067
TOTAL ASSETS		**11,277,763**	7,924,736
QUOTAHOLDERS' EQUITY AND LIABILITIES			
Quotaholders' equity:			
Quota capital	11	**5,500**	5,500
Legal reserves	11	**17,574**	17,574
Retained earnings/(losses)	11	**3,799,260**	1,636,510
		3,822,333	1,659,584
Net profit/(loss) for the year		**2,072,661**	2,162,749
Total quotaholders' equity		**5,894,994**	3,822,333
Liabilities			
Non-current liabilities			
Provisions		**68,132**	4
Other payables	13	**-**	1,994
		68,132	1,998
Current liabilities			
Suppliers	14	**2,328,073**	1,767,574
State and other public entities	15	**266,327**	589,803
Other payables	13	**2,272,800**	1,691,180
Deferrals	10	**447,437**	51,848
		5,314,636	4,100,405
Total liabilities		**5,382,769**	4,102,403
TOTAL QUOTAHOLDERS' EQUITY AND LIABILITIES		**11,277,763**	7,924,736

The accompanying notes form an integral part of the balance sheet as of March 31, 2024.

THE CERTIFIED ACCOUNTANT MANAGEMENT

TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.
STATEMENTS OF PROFIT AND LOSS BY NATURE FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

(Translated from the Portuguese original – Note 25)

(EUR)

EARNINGS AND LOSSES	Note	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Services rendered	17	**16,124,479**	12,035,084
Supplies and services	18	**(11,209,473)**	(8,181,466)
Payroll expenses	19	**(1,841,128)**	(1,015,268)
Provisions	20	**(68,129)**	20,604
Other operating income	21	**41,826**	-
Other operating expenses	22	**(10,283)**	(52,399)
Net profit/(loss) before depreciation, financial expenses and taxes		**3,037,291**	2,806,555
Amortization and depreciation	6	**(248,601)**	(16,741)
Operating profit (before financial expenses and income taxes)		**2,788,691**	2,789,814
NET PROFIT/(LOSS) BEFORE INCOME TAX		**2,788,691**	2,789,814
Corporate income tax for the year	7	**(716,030)**	(627,064)
NET PROFIT/(LOSS) FOR THE YEAR		**2,072,661**	2,162,749

The accompanying notes form an integral part of the statement of profit and loss by nature for the year ended March 31, 2024.

THE CERTIFIED ACCOUNTANT MANAGEMENT

TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.
STATEMENTS OF CHANGES IN QUOTAHOLDERS' EQUITY FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

(Translated from the Portuguese original – Note 25)

(EUR)

	Note	Quota capital	Legal reserve	Other reserves	Retained earnings/ (losses)	Net profit/ (loss) for the year	Total
Balance as of March 31, 2022		5,500	17,574	-	517,879	1,118,631	1,659,584
Net profit for the year		-	-	-	-	2,162,749	2,162,749
Transfer from Other reserves to retained earnings/(losses)		-	-	-	-	-	-
Appropriation of 2021 results:		-	-	-	-	-	-
Transfer to retained earnings/(losses)	11	-	-	-	1,118,631	(1,118,631)	-
Balance as of March 31, 2023		5,500	17,574	-	1,636,510	2,162,749	3,822,334
Net profit for the year		**-**	**-**	**-**	**-**	**2,072,661**	**2,072,661**
Transfer from Other reserves to retained earnings/(losses)		**-**	**-**	**-**	**-**	**-**	**-**
Appropriation of 2023 results:		**-**	**-**	**-**	**-**	**-**	**-**
Transfer to retained earnings/(losses)	11	**-**	**-**	**-**	**2,162,749**	**(2,162,749)**	**-**
Balance as of March 31, 2024		**5,500**	**17,574**	**-**	**3,799,260**	**2,072,661**	**5,894,994**

The accompanying notes form an integral part of the statement of changes in quotaholders' equity for the year ended March 31, 2024.

THE CERTIFIED ACCOUNTANT MANAGEMENT

TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.
STATEMENT OF CASH FLOWS

(Translated from the Portuguese original – Note 25)

(EUR)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
OPERATING ACTIVITIES:			
Received from clients		**17,874,043**	10,830,419
Paid to suppliers		**(12,376,435)**	(8,773,633)
Paid to employees		**(1,090,513)**	(775,487)
Net cash from operations		**4,407,095**	1,281,299
Income tax (paid) / received		**(1,062,217)**	(146,606)
Other (payments) / receipts relating to operating activities		**(750,664)**	(244,283)
Net cash provided by operating activities [1]		**2,594,214**	890,411
INVESTING ACTIVITIES:			
Receipts relating to:			
Financial investments		**618**	252
		618	252
Payments relating to:			
Tangible fixed assets		**(698,786)**	-
Other financial assets		**-**	(2,244)
		(698,786)	(2,244)
Net cash used by investing activities [2]		**(698,168)**	(1,992)
Variation in cash and cash equivalents ([3] = [1] + [2]		**1,896,046**	888,419
Cash and cash equivalents at the beginning of the year	4	**2,724,492**	1,836,073
Cash and cash equivalents at the end of the year	4	**4,620,538**	2,724,492

The accompanying notes form an integral part of the statement of cash flows for the year ended March 31, 2024.

THE CERTIFIED ACCOUNTANT MANAGEMENT

Notes forming part of the Financial Statements As of March 31, 2024

1. INTRODUCTORY NOTE

TATA Consultancy Services (Portugal), Unipessoal, Lda. ("The Company"), has its head office in Amadora, was founded on July 4, 2005 and its corporate object consists of IT consultancy services.

The Company is included in TATA Group (whose mother company has its head office in India), which includes several companies with head office in Europe and America, with which it has transactions related to the development of its operations (Note 16), so that its activity and results are influenced by decisions taken at group level.

These financial statements were approved by Management on April 26, 2024.

2. ACCOUNTING REFERENCE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in compliance with the requirements in force in Portugal in accordance with Decree-Law 158/2009, of 13 July and the conceptual structure, modified by Decree-Law 98/2015, of 2 June, interpretation standards and accounting and financial reporting standards ("NCRF"), contained in Notices 8254/2015, 8258/2015 and 8256/2015, which together make up the Portuguese Accounting Standards System ("Sistema de Normalização Contabilística" or "SNC"). These standards and interpretations are hereinafter referred to generally as "NCRF".

3. PRINCIPAL ACCOUNTING POLICIES

3.1. Bases of presentation

The accompanying financial statements were prepared on a going concern basis as from the Company's accounting records, in accordance with NCRF.

3.2. Tangible fixed assets

Tangible fixed assets are initially recorded at acquisition cost, which includes the purchase cost and any other direct expenses to put the assets in the location and conditions needed to operate in the intended manner and, when applicable, the initial estimates opowerf dismantling and removing assets and restoration of the places of installation/operation of the assets that the Company expects to incur.

Depreciations are recognised after the asset is available for use, in a straight-line basis, according to its estimated useful life for each group of assets, as follows:

	Years
Administrative equipment	3 to 8
Other tangible fixed assets	8 to 16

Useful life and the depreciation method are revised on an annual basis. The effect of any change is recognised prospectively in the statement of profit and loss.

Costs of maintenance and repair (subsequent expenditure) that are not likely to generate future economic benefits are recorded as expenses in the period they are incurred on.

The gain (or loss) on disposal or write-off of a plant and equipment is determined as the difference between the amount received in the transaction and the amount of the asset and is recognized in the period in which it occurs.

3.3. Income tax

Income tax for the year consists of current tax and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss, except when they are related with items recorded directly in equity. In such cases current and deferred tax are also recorded in equity.

Income tax for the period is calculated based on the Company's taxable results. The taxable income differs from the accounting profit or loss, as it excludes several costs and earnings that are deductible or taxable in other years. Taxable income also excludes costs and earnings that will never be deductible or taxable, according to tax rules in force.

Deferred tax relates to the temporary differences between assets and liabilities for accounting and tax purposes.

Notes forming part of the Financial Statements As of March 31, 2024

Deferred tax liabilities are recorded for all taxable temporary differences.

Deferred tax assets are recorded for deductible temporary differences, only when there is reasonable expectation of sufficient future taxable income to use them. Temporary differences underlying deferred tax assets are reviewed at each balance sheet date in order to recognise or adjust them based on the current expectation of their future recovery.

Deferred tax assets and liabilities are calculated and assessed using the tax rates expected to be in force when the temporary differences reverse, based on tax rates (and tax legislation) that are formally or substantially issued at the reporting date.

The compensation between deferred tax assets and liabilities is only allowed when: (i) the Company has the legal right to do the compensation between this assets and liabilities for liquidating purposes; (ii) those assets and liabilities relate to income tax of the same fiscal authority; and (iii) the Company has the intention of compensating for liquidation purposes.

3.4. Financial assets and liabilities

Financial assets and liabilities are recorded in the balance sheet when the Company becomes part of the correspondent arrangements, as established by NCRF 27 – Financial Instruments.

Financial assets and liabilities at cost or at amortised cost

The financial assets and liabilities are measured at cost or at amortised cost net of accumulated impairment losses (in the case of financial assets) when:

- The maturity is defined; and
- They have a fix or determinate repayment; and
- They do not constitute or incorporate a derivative financial instrument.

The amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition, less principal repayments and plus or minus a cumulative amortisation, using the effective interest method, of any difference between the original amount and the amount at the maturity date. The effective interest rate is the rate that discounts cash flows associated with the financial instrument net carrying amount.

Assets and liabilities at cost or at amortised cost net of accumulated impairment losses include, namely:

- Trade receivables;
- Other receivables;
- Suppliers;
- Other payables;
- Group companies.

Cash and cash equivalents

"Cash and cash equivalents" include cash, bank deposits and term deposits with maturity up to three months and that can be demanded immediately with insignificant risk of losses.

Trade receivables and other receivables

Trade receivables and other receivables are recorded at cost or amortised cost net of eventual impairment losses. Generally, the amortised cost of these assets doesn't differ from its nominal value.

Suppliers and other payables

Suppliers and other payables are recorded at cost or amortised cost.

Generally, the amortised cost of these liabilities doesn't differ from its nominal value.

Notes forming part of the Financial Statements As of March 31, 2024

Impairment of financial assets

Financial assets classified "at cost or at amortised cost" are tested for impairment at each reporting date. Such financial assets are impaired when there is objective evidence that, as a result of one or more events after their initial recognition, their estimated future cash flows are negatively affected.

For financial assets measured at amortised cost, the impairment loss recognised corresponds to the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the respective original effective interest rate.

For financial assets measured at cost, the impairment loss recognised corresponds to the difference between the asset's carrying amount and the best estimate of the fair value of the asset.

Impairment losses are recognized in the statement of profit and loss in the period in which they are determined.

Subsequently, if the amount of the impairment loss decreases and such reduction can be objectively related to an event that took place after the recognition of that loss, it is reversed through the statement of profit and loss. The reversal shall be done within the limits of the amount that would be recognized (amortised cost) if the loss had not been initially accounted for. Reversal of impairment losses are recognized in the statement of profit and loss.

Derecognition of financial assets and liabilities

The Company derecognizes the financial assets only when the contractual rights to receive the cash flows expire, or when the financial assets and the risks and rewards of its ownership are transferred to other entity. The Company derecognizes the financial assets transferred, even if some significant risks and rewards remain, when the transference of control occurs.

The Company derecognizes financial liabilities only when the corresponding obligation specified in the contract is either discharged, cancelled or expires.

3.5. Foreign currency balances and transactions

Transactions in foreign currency (different from functional currency) are recorded at the exchange rate of the transaction date. At each reporting date, the foreign currency monetary items are translated at the exchange rate of that date.

Exchange gains and losses arising from differences between the historical exchange rates and those prevailing at the date of collection, payment or at the reporting date are recorded in the statement of profit and loss for the period.

3.6. Provisions and contingent assets and liabilities

Provisions

Provisions are recognized when there is a present legal or implied obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

The amount recorded in provisions is the present value of the best estimate at the reporting date, needed to settle the obligation. The estimate is determined based on risks and uncertainties related to the obligation. The amount of provisions is reviewed and adjusted at each reporting date so as to reflect the best estimate at that time.

Contingent liabilities

Contingent liabilities are not recorded in the financial statements, but are disclosed when the possibility of outflows of resources including economic benefits is not remote.

Contingent assets

Contingent assets are not recorded in the financial statements, but are disclosed when economic future inflows of resources are likely to occur.

3.7. Revenue

Revenue is measured at fair value of the compensation received or to be received. Revenue to be recorded is offset of the estimated discounts and other rebates.

Notes forming part of the Financial Statements As of March 31, 2024

Revenue provided by rendered services (projects) is recognised according to the stage of completion method of the transaction/service at the financial position date, subject to the following conditions:

- The amount of revenue can be reliably measured;
- It is probable that future economic benefits flow to the Company; and
- Incurred cost or costs to be incurred with transactions can be measured reliably.

3.8. Accruals basis

Costs and earnings are recorded in the period to which they relate, independently of the date they are paid or received. Costs and earnings for which the real value is not known are estimated.

Costs and earnings attributed to the current period and which expenses and revenues will occur in future periods as well as costs and earnings that have already occurred but that respect to future periods are recorded as assets or liabilities.

3.9. Leases

As of March 31, 2024 and 2023, the Company has long term lease contracts, which, due to their characteristics, according to NCRF 9 – Leases, taking into account the substance over form principle, are recognized in the financial statements as operational leases. Payments of operational leases are recorded as costs in a straight line basis during the period of the lease. The operating assignment contract was considered for the purpose of recognizing the mobile assets underlying it and the associated debt.

3.10. Critical judgments/estimates in applying the accounting standards

In the preparation of the financial statements' judgments, estimates and assumptions were made, that can affect the value of the assets and liabilities presented, as well as earnings and costs of the period.

These estimates are based on the best knowledge available at the time and on the actions planned, and are constantly revised based on the information available at the financial position date. However, situations can happen in subsequent periods which are not predictable at the time of the approval of the financial statements and thus, were not considered on those estimates. Changes in estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and due to that uncertainty, real results can differ from the corresponding estimates.

The most significant estimates reflected in the financial statements refer to: (i) impairment analysis of receivables; (ii) revenue recognition of ongoing projects

3.11. Subsequent events

Events that occur after the balance sheet date that provide additional information on conditions that existed as of that date ("adjustable events") are reflected in the financial statements. Events that occur after the balance sheet date that provide information on conditions that exist after that date ("non-adjustable events"), if material, are disclosed in the notes to the financial statements.

4. CASH FLOWS

Cash and cash equivalents include cash and bank deposits immediately callable. Cash and cash equivalents as of March 31, 2024 and 2023, are detailed as follows:

(EUR)

Name	As at March 31, 2024	As at March 31, 2023
Bank deposits immediately callable	**4.620.538**	2.724.492
Cash and equivalents	**4.620.538**	2.724.492

Notes forming part of the Financial Statements As of March 31, 2024

5. ACCOUNTING POLICIES, CHANGES IN ESTIMATES AND ERRORS

In the year ended as of March 31, 2024, there were no changes in accounting policies in relation to those used in the year ended as of March 31, 2023, presented for comparative purposes, nor were material errors relating to prior years identified.

6. TANGIBLE FIXED ASSETS

During the years ended March 31, 2024 and 2023, the movements in tangible fixed assets, as well as in the respective accumulated depreciations and impairment losses, were as follows:

(EUR)

Administrative equipment	As at March 31, 2024	As at March 31, 2023
Gross assets:		
Beginning balance	**168.601**	92.636
Increases	**711.942**	75.965
Ending balance	**880.543**	168.601
Accumulated depreciation and impairment losses:		
Beginning balance	**77.647**	61.505
Depreciation of the year	**248.002**	16.142
Ending balance	**325.649**	77.647
Net assets	**554.894**	90.954
Other tangible fixed assets		
Gross assets:		
Beginning balance	**4.790**	4.790
Increases	**-**	-
Ending balance	**4.790**	4.790
Accumulated depreciation and impairment losses:		
Beginning balance	**699**	100
Depreciation of the year	**599**	599
Ending balance	**1298**	699
Net assets	**3.492**	4.091
Total Net assets	**558.386**	95.045

7. INCOME TAX

The Company is subject to corporate income tax, in accordance with article 87 of the Portuguese Corporate Income Tax Code ("IRC"), at the rate of 21%. This rate is increased up to a maximum of 1.5% of Municipal Surcharge.

For 2023, the nominal tax rate can vary between 22,5% and 29,5% depending on the determined taxable income, which will be taxable at the follow rates:

- IRC rate : 17% to the first 50.000 Euros;
- IRC rate: 21% over remaining taxable income;
- Municipal surcharge: 1,5% over taxable income;

Notes forming part of the Financial Statements As of March 31, 2024

- State surcharge: 3% over taxable income if 1,500,000 < taxable income <= 7,500,000 Euros, 5% over taxable income if 7,500,000 Euros < taxable income <= 35,000,000 Euros or 7% over taxable income if taxable income > 35,000,000 Euros.

In accordance with article 88 of the Portuguese Corporate Income Tax Code, the Company is also subject to autonomous taxation of certain expenses at the rates mentioned therein.

In accordance with applicable Portuguese legislation, income tax returns are subject to review and correction by the tax authorities for a period of four years (five years for social security) except where there are tax losses, tax benefits have been granted or there is litigation in progress where, depending on the circumstances, the period can be extended or suspended. Accordingly, the Company's tax returns for the years 2020 to 2023 are still subject to review. Management believes that possible corrections arising from inspections by the tax authorities of those tax returns will not have a significant impact on the financial statements of March 31, 2024 and 2023.

As of March 31, 2024 and 2023, there were no temporary differences between accountant and tax in order to create deferred taxes in the financial statements.

For the years ended March 31, 2024 and 2023, the tax rate reconciliation is as follows:

Reconciliation of the tax rate

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) before income tax	**2.788.691**	2.789.814
Nominal tax rate (<25.000 net income)	**-**	17,00%
Nominal tax rate (<50.000 net income)	**17,00%**	-
Nominal tax rate (>25.000 net income)	**-**	21,00%
Nominal tax rate (>50.000 net income)	**21,00%**	-
Municipal Tax	**1,50%**	1,50%
Derrama estadual	**3,00%**	3,00%
Expected income tax	**665.116**	665.403
Nominal tax rate	**23,85%**	23,85%
Profit/(Loss) before income tax	**2.788.691**	2.789.814
Permanent differences	**68.129**	(20.593)
Tax losses carried forward for which no deferred taxes were recorded	**-**	(201.123)
Profit for tax proposes	**2.856.820**	2.568.098
Income tax (<25,000)	**-**	4.250
Income tax (<50,000)	**8.500**	-
Income tax (>25,000)	**-**	534.051
Income tax (>50,000)	**589.432**	-
Income tax (municipal tax)	**42.852**	41.538
Income tax (State tax)	**40.705**	38.077
Autonomous taxation	**34.541**	9.149
Income tax total (note 15)	**716.030**	627.064
Effective tax rate	**25.06%**	22.48%

Notes forming part of the Financial Statements As of March 31, 2024

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

As of March 31, 2024 and 2023, trade receivables and other receivables present the following composition:

(EUR)

	As at March 31, 2024			As at March 31, 2023		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Current:						
Trade receivables	**3.835.290**	**(12.298)**	**3.822.992**	3.031.500	(11.053)	3.020.447
Other receivables	**782.712**	**-**	**782.712**	1.223.471	-	1.223.471
	4.618.002	**(12.298)**	**4.605.704**	4.254.971	(11.053)	4.243.918

As of March 31, 2024 and 2023, trade receivables include 2.067.114 Euros and 1.394.447 Euros, respectively, related with Group companies (Note 16).

For the years ended March 31, 2024 and 2023, movements occurred in impairment losses, were as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Beginning balance	**11.053**	12.443
Increase	**736**	-
Decrease	**-**	-
Effect of exchange rate adjustments	**509**	(1.390)
	12.298	11.053

As of March 31, 2024 and 2023, the variance occurred in this rubric includes 1.245 Euros and 1.390 Euros, respectively, due to foreign exchange actualization.

Other receivables

As of March 31, 2024 and 2023, this caption was as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Accrued income:		
Unbilled services rendered	**733.137**	1.187.740
Other debtors	**49.575**	35.731
	782.712	1.223.471

As of March 31, 2024 and 2023, other receivables included 730.574 Euros and 1.156.578 Euros respectively, related with Group companies (Note 16).

9. ADVANCES TO SUPPLIERS

As of March 31, 2024, there were no advances to suppliers.

Notes forming part of the Financial Statements As of March 31, 2024

10. DEFERRALS

As of March 31, 2024 and 2023, these captions were detailed as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Deferred assets:		
Supplies and services	**287.369**	1.838
Payroll expenses	**-**	115
	287.369	1.953
Deferred liabilities:		
Services rendered	**447.437**	51.848

As of March 31, 2024, and 2023, the Deferrals included 138.081 Euros and 0 Euros, respectively, related with Group companies (Note 16).

11. QUOTA CAPITAL AND RESERVES

As of March 31, 2024 and 2023, the Company's fully subscribed and paid up quota capital was made up of one quota with the nominal value of 5.500 Euros. As of those dates, quota capital was totally owned by TATA Consultancy Services España, S.A. (head office at Spain).

Legal reserve:

Portuguese legislation establishes that at least 5% of annual net profit must be appropriated to legal reserves until the reserve equals the statutory minimum requirement of 20% of quota capital. This reserve is not available for distribution, except in the case of liquidation of the Company, but may be used to absorb losses once other reserves and retained earnings have been exhausted. The balance of this item as at 31 March 2024 is 17,574 Euros.

Results application:

As approved at the General Shareholders' Meeting held on May 05, 2023, the results of the year ended on March 31, 2023, EUR 2.162.749 were transferred to Retained earnings/(losses).

12. LEASES

Operating leases

As of March 31, 2024 and 2023, the Company has part of its operational lease contracts related to rented vehicles. The minimum non-cancellable lease payments as of March 31, 2024 and 2023, are as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Until 1 year	**25.562**	2.840
Between 1 and 5 years	**98.470**	-
	125.032	2.840

Notes forming part of the Financial Statements As of March 31, 2024

13. OTHER PAYABLES

As of March 31, 2024 and 2023, the caption "Other payables" had the following composition:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Accrued costs:		
Employees	**217.798**	122.538
Supplies and services Group (Note 16) (a)	**146.332**	57.216
Bonuses	**21.195**	58.440
Audit	**6.795**	6.500
Credits to be granted	**88.839**	29.580
Subcontracts	**1.624.848**	1.304.025
Others	**122.465**	50.583
Other creditors	**34.031**	53.877
Other creditors - Group (Note 16) (a)	**10.497**	10.416
	2.272.800	1.693.174

a) As of March 31, 2024 and 2023 other payables included 156.829 Euros and 67.632 Euros, respectively, related with Group companies (Note 16).

14. SUPPLIERS

As of March 31, 2024 and 2023, the caption "Suppliers" was as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Suppliers, current account:		
Group companies (Nota 16)	**962.888**	636.274
Other suppliers	**1.365.185**	1.131.300
	2.328.073	1.767.574

15. STATE AND OTHER PUBLIC ENTITIES

As of March 31, 2024 and 2023, the caption "State and other public entities" was as follows:

(EUR)

	As at March 31, 2024	As at March 31, 2023
Corporate income tax:		
Withholding taxes	**511.386**	76.233
Advances	**10.457**	-
Estimated tax (Note 7)	**(716.030)**	(627.064)
Personal income tax	**(47.325)**	(21.432)
Value Added Tax	**1.198.312**	838.705
Social Security Contributions	**(24.814)**	(17.540)
	931.985	248.902

Notes forming part of the Financial Statements As of March 31, 2024

16. RELATED PARTIES

Transactions with related parties

During the years ended March 31, 2024 and 2023 transactions with related parties were as follows:

(EUR)

	Year ended March 31, 2024		Year ended March 31, 2023	
	Services rendered (Nota 17)	Supplies and services (Note 18)	Services rendered (Nota 17)	Supplies and services (Note 18)
Tata Consultancy Services, Limited	**4.290.776**	**5.997.868**	3.376.780	1.278.869
Tata Consultancy de España, S.A.	**-**	**310.048**	-	5.363
Tata Consultancy Services Netherlands B.V.	**3.130.039**	**18.948**	3.310.138	2.465
Tata Consultancy Services France SAS	**347.899**	**24.930**	436.707	3.933
Tata Consultancy Services Deutschland GmbH	**844.827**	**8.354**	652.505	2.064
Tata Consultancy Services Sweden	**972.468**	**6.678**	688.599	560
Tata Consultancy Services Belgium N.V./S.A.	**183.855**	**729**	441.654	-
Tata Consultancy Services Canada Inc.	**703.808**	**-**	585.156	-
Tata Consultancy Services Luxembourg SA	**151.501**	**2.485**	133.538	-
Tata Consultancy Services Osterreich GmbH	**-**	**72**	-	100
Tata Consultancy Services Do Brasil Ltda	**3.850**	**4.057**	-	-
Tata Consultancy Services Switzerland Ltd.	**-**	**8.256**	-	-
Tata Consultancy Services Ireland Limited	**-**	**428**	-	-
	10.629.023	**6.382.853**	9.625.076	1.293.354

Notes forming part of the Financial Statements As of March 31, 2024

Balances with related parties

As of March 31, 2024 and 2023, balances with related parties were as follows:

(EUR)

	As at March 31, 2024				
	Trade receivables (Note 8)	Other receivables (Note 8)	Other payables (Note 13)	Suppliers (Note 14)	Other payables (Note 13)
Tata Consultancy de España, S.A.	-	-	3.219	140.973	3.170
Tata Consultancy Services Netherlands B.V.	582.984	209.029	1.952	33.459	-
Tata Consultancy Services Deutschland GmbH	72.635	113.064	883	16.961	(3.520)
Tata Consultancy Services France SA	42.752	7.516	1.735	33.566	(81.814)
Tata Consultancy Services Luxembourg SA	30.332	30.425	-	-	-
Tata Consultancy Services Sweden	57.415	13.787	614	7.207	(779)
Tata America Internacional Corporation	-	-	10.497	2.678	-
Tata Consultancy Services Switzerland Ltd	-	-	-	6.839	-
Tata Consultancy Services Belgium N.V./S.A.	16.154	16.923	-	365	-
Tata Consultancy Services Canada Inc.	68.194	17.829	-	-	-
Tata Consultancy Services Osterreich GmbH	-	-	-	100	-
Tata Consultancy Services, Limited	1.192.798	322.001	137.929	1.120.966	221.024
TCS Ireland Limited	-	-	-	543	-
Tata Consultancy Services Italia S.r.l.	-	-	-	36	-
TATA Consultancy Services do Brasil LTDA.	3.850	-	-	1.494	-
	2.067.114	730.574	156.829	1.365.185	138.081

	As at March 31, 2023				
	Trade receivables (Note 8)	Other receivables (Note 8)	Other payables (Note 13)	Suppliers (Note 14)	Other payables (Note 13)
Tata Consultancy de España, S.A.	3.332	-	923	32.998	-
Tata Consultancy Services Netherlands B.V.	360.537	788.216	565	25.607	-
Tata Consultancy Services Deutschland GmbH	22.762	6.502	499	13.169	-
Tata Consultancy Services France SA	280.440	111.438	835	23.042	-
Tata Consultancy Services Luxembourg SA	31.424	31.667	-	-	-
Tata Consultancy Services Sweden	88.331	28.804	92	4.540	-
Tata America Internacional Corporation	-	-	-	2.657	10.416
Tata Consultancy Services Switzerland Ltd	-	-	-	2.757	-
Tata Consultancy Services Belgium N.V./S.A.	39.550	22.016	-	-	-
Tata Consultancy Services Canada Inc.	99.952	59.347	-	-	-
Tata Consultancy Services Osterreich GmbH	-	-	-	100	-
Tata Consultancy Services, Limited	468.118	108.588	54.303	531.403	-
	1.394.447	1.156.578	57.216	636.274	10.416

Notes forming part of the Financial Statements As of March 31, 2024

17. RENDERED SERVICES

Rendered services by the Company during the years ended March 31, 2024 and 2023, were as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Internal market	**5.495.456**	2.410.007
External market (a)	**10.629.023**	9.625.077
	16.124.479	12.035.084

(a) As of March 31, 2024 and 2023 rendered services included 10.629.023 Euros and 9.625.076 Euros, respectively, related with Group companies (Note 16).

18. SUPPLIES AND SERVICES

The caption "Supplies and services" for the years ended March 31, 2024 and 2023, is made up as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Subcontracts	**10.944.851**	7.921.733
Fees	**5.450**	-
Rents and leases	**125.458**	126.587
Travel expenses	**14.798**	11.429
Specialized services	**40.563**	50.453
Communication	**12.091**	12.053
Others	**66.261**	59.211
	11.209.473	8.181.466

During the years ended March 31, 2024 and 2023, these captions included 6.382.853 Euros and 1.293.354 Euros, respectively, related to services rendered by Group companies (Note 16).

19. PAYROLL EXPENSES

The caption "Payroll expenses" of the years ended March 31, 2024 and 2023, was as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Staff remuneration	**1.533.812**	782.333
Bonuses	**50.283**	47.439
Social security charges	**222.345**	163.821
Others	**34.688**	21.675
	1.841.128	1.015.268

During the years ended March 31, 2024 and 2023, the average number of personnel was 43 and 17, respectively.

Notes forming part of the Financial Statements As of March 31, 2024

20. PROVISIONS

In the years ended March 31, 2024 and 2023, movements occurred in caption "Provisions" were as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Increase	**68.133**	53.580
Decrease	**4**	74.184
	68.129	(20.604)

21. OTHER OPERATING INCOME

The composition of the caption "Other operating income" for the years ended March 31, 2024 and 2023, was as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Foreign exchange rate gains	**-**	-
Others	**41.826**	-
	41.826	-

22. OTHER OPERATING EXPENSES

The composition of caption "Other operating expenses" for the years ended March 31, 2024 and 2023, was as follows:

(EUR)

	Year ended March 31, 2024	Year ended March 31, 2023
Foreign exchange rate losses	**9.352**	51.922
Others	**931**	477
	10.283	52.399

23. SUBSEQUENT EVENTS

The year 2023 ended with signs of an economic recovery which is expected to continue in 2024 and is expected to slow down in subsequent years.

Prices are likely to rise, which entails some uncertainty for all activities, and a general increase in prices is expected in all sectors of the economy.

Events occurring after the balance sheet date on conditions that existed at the balance sheet date have been are considered in the preparation of the financial statements.

24. RISKS

Notes forming part of the Financial Statements As of March 31, 2024

Credit risks

The company is exposed to credit risk related with the possibility of the other part failing to comply with contractual obligations, resulting in losses relating to assets fulfilment.

Credit risk is mainly related with receivables, as a result of the Company´s operations, namely data-processing consultancy rendered services to its clients.

This risk is monitored, on a regular basis, with the objective of:

- limit credit granted to clients, considering the profile and age of account receivables;
- monitor the progress of granted credit level;
- analyse the recoverability of receivables on a regular basis.

Impairment losses for accounts receivable are calculated considering:

- analysis of aged accounts receivable;
- client risk's profile;
- clients' financial conditions.

As of March 31, 2024, Management is convicted that estimated impairment losses for accounts receivable are appropriately accounted for in the financial statements.

25. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally prepared in Portuguese in conformity with Portuguese legislation and following generally accepted accounting principles in Portugal. In the event of discrepancies, the Portuguese language version prevails.

THE CERTIFIED ACCOUNTANT MANAGEMENT

Tata Consultancy Services Saudi Arabia

(A Foreign Limited Liability Company)

FINANCIAL STATEMENTS

For the year ended December 31, 2023

Together with the

Independent Auditor's Report

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

KPMG Professional Services

Roshn Front, Airport Road

P. O. Box 92876

Riyadh 11663

Kingdom of Saudi Arabia

Commercial Registration No 1010425494

Headquarters in Riyadh

To the Shareholders of Tata Consultancy Services Saudi Arabia

Opinion

We have audited the financial statements of Tata Consultancy Services Saudi Arabia ("the Company"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes forming part of the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Tata Consultancy Services Saudi Arabia ("the Company")**.

KPMG Professional Services

Naif Abdulrahman Edrees

License Number 457

Al Riyadh: 18 Ramadan 1445H

Corresponding to: 28 March 2024

Statements of Financial Position

(Amount in SAR)

	Notes	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	7 (a)	**7,238,315**	21,950,699
Trade receivables	7 (b)	**186,303,372**	67,206,527
Unbilled receivables		**14,810,285**	3,054,248
Other financial assets	7 (c)	**397,638**	472,415
Current income tax assets (net)	13	**2,173,620**	3,232,578
Other current assets	9 (c)	**29,145,531**	13,229,673
Total current assets		**240,068,761**	109,146,140
Non-current assets			
Property, plant and equipment	9 (a)	**2,917,228**	1,894,654
Right-of-use assets	8	**3,517,094**	6,966,184
Intangible assets	9 (b)	**530**	9,111
Deferred tax assets (net)	13	**7,439,315**	6,263,739
Other non-current assets	9 (d)	**11,320**	-
Total non-current assets		**13,885,487**	15,133,688
TOTAL ASSETS		**253,954,248**	124,279,828
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	7 (d)	**131,233,654**	21,296,959
Provisions		**5,055**	-
Lease liabilities	8	**3,025,906**	3,256,114
Other financial liabilities	7 (e)	**3,619,637**	2,906,300
Unearned and deferred revenue	10	**8,190,687**	372,773
Employee benefit obligations	14	**14,368,082**	10,514,467
Other current liabilities	9 (e)	**7,400,089**	5,427,962
Total current liabilities		**167,843,110**	43,774,575
Non-current liabilities			
Lease liabilities	8	**-**	3,025,906
Employee benefit obligations	14	**18,846,720**	16,131,968
Total non-current liabilities		**18,846,720**	19,157,874
TOTAL LIABILITIES		**186,689,830**	62,932,449
Equity			
Share capital	7 (i)	**3,750,000**	3,750,000
Retained earnings		**61,639,418**	55,722,379
Statutory reserve		**1,875,000**	1,875,000
Total Equity		**67,264,418**	61,347,379
TOTAL LIABILITIES AND EQUITY		**253,954,248**	124,279,828

SEE ACCOMPANYING NOTES FROM 1 TO 16 FORMING PART OF FINANCIAL STATEMENTS

Statements of Profit or Loss and Other Comprehensive Income

(Amount in SAR)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	10	**428,966,900**	234,519,012
Operating expenses			
Employee cost	14	**(273,146,673)**	(181,215,943)
Other operating expenses	11	**(143,166,685)**	(43,136,142)
Depreciation and amortisation expenses	8, 9 (a) & 9 (b)	**(4,209,813)**	(3,930,580)
Total operating expenses		**(420,523,171)**	(228,282,665)
Operating income		**8,443,729**	6,236,347
Other (expenses) / income			
Net foreign exchange loss	12 (c)	**(42,295)**	(90,303)
Finance costs	12 (b)	**(164,660)**	(204,852)
Finance income	12 (a)	**21**	27,538
PROFIT BEFORE TAXES		**8,236,795**	5,968,730
Income tax expense	13	**(1,660,956)**	(1,176,257)
PROFIT FOR THE YEAR		**6,575,839**	4,792,473
OTHER COMPREHENSIVE INCOME / (LOSS), NET OF TAXES			
Items that will not be reclassified subsequently to profit or loss			
(Loss) / gain on remeasurement of defined employee benefit plans	14	**(823,500)**	1,097,432
Deferred tax gain / (loss) on remeasurement of defined employee benefit plans	13	**164,700**	(219,486)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME, NET OF TAXES		**(658,800)**	877,946
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,917,039**	5,670,419

SEE ACCOMPANYING NOTES FROM 1 TO 16 FORMING PART OF FINANCIAL STATEMENTS

Statements of Changes in Shareholders' Equity

(Amount in SAR)

	Notes	Share capital	Retained earnings	Statutory reserves	Total equity
Balance as at January 1, 2022		3,750,000	50,051,960	1,875,000	55,676,960
Profit for the year		-	4,792,473	-	4,792,473
Other comprehensive income for the year		-	877,946	-	877,946
Total comprehensive income		-	5,670,419	-	5,670,419
Balance as at December 31, 2022		3,750,000	55,722,379	1,875,000	61,347,379
Profit for the year		**-**	**6,575,839**	**-**	**6,575,839**
Other comprehensive loss for the year		**-**	**(658,800)**	**-**	**(658,800)**
Total comprehensive income		**-**	**5,917,039**	**-**	**5,917,039**
Balance as at December 31, 2023		**3,750,000**	**61,639,418**	**1,875,000**	**67,264,418**

THE STATEMENT OF CHANGES IN EQUITY IS TO BE READ IN CONJUNCTION WITH THE NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS SET OUT ON PAGES 7 TO 30.

Statements of Cash Flows

(Amount in SAR)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**6,575,839**	4,792,473
Adjustments for:			
Depreciation and amortisation expenses	8, 9 (a) & 9 (b)	**4,209,813**	3,930,580
Income tax expense	13	**1,660,956**	1,176,257
Finance cost	12 (b)	**164,660**	204,852
Interest income	12 (a)	**(21)**	(27,538)
(Reversal of) / provision for impairment loss on trade receivables	7 (b)	**(5,771)**	5,771
Net change in working capital			
Trade receivables		**(119,091,075)**	(30,437,489)
Other financial assets		**74,777**	(62,082)
Unbilled receivables		**(11,756,037)**	(2,916,631)
Other current assets		**(15,915,858)**	(7,437,036)
Other non-current assets		**(11,320)**	-
Trade and other payables		**109,936,695**	13,899,611
Provisions		**5,055**	-
Unearned and deferred revenue		**7,817,914**	276,752
Employee benefit obligations		**5,744,867**	2,337,102
Other current liabilities		**1,972,127**	1,358,007
Other financial liabilities		**713,338**	1,546,672
Cash used from operating activities		**(7,904,041)**	(11,352,699)
Taxes paid	13	**(1,612,874)**	(1,289,085)
Net cash used in operating activities		**(9,516,915)**	(12,641,784)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment (includes CWIP)		**(1,774,716)**	(722,234)
Proceeds from interest received on fixed deposits - short term		**21**	27,538
Net cash used in investing activities		**(1,774,695)**	(694,696)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(58,273)**	10,000
Repayment of lease liabilities		**(3,362,501)**	(3,374,500)
Net cash used in financing activities		**(3,420,774)**	(3,364,500)
Net change in cash and cash equivalents		**(14,712,384)**	(16,700,980)
Cash and cash equivalents, beginning of the year		**21,950,699**	38,651,679
Cash and cash equivalents, end of the year	7 (a)	**7,238,315**	21,950,699

SEE ACCOMPANYING NOTES FROM 1 TO 16 FORMING PART OF FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Saudi Arabia ("the Company") is a Foreign limited liability Company registered in the Kingdom of Saudi Arabia under commercial registration numbered 1010435987 dated 14 Shawwal 1436H (Corresponding to 30 July 2017).

The registered address of Company is - Akaria Center II, office no 172, 7th floor, Olaya Road, P.O Box 300055, Riyadh - 11372, Kingdom of Saudi Arabia. The parent entity of the Company is Tata Consultancy Services Netherlands B.V. and the ultimate parent entity is Tata Consultancy Services Limited.

The Company provides all services related to information technology and services include business process management, application support and maintenance services, infrastructure and its maintenance support, call center services relating to any industry or trade or application or domain services. The Company's full service portfolio consist of activities related to software development, implementation, support and maintenance of any industry, trade, application, product, device, computer, microscopic including consulting, design and implementation of software, hardware for all these services processors, provide software and hardware consulting and information processing services.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its Articles of Association for any changes to align the Articles to the provisions of the Law.

The financial statements were approved by the Board of Directors and authorized for issue on dated 17 Ramadan 1445H (Corresponding to 27 March 2024)

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA) (herein and after referred to as IFRS as endorsed in KSA).

The material accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis using the going concern concept except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period and defined benefit plans which are measured in accordance with IAS 19. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The financial statements are presented in Saudi Arabian Riyals, which is the functional and presentation currency of the Company. Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Notes forming part of the Financial Statements

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rate prevailing on the date of statement of financial position.

Material accounting policies

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policy themselves, they impacted the accounting policy information disclosed in certain instances.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of IFRS Accounting Standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and has been discussed below. Key source of estimation of uncertainty in respect of revenue recognition, employee benefits and fair value measurement of financial instruments have been discussed in their respective policies.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may affect depreciation expense in future periods. The carrying amount of property, plant and equipment as on December 31, 2023 was SAR 2,917,228 (December 31, 2022 was SAR 1,894,654)

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the date of the statement of financial position. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent asset is neither recognised nor disclosed in the financial statements.

Notes forming part of the Financial Statements

f. Employee benefits

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each statement of financial position date. The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

b. Statutory reserves

10% of the net profit shall be set aside as statutory reserve as per the Company's article of association, until it has built up a reserve equal to 50% of its share capital. Remaining profit shall be distributed amongst the shares proportionately to their share holding.

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

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 Company does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

Tata Consultancy Services Saudi Arabia considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Trade receivables

Trade receivables without a significant financing component are initially measured at transaction price.

Notes forming part of the Financial Statements

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition

(a) Financial asset

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the risks and rewards of the ownership of financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

(b) Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises financial liability when its terms are modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Notes forming part of the Financial Statements

On derecognition of financial liability the difference between the carrying amount extinguished and the consideration paid (including any non cash asset transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

a. Cash and cash equivalents

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Balance with bank - current account	**7,238,315**	21,950,699
Deposits with banks (original maturity less than 3 months)	**-**	-
Total	**7,238,315**	21,950,699

b. Trade receivables

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Trade receivables*	**186,303,372**	67,212,298
Less: Allowance for doubtful trade receivables**	**-**	(5,771)
Total	**186,303,372**	67,206,527

* Trade receivables include balance with related party (refer note number - 15)

**There is no provision recognised as per ECL Model. Amount shown here is recognised basis recoverability of specific party.

Movement in the allowance for doubtful trade receivables is given below:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Opening balance	**5,771**	-
Add: (reversal) / charge to profit and loss	**(5,771)**	5,771
Closing balance	**-**	5,771

c. Other financial assets

Other financial asset consist of the following:

(Amount in SAR)

Other current financial assets	As at December 31, 2023	As at December 31, 2022
Premises security deposit	**505,320**	250,720
Employee advances	**(130,558)**	216,809
Imprest	**11,063**	4,886
Earmarked deposits	**11,813**	-
Total	**397,638**	472,415

Notes forming part of the Financial Statements

d. Trade and other payables

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Trade payables*	**97,766,578**	11,846,038
Accrued expenses	**33,467,076**	9,450,921
Total	**131,233,654**	21,296,959

* Trade payables include balance with related party (refer note number - 15)

No interest is charged on trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

e. Other financial liabilities

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Accrued payroll	**3,501,962**	2,906,300
Capital creditors	**117,675**	-
Total	**3,619,637**	2,906,300

f. Financial instruments by category

The carrying value of financial instruments by categories as of December 31, 2023 is as follows:

(Amount in SAR)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**7,238,315**	**7,238,315**
Trade receivables	**186,303,372**	**186,303,372**
Unbilled receivables	**14,810,285**	**14,810,285**
Other financial assets	**397,638**	**397,638**
	208,749,610	**208,749,610**
Financial liabilities		
Trade and other payables	**131,233,654**	**131,233,654**
Lease liabilities	**3,025,906**	**3,025,906**
Other financial liabilities	**3,619,637**	**3,619,637**
	137,879,197	**137,879,197**

Notes forming part of the Financial Statements

The carrying value of financial instruments by categories as of December 31, 2022 is as follows:

(Amount in SAR)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	21,950,699	21,950,699
Trade receivables	67,206,527	67,206,527
Unbilled receivables	3,054,248	3,054,248
Other financial assets	472,415	472,415
	92,683,889	92,683,889
Financial liabilities		
Trade and other payables	21,296,959	21,296,959
Lease liabilities	6,282,020	6,282,020
Other financial liabilities	2,906,300	2,906,300
	30,485,279	30,485,279

The fair values of financial assets and financial liabilities as at December 31, 2023 and December 31, 2022 approximate the carrying amounts.

g. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rate may have potential impact on the financial statement, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Notes forming part of the Financial Statements

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Company.

The following analysis has been worked out based on the net exposures of the Company.

The following table sets forth information relating to foreign currency exposure as at December 31, 2023:

(equivalent SAR)

	INR	USD	Other
Net financial assets	**166,360**	**16,407,158**	**1,964**
Net financial liabilities	**(15,122)**	**13,374,620**	**(9,314)**

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Saudi Arabia would result in decrease / increase in the Company's profit before taxes by approximately SAR 322,530 for the year ended December 31, 2023.

The following table sets forth information relating to foreign currency exposure as at December 31, 2022:

(equivalent SAR)

	INR	USD	Other
Net financial assets	42,264	6,762,812	13,940
Net financial liabilities	6,658	5,707,947	12,030

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Saudi Arabia would result in decrease / increase in the Company's profit before taxes by approximately SAR 109,238 for the year ended December 31, 2022.

- **Interest rate risk**

  The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was SAR 222,337,068 and SAR 95,939,070 as of December 31, 2023 and December 31, 2022, respectively being the total of the carrying amount of balance with bank, trade receivable, unbilled receivable and other financial assets. Balance with bank is placed with a bank with high credit ratings. As of December 31, 2023, there were no indications that any defaults will occur on trade receivable, unbilled receivables, contract assets or other financial assets.

Notes forming part of the Financial Statements

Details of single customer who contribute to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2023 and December 31, 2022.

(Amount in SAR)

	As at December 31, 2023		As at December 31, 2022	
	Amounts	Percentage	Amounts	Percentage
Customer A	-	-	12,986,953	18%
Customer B	-	-	-	-
Customer C	-	-	-	-
Customer D	**45,908,352**	**21%**	30,848,293	43%
Customer E	-	-	8,911,238	12%
Customer F	**36,397,801**	**17%**	-	-
Customer G	**26,367,088**	**12%**	-	-
Customer H	**24,229,534**	**11%**	-	-

- **Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets is as given below:

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Middle east	**99%**	99%
Others	**1%**	1%

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(Amount in SAR)

December 31, 2023	Weighted average loss rate	Gross carrying amount *	Loss allowance	Credit impaired
No Due	**0.00%**	**68,604,178**	**-**	**No**
1-90	**0.00%**	**38,412,280**	**-**	**No**
91-180	**0.00%**	**18,660,899**	**-**	**No**
181-272	**0.00%**	**11,469,627**	**-**	**No**
273-364	**0.00%**	**3,071,238**	**-**	**No**
365-455	**0.00%**	**-**	**-**	**No**
456-546	**0.00%**	**-**	**-**	**No**
>547	**100.00%**	**-**	**-**	**Yes**

Notes forming part of the Financial Statements

(Amount in SAR)

December 31, 2022	Weighted average loss rate	Gross carrying amount *	Loss allowance	Credit impaired
Not Due	0.00%	5,774,935	-	No
1-90	0.00%	17,105,700	-	No
91-180	0.00%	643,919	-	No
181-272	0.00%	53,286	-	No
273-364	0.00%	-	-	No
365-455	0.00%	-	-	No
456-546	0.00%	-	-	No
>547	100.00%	-	-	Yes

*Gross carrying amount excludes inter-company and retention receivable from customers.

There is no credit risk for intercompany receivables as the receivables are due from Holding company and retention receivable from customers are considered through time value of money.

The above table provides the loss allowance calculated as per ECL and Management is expected to make at the minimum this amount as provision of bad and doubtful debts against trade receivables.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in SAR)

December 31, 2023	Due in 1st year	Due in 2nd to 5th year	Total
Financial Liabilities			
Trade and other payables	**131,233,654**	**-**	**131,233,654**
Lease liabilities	**3,029,144**	**-**	**3,029,144**
Other financial liabilities	**3,619,637**	**-**	**3,619,637**
Total	**137,882,435**	**-**	**137,882,435**

December 31, 2022	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	21,296,959	-	21,296,959
Lease liabilities	3,362,501	3,029,144	6,391,645
Other financial liabilities	2,906,300	-	2,906,300
Total	27,565,760	3,029,144	30,594,904

Notes forming part of the Financial Statements

i. Share capital

The authorised, issued, subscribed and fully paid up share capital consist of the following:

	As at December 31, 2023	As at December 31, 2022
Authorised, issued, subscribe and paid up Share capital		
Share Capital at SR 3,750 (1,000 shares)	**3,750,000**	3,750,000
	3,750,000	3,750,000

Share holding	Percentage	No of Shares	Amount per Share	Total
Tata Consultancy Services Netherlands B.V.	100%	1,000	3,750	3,750,000
				3,750,000

The authorized share capital of the Company is SR 3,750,000 and the number of shares is 1,000 of SR 3,750 each. All such shared rank equally with regard to Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

On Aug 28, 2023, Saudi Desert Rose Holding which held 24% of the Tata Consultancy Services Saudi Arabia, merged with TCS Netherlands B.V. Therefore, Tata Consultancy Services Netherlands B.V., which prior to the aforesaid date held 76% of Tata Consultancy Services Saudi Arabia, now holds 100% of Tata Consultancy Services Saudi Arabia.

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases

Notes forming part of the Financial Statements

with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(Amount in SAR)

	Additions for the year ended December 31, 2023	Net carrying amount as at December 31, 2023
Leasehold building	**-**	**3,517,094**
Office equipment	**-**	**-**
Total	**-**	**3,517,094**

	Additions for the year ended December 31, 2022	Net carrying amount as at December 31, 2022
Leasehold building	-	6,962,800
Office equipment	-	3,384
Total	-	6,966,184

Depreciation on right-of-use asset is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Leasehold building	**3,445,706**	3,452,814
Leasehold improvements	**-**	-
Furniture and fixtures	**-**	-
Office equipment	**3,384**	5,842
Total	**3,449,090**	3,458,656

Notes forming part of the Financial Statements

Set out below are the carrying amounts of lease liabilities and movements during the year:

	As at December 31, 2023	As at December 31, 2022
As at 1 January	**6,282,020**	9,441,669
Additions during the year	**-**	-
Accrued interest	**106,387**	214,851
Payments during the year	**(3,362,501)**	(3,374,500)
As at 31 December	**3,025,906**	6,282,020
Non-current portion	**-**	3,025,906
Current portion	**3,025,906**	3,256,114

Interest on lease liabilities is SAR 106,387 and SAR 214,852 for the year ended on December 31, 2023 and December 31, 2022, respectively.[Refer Note 12(b)]

The Company incurred SAR 8,831,442 and SAR 5,002,155 for the year ended December 31, 2023 and December 31, 2022, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is SAR 9,810,473 and SAR 5,469,049 for the year ended December 31, 2023 and December 31, 2022, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful life (in years)
Computer equipment	Straight line method	4 years
Plant and machinery	Straight line method	10 years
Furniture and fixtures	Straight line method	4 to 10 years
Office equipment	Straight line method	4 to 10 years
Electrical installations	Straight line method	4 to 10 years
Leasehold improvement	Straight line method	Lease period

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.

Notes forming part of the Financial Statements

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Property, plant and equipment is derecognised from the statement of financial position on its disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and is recognised in profit and loss.

Property, plant and equipment consist of the following:

(Amount in SAR)

	Plant and machinery	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at January 1, 2023	**120,000**	**52,145**	**5,508,268**	**226,732**	**1,784,326**	**1,127,412**	**8,818,883**
Additions	**-**	**21,800**	**727,263**	**832,233**	**193,420**	**-**	**1,774,716**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cost as at December 31, 2023	**120,000**	**73,945**	**6,235,531**	**1,058,965**	**1,977,746**	**1,127,412**	**10,593,599**
Accumulated depreciation as at January 1, 2023	**81,041**	**17,382**	**4,859,034**	**56,809**	**1,188,382**	**721,581**	**6,924,229**
Depreciation for the year	**11,975**	**22,975**	**289,061**	**145,876**	**164,375**	**117,880**	**752,142**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation as at December 31, 2023	**93,016**	**40,357**	**5,148,095**	**202,685**	**1,352,757**	**839,461**	**7,676,371**
Net carrying amount as at December 31, 2023	**26,984**	**33,588**	**1,087,436**	**856,280**	**624,989**	**287,951**	**2,917,228**
Capital work-in-progress							**-**
Total							**2,917,228**

	Plant and machinery	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at January 1, 2022	120,000	-	4,774,643	15,950	1,185,465	1,110,319	7,206,377
Additions	-	52,145	733,625	210,782	598,861	17,093	1,612,506
Disposals	-	-	-	-	-	-	-
Cost as at December 31, 2022	120,000	52,145	5,508,268	226,732	1,784,326	1,127,412	8,818,883
Accumulated depreciation as at January 1, 2022	69,041	-	4,657,282	11,973	1,131,425	603,457	6,473,178
Depreciation for the year	12,000	17,382	201,752	44,836	56,957	118,124	451,051
Disposals	-	-	-	-	-	-	-
Accumulated depreciation as at December 31, 2022	81,041	17,382	4,859,034	56,809	1,188,382	721,581	6,924,229
Net carrying amount as at December 31, 2022	38,959	34,763	649,234	169,923	595,944	405,831	1,894,654
Capital work-in-progress							-
Total							1,894,654

Notes forming part of the Financial Statements

b. Intangible assets

Intangible assets purchased including acquired in business combination, are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences and customer-related intangibles.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years
Customer-related intangibles	3 years

Intangible assets are amortised on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

(Amount in SAR)

	Software licences	Others	Total
Cost as at January 1, 2023	**83,494**	**-**	**83,494**
Additions	**-**	**-**	**-**
Disposals	**-**	**-**	**-**
Cost as at December 31, 2023	**83,494**	**-**	**83,494**
Accumulated amortisation as on January 1, 2023	**74,383**	**-**	**74,383**
Amortisation for the year	**8,581**	**-**	**8,581**
Accumulated amortisation as on December 31, 2023	**82,964**	**-**	**82,964**
Net carrying amount as at December 31, 2023	**530**	**-**	**530**

(Amount in SAR)

	Software licences	Others	Total
Cost as at January 1, 2022	83,494	-	83,494
Additions	-	-	-
Disposals	-	-	-
Cost as at December 31, 2022	83,494	-	83,494
Accumulated amortisation as on January 1, 2022	53,510	-	53,510
Amortisation for the year	20,873	-	20,873
Accumulated amortisation as on December 31, 2022	74,383	-	74,383
Net carrying amount as at December 31, 2022	9,111	-	9,111

Notes forming part of the Financial Statements

c. Other current assets

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	**11,196,441**	6,700,704
Contract assets (refer note number 10)	**13,587,462**	3,255,185
Advance to suppliers	**2,885,828**	2,865,828
Prepaid rent	**1,436,066**	251,575
Contract fulfillment costs	**39,734**	156,381
Total	**29,145,531**	13,229,673

Contract fulfilment cost of SAR 44,820 for year ended December 31, 2023 (SAR NIL for the year ended December 31, 2022) has been amortized in statement of Profit and Loss.

d. Other non-current assets

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	**11,320**	-
Total	**11,320**	-

e. Other current liabilities

(Amount in SAR)

	As at December 31, 2023	As at December 31, 2022
Advances from customer	**-**	45,425
Indirect tax payable and other statutory liabilities	**7,400,089**	5,382,537
Total	**7,400,089**	5,427,962

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these

Notes forming part of the Financial Statements

services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Notes forming part of the Financial Statements

The Company has signed an agreement with the branch of Tata Consultancy Services Limited (affiliate) in Saudi Arabia to mutually provide IT Support services at 7% markup on the cost of each party effective from January 2022. In accordance with the agreement the Company has started accounting it as revenue as the agreement meets IFRS 15 criteria to recognise revenue as principal.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from consultancy services	**428,069,248**	234,221,689
Revenue from sale of equipment and software licences	**897,652**	297,323
Total	**428,966,900**	234,519,012

Revenue disaggregation by industry vertical is as follows:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Energy, resources and utilities	**56,825,583**	61,968,656
Manufacturing	**26,295,580**	10,001,455
Banking, financial services and insurance	**103,867,604**	63,926,035
Retail and consumer business	**4,668,693**	3,808,294
Communication, media and technology	**166,522,527**	60,423,610
Governance	**57,091,366**	27,038,146
Others	**13,695,547**	7,352,816
Total	**428,966,900**	234,519,012

Revenue disaggregation by geography is as follows:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Middle east	**426,252,973**	232,906,935
Others	**2,713,927**	1,612,077
Total	**428,966,900**	234,519,012

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has applied practical expedient of not disclosing the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance

Notes forming part of the Financial Statements

obligations is SAR 302,090,147 out of which 73.17% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Movement in contract asset is given below:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**3,255,185**	1,393,939
Invoices raised that were included in the contract assets balance at the beginning of the year	**(3,255,185)**	(1,392,959)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**13,587,604**	3,255,086
Translation exchange difference	**(142)**	(881)
Balance at the end of the year	**13,587,462**	3,255,185

Movement in unearned and deferred revenue is given below:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**372,773**	96,021
Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year	**(372,771)**	(58,019)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**8,190,686**	338,348
Translation exchange difference	**(1)**	(3,577)
Balance at the end of the year	**8,190,687**	372,773

11. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licences, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

Notes forming part of the Financial Statements

Expenses by function

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of revenue	**355,588,103**	185,237,703
Selling, general and administrative expenses	**64,935,068**	43,044,962
Total	**420,523,171**	228,282,665

Break-up of Cost of revenue is as follows:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Employee cost	**223,354,722**	147,696,987
Fees to external consultants	**103,121,197**	20,878,885
Travel expenses	**19,568,620**	10,159,207
Facility expenses	**7,051,614**	4,653,916
Communication	**1,275,415**	1,000,180
Other expenses	**967,125**	691,156
Depreciation	**200,024**	151,030
Cost of equipment and software licenses	**49,386**	6,342
Total	**355,588,103**	185,237,703

Break-up of Selling, general and administrative expenses is as follows:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Employee cost	**49,791,951**	33,518,956
Facility expenses	**6,784,062**	2,886,595
Depreciation	**4,009,789**	3,779,550
Fees to external consultants	**2,571,356**	2,094,169
Travel expenses	**1,699,913**	745,521
Communication	**83,768**	14,400
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**(5,771)**	5,771
Total	**64,935,068**	43,044,962

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include salaries, incentives and allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

Notes forming part of the Financial Statements

(Amount in SAR)

Expenses by nature	For the year ended December 31, 2023	For the year ended December 31, 2022
Fees to external consultants	**105,692,553**	22,973,050
Facility expenses*	**14,391,572**	10,491,651
Communication	**1,359,183**	1,014,580
Travel expenses	**21,268,533**	10,904,729
Other expenses	**(63,841)**	(2,470,912)
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**(5,771)**	5,771
Project expense	**475,070**	210,928
Cost of equipment and software licenses	**49,386**	6,345
Total	**143,166,685**	43,136,142

*Facility expenses includes short term lease expenses amounting SAR 8,831,442 for December 31, 2023 (SAR 5,002,155 for December 31, 2022).

12. OTHER (EXPENSES) / INCOME

a. Finance income

Interest income is recognised using the effective interest method.

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income - bank deposits	**21**	27,538
Total	**21**	27,538

b. Finance costs

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest on lease liabilities	**106,387**	214,852
Other interest expense / (benefit)	**58,273**	(10,000)
Total	**164,660**	204,852

c. Net foreign exchange loss

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Net foreign exchange loss	**42,295**	90,303
Total	**42,295**	90,303

Notes forming part of the Financial Statements

13. INCOME TAXES

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The income tax expense consists of the following:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax		
Current tax expense	**2,671,832**	1,514,838
Deferred tax (credit) / expense	**(1,010,876)**	(338,581)
Total	**1,660,956**	1,176,257

The reconciliation of estimated income tax expense at the Saudi statutory income tax rate to income tax expense reported in statements of profit or loss and other comprehensive income is as follows:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Income before income taxes	**8,236,795**	5,968,730
Income tax rate	**20%**	20%
Expected income tax expense	**1,647,359**	1,193,746
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax pertaining to prior years	**-**	-
Tax effect due to permanent difference	**13,597**	(17,489)
Total income tax expense	**1,660,956**	1,176,257

Notes forming part of the Financial Statements

Income tax movement

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Opening tax liability	**(3,232,578)**	(3,458,331)
Provision for current tax charged to profit and loss	**2,671,832**	1,514,838
Tax paid	**(1,612,874)**	(1,289,085)
Net income tax (assets) / liability	**(2,173,620)**	(3,232,578)

1. The Company has filed its income tax declaration ("return") for and upto the year ended December 31st, 2022 with the Zakat, Tax and Customs Authority ("ZATCA").
2. Management requested the final tax certificate for FY 23 after submission of the tax return of FY 22, which had been issued by the ZATCA valid until April 30th, 2024.
3. During September 2020, ZATCA raised an assessment with additional tax of SAR 3,196,579 plus delay fines for the periods ended 31 March 2017 to 31 March 2019. The Company did not agree with the assessment and has filed an appeal with the ZATCA. Post submission of the appeal, the Company opted to avail the benefit of ZATCA's tax amnesty initiative to waive the delay fines. Accordingly, the Company had accepted the assessment and settled the additional tax claim of SAR 1.32 million (net of the tax over-payment of SAR 1.9 million for the year ended 31 March 2017) and the delay fines have been waived. The case registered with the General Secretariat of Tax Committees (GSTC) has been dismissed.
4. No assessment raised for FY 20, 21, and 22 and there are no outstanding / ongoing assessment with the ZATCA

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2023 are as follows:

(Amount in SAR)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and intangibles	**1,204,346**	**(115,612)**	**-**	**1,088,734**
Provision for employee benefits	**4,559,765**	**1,147,188**	**164,700**	**5,871,653**
Provision for doubtful debts	**1,154**	**(1,154)**	**-**	**-**
Leases	**498,474**	**(19,546)**	**-**	**478,928**
Net deferred tax assets	**6,263,739**	**1,010,876**	**164,700**	**7,439,315**

Gross deferred tax assets and liabilities are as follows:

(Amount in SAR)

	Assets	Liabilities	Net
Deferred tax assets in relation to:			
Property, plant and equipment and intangibles	**1,088,734**	**-**	**1,088,734**
Provision for employee benefits	**5,871,653**	**-**	**5,871,653**
Provision for doubtful debts	**-**	**-**	**-**
Leases	**478,928**	**-**	**478,928**
Net deferred tax assets	**7,439,315**	**-**	**7,439,315**

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2022 are as follows:

(Amount in SAR)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and intangibles	1,358,172	(153,826)	-	1,204,346
Provision for employee benefits	4,311,832	467,419	(219,486)	4,559,765
Provision for doubtful debts	-	1,154	-	1,154
Leases	474,640	23,834	-	498,474
Net deferred tax assets	6,144,644	338,581	(219,486)	6,263,739

(Amount in SAR)

Gross deferred tax assets and liabilities are as follows:	Assets	Liabilities	Net
Deferred tax assets in relation to:			
Property, plant and equipment and intangibles	1,204,346	-	1,204,346
Provision for employee benefits	4,559,765	-	4,559,765
Provision for doubtful debts	1,154	-	1,154
Leases	498,474	-	498,474
Net deferred tax assets	6,263,739	-	6,263,739

IFRIC 23 Interpretation uncertainty over income tax treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

14. EMPLOYEE BENEFITS

Defined benefit plan

The Company operates a defined benefit plan for employees in accordance with Saudi Labor and Workman Law as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements for actuarial gains and losses are recognised in the statement of financial position with a corresponding credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date the Company recognises related restructuring costs

Notes forming part of the Financial Statements

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as actuarially determined liability at the present value of the obligation at the year end.

Employee cost consist of the following:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Salaries & bonus	**240,015,912**	157,454,589
Contributions to provident and other funds	**15,417,875**	12,763,862
Staff welfare	**17,712,886**	10,997,492
Total	**273,146,673**	181,215,943

Employee benefit obligation consist of the following:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Employee benefit obligations - current		
Compensated absences	**14,341,896**	10,514,467
Gratuity liability	**-**	-
Others - Long Services	**26,186**	-
Total	**14,368,082**	10,514,467
Employee benefit obligations - non-current		
Gratuity liability	**18,846,720**	16,131,968
Total	**18,846,720**	16,131,968

Defined benefit plans

Gratuity

In accordance with Saudi Labour Law, the Company operate a scheme of Gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment at an amount equivalent to:-

For service more than 2 years and less than 5 years - 1/3 of retirement benefits

For service more than 5 years and less than 10 years - 2/3 of retirement benefits

For service more than 10 years - Full retirement benefits

There is a vesting period of 2 years for the payment of end of services benefit.

Notes forming part of the Financial Statements

The assumptions used in accounting for the defined benefit plan are set out below:

(Amount in SAR)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Discount rate	**4.80%**	5.10%
Salary escalation rate	**3.63%**	3.63%
Attrition rate	**23.50%**	19.95%
The following table provides a reconciliation from the opening balances to closing balances for defined benefit liability		
Benefit obligations, beginning of the year	**16,138,800**	15,908,300
Included in profit and loss statement		
- Service cost	**3,986,800**	3,509,900
- Interest cost	**772,400**	344,500
Included in other comprehensive income / (loss)		
Loss / (gain) on remeasurement of the net defined benefit liability	**823,500**	(1,097,400)
Benefits paid	**(2,851,100)**	(2,526,500)
Total	**18,870,400**	16,138,800

(Amount in SAR)

Sensitivity Analysis	December 31, 2023	December 31, 2022
Effect of "+0.50" change in rate of discounting	**388,000**	(383,500)
Effect of "-0.50" change in rate of discounting	**(398,900)**	402,700
Effect of "+0.50" change in salary escalation	**(401,500)**	406,500
Effect of "-0.50" change in salary escalation	**388,000**	(390,600)

The sensitivity analysis above 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. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

15. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Saudi Arabia's principal related parties consist of its holding company Tata Consultancy Services Netherlands B.V., the Company's ultimate parent company Tata Consultancy Services Limited and ultimate controlling party Tata Sons Private Limited. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Notes forming part of the Financial Statements

Transactions with related parties

For the year ended December 31, 2023

Particulars	Tata Sons Private Limited, Ultimate Holding Company	Tata Communications (International) Pte Limited, Subsidiary of Ultimate Holding Company	Tata Consultancy Services Deutschland GmbH Subsidiary of Tata Consultancy Services Limited	Tata Consultancy Services Netherlands B.V., Holding Company	Tata Consultancy Services Limited, Parent of Holding Company (India)	Total
Revenue from sale of services and licenses	**-**	**1,935,861**	**-**	**-**	**189,905,014**	**191,840,875**
Purchases of goods and services	**-**	**-**	**450,000**	**-**	**83,619,847**	**84,069,847**
Brand equity contribution	**736,709**	**-**	**-**	**-**	**-**	**736,709**

For the year ended December 31, 2022

Particulars	Tata Sons Private Limited, Ultimate Holding Company	Tata Communications (International) Pte Limited, Subsidiary of Ultimate Holding Company	Tata Consultancy Services Deutschland GmbH Subsidiary of Tata Consultancy Services Limited	Tata Consultancy Services Netherlands B.V., Holding Company	Tata Consultancy Services Limited, Parent of Holding Company (India)	Total
Revenue from sale of services and licenses	-	1,977,945	-	-	121,029,533	123,007,478
Purchases of goods and services	-	-	-	-	19,605,456	19,605,456
Dividend paid	-	-	-	-	-	-
Brand equity contribution	74,264	-	-	-	-	74,264

Balances with related parties

As at December 31, 2023

Particulars	Tata Sons Private Limited, Ultimate Holding Company	Tata Communications (International) Pte Limited, Subsidiary of Ultimate Holding Company	Tata Consultancy Services Deutschland GmbH Subsidiary of Tata Consultancy Services Limited	Tata Consultancy Services Netherlands B.V., Holding Company	Tata Consultancy Services Limited, Parent of Holding Company (India)	Total
Trade receivables	**-**	**338,776**	**-**	**-**	**45,888,813**	**46,227,589**
Trade payables	**810,972**	**-**	**450,000**	**-**	**92,186,777**	**93,447,749**
Prepaid expenses	**-**	**-**	**-**	**-**	**1,528,238**	**1,528,238**
Unbilled receivables	**-**	**126,252**	**-**	**-**	**29,446**	**155,698**
Total	**810,972**	**465,028**	**450,000**	**-**	**139,633,274**	**141,359,274**

Notes forming part of the Financial Statements

As at December 31, 2022

Particulars	Tata Sons Private Limited, Ultimate Holding Company	Tata Communications (International) Pte Limited, Subsidiary of Ultimate Holding Company	Tata Consultancy Services Deutschland GmbH Subsidiary of Tata Consultancy Services Limited	Tata Consultancy Services Netherlands B.V., Holding Company	Tata Consultancy Services Limited, Parent of Holding Company (India)	Total
Trade receivables	-	241,983	-	-	30,828,608	30,828,608
Trade payables	74,264	-	-	-	10,692,008	10,766,272
Prepaid expenses	-	-	-	-	134,950	134,950
Unbilled receivables	-	168,336	-	-	19,508	187,844
Total	74,264	410,319	-	-	41,675,074	42,159,657

- No compensation paid to key managerial personnel for the year ended December 31, 2023.

16. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

TCS Business Services GmbH.

Report
on the Audit
of the Financial Statements
and the Management Report
as of 31 March 2024

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

CONTENTS	PAGE

FINANCIAL STATEMENTS, MANAGEMENT REPORT AND AUDIT OPINION

1 AUDIT ENGAGEMENT

The management of **TCS Business Services GmbH,Düsseldorf,** – hereinafter also referred to as the "Company" or "TBS" – has engaged us to audit the Company's annual Financial Statements – including the accounting records – and the Management Report as of 31 March 2024 and to report on the result of our audit in accordance with professional practice and to report in writing on the results of our audit. This report is addressed to the audited company. The audit engagement dated July 4, 2023, was based on the minutes of the shareholders' meeting on July 3, 2023, at which we were elected as auditor (in accordance with §318 (1) sentence 1 German Commercial Code [HGB]). We accepted the engagement letter dated June 8, 2023.

The Company is a medium-sized Company within the meaning of § 267 (2) HGB. The audit constitutes a statutory audit in accordance with §§ 316 ff. HGB.

In accordance with § 317 German Commercial Code (HGB), we conducted our audit according to German generally accepted standards for the audit of Financial Statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland, "IDW"), as set forth in the IDW Auditing Standards (IDW AuS).

In accordance with § 321 (4a) HGB, we confirm that we observed the applicable independence requirements during our audit of the Financial Statements.

We based the following report on the results of our audit. We observed the audit standard IDW AuS 450 (n.v.) in preparing the audit report.

Section 2 of this report begins with our comments on the management assessment of the situation, findings in accordance with Section 321 (1) sentence 3 HGB and a description of significant changes in legal, economic and tax circumstances of the company. The scope of the audit and the audit results are presented in detail in sections 3 and 4. The unqualified audit opinion, which is based on the audit results, is reproduced in section 5.

We have attached to our report the audited annual financial statements, consisting of the balance sheet (Appendix 1.1), the income statement (Appendix 1.2) and the notes (Appendix 1.3) as well as the audited management report (Appendix 1.4).

The execution of this engagement and our responsibility, also in relation to third parties, are based on the agreed "General Engagement Terms for Wirtschaftsprufer and Wirtschaftsprufungsgesellschaften dated January 1, 2024", which are attached to this report as an appendix. We also refer to the liability provisions contained in section 9 of these terms and to the exclusions of liability towards third parties.

2 BASIC FINDINGS

2.1 Comments on the management assessment of the situation

In accordance with § 321 (1) sentence 2 HGB, an assessment of the position of the Company as expressed in the Financial Statements and in the Management Report prepared by the management shall precede the report. In this assessment, particular emphasis was placed on the going concern assumption and the assessment of the opportunities and risks of the Company's future development as expressed in the Financial Statements and the Management Report, to the extent that the audited documents permitted such an assessment. The Management Report includes the following core statements:

- The year 2023 continued to be influenced by the war in Ukraine and the renewed conflict in the Middle East. The high inflation rate and the rise in interest rates also had an impact. The consequences of the global crises have weighed on the German economy. According to the Federal Statistical Office, gross domestic product recorded a slight decline of - 0.3% in 2023 (previous year: + 1.8%). By contrast, investments in equipment developed positively. They rose by 3.0% in price-adjusted terms compared to 2022. The labor market also remained robust. At 45.9 million, the number of people in employment in Germany in 2023 was higher than ever before.
- According to figures from the industry association Bitkom, the IT sector recorded growth of 2.2% despite the difficult conditions. However, the growth rates of the individual sub-segments are very different. While the volume of hardware business fell by 5.4%, IT services recorded an increase of 5.1% and software sales rose by 9.6%.

- The number of staff employed by the Company decreased from an average of 102 in the financial year 2022/2023 to an average of 92 in the financial year 2023/2024 due to fluctuation. The Company employs all staff in Germany, of which 70 are based in Düsseldorf and 22 in Berlin. All operating costs for these employees, together with all other costs of the Company, are charged in full to TATA Consultancy Services Deutschland GmbH at a mark-up of 7% (cost plus method).
- Sales for the financial year fell by 2,455 kEUR to 14,300 kEUR compared with the financial year 2022/2023. Due to the cost-plus method, revenues are largely dependent on the costs incurred at TCS Business Services GmbH. Due to the decrease in the number of employees and the associated decrease in personnel costs, lower revenues than expected were generated in the financial year. Higher interest income resulted in an increase in net income before taxes. It increased from 424 kEUR to 1,922 kEUR. In 2023/2024, our key financial indicator revenue therefore developed negatively and the financial performance indicator EBIT declined.
- The increase in net income compared with the previous year, is mainly due to increased interest earnings in connection with the discounting of pension provisions.
- Overall, the forecast for fiscal 2022/2023 was achieved. Management considers business performance in 2022/2023 to be satisfactory

These core statements about the Company's financial situation and business performance are discussed in sufficient detail in the Management Report and are understandable in and of themselves; we therefore refer to the Management Report, appended as Appendix 1.4, for further details.

The Management Report prepared by the Company's management includes the following core statements on the **opportunities and risks of the Company's future development:**

- TCS' ability to generate growth and maintain economic momentum is linked to its ability to consistently meet customers' ever-changing business needs and help them transform by deploying new digital technologies in their businesses. The supplier consolidation offers opportunities and new services and solutions such as S4 HANA, public cloud and cybersecurity services and solutions continue to offer good growth opportunities on the market. In addition, new business areas are to be developed, expanded and marketed to both new and existing customers (including German SMEs). Based on current knowledge, TCS assesses the opportunities as medium.
- Here again, reference is made to the risks of TCS. In general, customers' willingness to invest is influenced by the overall economic development in the respective countries or in Europe as a whole, as well as by their confidence in a positive economic development. As the Company generates the majority of its sales in Germany, the development of the German economy is decisive for the Company's growth. Based on current knowledge, the Company considers the risk to be low.
- Based on the cost-plus method, no significant risks are seen here, with the exception of potential interest charges in connection with pension provisions.
- Foreign currency risks arise in particular from the conclusion of transactions in US dollars and other foreign currencies. A weakening of the dollar or other foreign currencies against the euro could therefore lead to foreign currency losses. The risk is considered to be low. The interest rate risks arising from pension commitments are to be offset by covering them with securities.
- At TCS, default and liquidity risks are limited by the selection of customers and close co-operation in payment transactions between sales and administration within the framework of a functioning dunning system. TCS has a solvent and creditworthy customer base. Bad debt losses are the absolute exception. In addition, there is a long-standing cooperation with the majority of customers. In this respect, we consider the financial risk of a liquidity bottleneck, in particular due to possible late payments to us by our sister company TCS, to be low.
- Management does not see any risks that could jeopardize the Company's ability to continue as a going concern.

Based on our assessment of the financial situation of the Company, which we derived on the basis of the findings of our audit of the Financial Statements and of the Management Report - to the extent the audited documents permitted such an assessment - we have concluded that the assessment by the management on the position of the Company, particularly with respect to its ability to continue as a going concern and the opportunities and risks of future development, appears to be realistic. The management assessment of the situation is appropriate in scope and accurate in content.

2.2 Irregularities and violations of statutory provisions

We found no infringements against requirements that were unrelated to accounting.

3 SUBJECT, NATURE AND SCOPE OF THE AUDIT

The subject of our audit were the Financial Statements as of March 31, 2024, (Appendices 1 to 1.3), and the Management Report for the financial year ended March 31, 2024 (Appendix 1.4) as well as the compliance with the respective statutory accounting regulations.

We audited the Management Report to determine whether it is consistent with the Financial Statements as well as with the findings of the audit, whether it complies with the relevant statutory provisions and whether it gives a true and fair view of the Company's position; in doing so, we also audited whether the opportunities and risks of the Company's future development had been accurately depicted. The audit also covered whether the legal requirements for the preparation of the management report have been complied with.

In conducting our audit, we observed the provisions of § 316 ff. HGB and the relevant professional opinions, statements and auditing standards set out in the German Generally Accepted Standards for Financial Statement Audits promulgated by the "Institut der Wirtschaftsprüfer" (IDW).

The audit need not cover whether the Company will continue to operate as a going concern or whether the effectiveness and efficiency of the management is assured.

Company's management is responsible for the accounting records, the preparation of the financial statements and management report, the related controls and the disclosures made to us. Our responsibility is to express an opinion on the documents submitted by the management and the disclosures made within the scope of our audit in accordance with professional standards.

Our audit work was performed from March to April 2024 in our offices. Necessary audit evidence was sent to us digitally via e-mail or was made available for download on a Cloud-Server. During the audit, there where online meetings via a video conference system. The audit was completed on April 22, 2024.

The starting point for our audit were the assets, liabilities and capital accounts carried forward from the Financial Statements for the financial year from April 1, 2022 to March 31, 2023. The Financial Statements from the previous year were audited by us and received an unqualified audit opinion; it was approved unchanged by shareholder meeting on July 3, 2023.

We used the accounting records and supporting documents as well as the company's files and correspondence as audit documents.

The management and the contact persons named by them provided all explanations and evidence.

In accordance with professional practice, the management confirmed in writing in a Company Letter of Representation that the accounting records and the Financial Statements included all assets, liabilities (obligations, risks, etc.), accruals, expenses and income as reflected on the balance sheet, all required disclosures were made, and all existing contingent liabilities were made known to us. According to management's statements there were no other obligations or contingent liabilities requiring disclosure other than those reported in the balance sheet or in the notes to the Financial Statements.

In this report, management has further stated that the Management Report also contains, with regards to expected developments, all aspects essential for the assessment of the situation of the Company as well as the disclosures required pursuant to § 289 HGB.

In conducting our audit, we observed the requirements of §§ 316 ff. HGB and German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW. Those standards require that we plan and perform the audit such that - but without specific focus on an embezzlement check - misstatements materially affecting the presentation of the net assets, financial position and results of operations of the company in accordance with the legal regulations are detected. Our audit did not extend to whether the continuation of the company as a going concern or whether the effectiveness and efficiency of the management is assured (§ 317 [4a] HGB).

Audit planning and planning of our focal points was based on our preliminary appraisal of the position of the Company and the fundamental assessment of the accounting-related internal control system and risk management (risk- and process-oriented audit approach). That appraisal is developed from an assessment of the economic and legal environment in which the Company operates, its objectives, strategies and business risks, which we assessed on the basis of previous year's financial statements as well as discussions with the management and employees of the company.

Based on our risk assessment, the following areas represent the focal points of our audit:

- valuation of financial assets,
- completeness and valuation of other provisions and pension provisions,
- completeness of balance sheet notes, notes and statements made in the Management Report.

The Company has established internal controls in various areas. We obtained an overview of the accounting internal control system and considered the findings of our audit procedures with respect to the internal control system in the further planning of our audit. Due to the transparent nature of the processes, we opted not to audit the functioning of the internal controls. Audit certainty was ensured primarily through individual case reviews.

These comprised plausibility checks and the audit of business transactions and inventories. In accordance with the principle of materiality and the risk of error, our audit procedures were mainly conducted based on samples. The following audit procedures were carried out individually:

Valuation of financial assets

To prepare our impairment test of the financial assets, we obtained securities account statements from the custodian bank and assured ourselves that the Company was indeed the holder of the securities. Additionally, we compared the capitalized book values of these securities to year-end rates for the financial year as well as to up-to-date stock market prices at the date of our audit. This audit yielded no indications of necessary depreciations.

Completeness and valuation of other provisions and pension provisions

The composition and development of other provisions and pension provisions in comparison to the previous year was audited on its completeness based on our acquired understanding of the business activities and through conversations with the management.

We obtained pension surveys from the actuary Lurse Pension & Benefits Consulting GmbH, Hanover, to audit the pension obligations. In addition, we obtained securities account statements from the custodian bank to audit the cover assets and received assurance that the cover assets were barred from distribution to any other creditors and were solely used to fulfil payments resulting from pension obligations. Furthermore, fair value of these securities was compared to year-end rates for the financial year.

We examined the valuation on the basis of the individual statements and calculation documents of the company. We also examined contracts with customers for unrecognized provisions.

Completeness of balance sheet notes, notes and statements made in the Management Report

The completeness of notes to the balance sheet, notes and statement of the Management Report was verified through interviewing the management and employees of the Company as well as examined against the background of our other audit procedures. We placed particular emphasis on verifying the correct attribution of balance sheet items and on the measurement and collateral security of the contingent liabilities.

Additional auditing procedures

Receivables and liabilities towards affiliated companies have been agreed with the companies concerned as of March 31, 2024. Where relevant, deviating balance confirmations were clarified as part of our audit.

To match the balances with banks we gathered a bank statement as of March 31, 2024. Additionally, we checked the bank balance confirmation as of March 31, 2024, during our audit procedures to ensure the completeness of the notes to the balance sheet with regards to collaterals and contingent liabilities.

To audit the assets and liabilities, we reviewed excerpts from the commercial register, delivery and service contracts as well as other business records. We have requested confirmations from the Company's lawyers on pending legal disputes. We also requested a confirmation by the Company's tax consultant relating to possible tax risks.

The management has provided us with all the information and evidence requested. On April 22, 2024, the management confirmed in writing in a Company Letter of Representation that the accounting records and the Financial Statements as per March 31, 2024, included all assets, liabilities (obligations, risks, etc.), accruals, expenses and income as reflected on the balance sheet, all required disclosures were made, and all existing contingent liabilities were made known to us. According to management's statements there were no other obligations or contingent liabilities as per March 31, 2024, requiring disclosure other than those reported in the balance sheet or in the notes to the Financial Statements.

The management has further stated that the Management Report also contains, with regards to expected developments, all aspects essential for the assessment of the situation of the Company as well as the disclosures required pursuant to § 289 HGB. No events of particular significance occurred after the end of the financial year according to this declaration and none came to our attention during our audit.

Based on a preliminary assessment of the internal controls system, we applied the principles of materiality and efficiency when determining the further audit procedures. Both the analytical audit procedures and individual case reviews were therefore performed in selected samples according to type and scope, taking into account the significance of the audit areas and the organization of the accounting system. The samples were selected in such a way that they take into account the economic significance of the individual items in the annual financial statements and enable compliance with the statutory accounting requirements to be sufficiently verified.

4 FINDINGS AND EXPLANATIONS REGARDING THE ACCOUNTING

4.1 Conformity of the Financial Statements with legal requirements

4.1.1 Accounting records and other documents audited

The internal control system established by the Company for accounting purposes is consistent with the business purpose and the scope of business is adequately regulated with regards to the organisation and control of processes. The accounting processes did not undergo any significant organizational changes in the reporting period.

For the accounting software used by the Company, "DATEV Kanzlei-Rechnungswesen", issued by DATEV eG, Nuremberg, there exists a software certificate pursuant to IDW AuS 880 issued by the auditing company Ernst & Young GmbH, Munich, dated February 28, 2023. According to this certificate, the software complies with the generally accepted accounting principles and allows for accounting procedures in accordance with these principles. In the course of our audit, we did not detect any issues that negate this finding. The additionally used accounting software constitutes a simple IT-system. We therefore abstained from a detailed system audit.

The organization of the Company's accounting and accounting-related internal control system enables the complete, correct, timely and orderly recording and posting of business transactions. The chart of accounts is clear and well-arranged. The vouchers are compliant with our audited previous years balances and conclusive throughout the financial year.

In our opinion, the accounting and additionally audited records and the other documents comply in all material matters with legal requirements, including the generally accepted accounting principles (or other relevant accounting principles). The audit did not give rise to any objections.

4.1.2 Financial Statements

The Company is a medium-sized Company within the meaning of § 267 (2) HGB. These annual financial statements as at March 31, 2024 were prepared in accordance with the applicable commercial law provisions for medium-sized companies.

The balance sheet and income statement have been properly derived from the accounting records and the other audited documents. The balance sheet (Appendix 1) is structured in accordance with the format of § 266 (2) and (3) HGB. The income statement (Appendix 1.2) was prepared using the total cost method in accordance with § 275 (2) HGB.

In instances where various presentation options are available for the balance sheet or income statement, the related disclosures are provided in the notes.

The notes to the Financial Statements comply with the legal requirements and include all necessary presentations, classifications, explanations, and justifications with regard to the evidence, preparation of the balance sheet, and the appraisal of the individual items of the balance sheet and the income statement as well as the other necessary information.

Pursuant to § 286 para. 4 HGB, the Company has abstained from declaring the remuneration of the board members. We confirm that the Company complies with the legal requirements necessary to claim this exemption.

In our opinion, the annual financial statements therefore comply in all material respects with the legal requirements, including generally accepted accounting principles. The audit did not give rise to any objections.

4.1.3 Management Report

The Management Report for the financial year 2023/2024 includes all required components pursuant to § 289 HGB. Concerning the Management Report appended as Appendix 1.4 we have determined the following:

- Concordant with our findings, the business performance and the position of the Company are accurately portrayed; the Management Report is consistent with the Financial Statements and the findings of our audit.
- The Management Report complies with the statutory requirements.
- The Management Report gives a true and fair view of the Company's position.
- The Management Report accurately portrays the material risks and opportunities of future developments.

Please refer also to Appendix 1.4 for information about the Company's position from the management.

4.2 Overall picture conveyed by the Financial Statements

4.2.1 Economic background

The Company's core business is the provision of services in all areas of information technology, corporate management, digital data processing, consultancy either for one's own account or for account of another or in cooperation with third parties, including the support of research and development as well as distribution, development and maintenance of computer equipment, products, software and hardware as well as distribution of software licences of all sorts nationally and internationally. Currently, the Company is solely providing services to Tata Consultancy Services Deutschland GmbH (TCS). These services are billed using the cost-plus-method.

4.2.2 Findings regarding the overall picture conveyed by the Financial Statements

In our opinion, based on the findings of our audit, the Financial Statements as of March 31, 2024, consisting of the balance sheet, income statement and the notes to the Financial Statements, provide an overall true and fair view of the Company's net assets, financial position and results of operations in accordance with the generally accepted accounting principles (§ 264 [2] HGB).

4.2.3 Measurement bases and grooming transactions

The Company retained the accounting and measurement methods used for the items of the balance sheet and the income statement of the previous year. In order to maintain continuity with the previous year, the accounting and measurement options were not exercised again.

For the presentation of the measurement bases and other transactions not included in the balance sheet, please refer to the notes to the Financial Statements provided by the management as appended in Appendix 1.3.

During our audit, we also found no evidence of one-sided application of margins of discretion for the purpose of a targeted manipulation of the results for the financial year or of grooming transactions taken which would have resulted in accounting differing from the economic situation.

4.3 Analysis of the Company's economic position

Because of the transparency of the annual Financial Statements and the additional explanations and breakdowns in the Management Report, we have abstained from explanations and breakdowns on items of the Financial Statements and an analysis of the assets, financial and profit situation in accordance with the order.

5 REPRODUCTION OF AUDIT OPINION AND SIGNATURE OF AUDIT REPORT

Upon completion of our audit, we issued the following unqualified audit opinion for the balance sheet, statement of income and notes to the Financial Statements (appended as Appendices 1.1 to 1.3) as well as for the Management Report (appended as Appendix 1.4) for the financial year from April 1, 2023, to March 31, 2024, of Financial Statements of TCS Business Services GmbH, Düsseldorf, as of March 31, 2024:

Independent auditor's report

To TCS Business Services GmbH, Düsseldorf:

Audit opinion

We have audited the annual Financial Statements of TCS Business Services GmbH, Düsseldorf, which comprise the balance sheet as of March 31, 2024, the statement of income and the notes to the Financial Statements. In addition, we have audited the Management Report of TCS Business Services GmbH, Düsseldorf, for the financial year from April 1, 2023, to March 31, 2024.

In our opinion, based on the knowledge obtained in the audit,

- the accompanying Financial Statements comply, in all material aspects, with the requirements of German commercial law as applicable to corporations and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Company as of March 31, 2024 and of its financial performance for the financial year from April 1, 2023, to March 31, 2024, and
- the accompanying Management Report as a whole provides an appropriate view of the Company's position. In all material aspects, this Management Report is consistent with the Financial Statements, complies with German legal requirements and appropriately presents the opportunities and risks of future developments.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the Financial Statements and of the Management Report.

Basis for the audit opinion

We conducted our audit of the Financial Statements and of the Management Report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements and on the Management Report.

Responsibilities of the management for the Financial Statements and the Management Report

The management is responsible for the preparation of the Financial Statements that comply, in all material aspects, with the requirements of German commercial law as applicable to corporations and that the Financial Statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Company. In addition, the management are responsible for such internal controls as they have determined necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matter related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the management is responsible for the preparation of the Management Report that, as a whole, provides an appropriate view of the Company's position and is, in all material aspects, consistent with the Financial Statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future developments. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Management Report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Management Report.

Auditor's Responsibilities for the Audit of the Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and whether the Management Report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the Financial Statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future developments, as well as to issue an auditor's report that includes our audit opinion on the Financial Statements and the Management Report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements and this Management Report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the Financial Statements and of the Management Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the Financial Statements and of the arrangements and measures (systems) relevant to the audit of the Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by the management and related disclosures.
- Conclude on the appropriateness of the management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Financial Statements and in the Management Report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements present the underlying transactions and events in a manner that the Financial Statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the requirements of the German commercial law.
- Evaluate the consistency of the Management Report with the Financial Statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the management in the Management Report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

The audit opinion was issued by the signatories of this audit report on April 22, 2024. IDW AuS 400 (n. v.) "Principles for audit opinions of Financial Statements" was observed in issuing the audit opinion.

We issue the above audit report on the Financial Statements and the Management Report as of March 31, 2024, of TCS Business Services GmbH, Düsseldorf, in compliance with the statutory regulations as well as IDW AuS 450 (n. V.) Generally accepted standards for the issuance of long form audit reports for the audits of Financial Statements.

The audit report was signed as follows in accordance with § 321 (5) HGB and § 32 German Public Accountants Act:

Düsseldorf, April 22, 2024

NIEHAUSPARTNER Treuhand GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Enck	**Evers**
German Public Auditor	German Public Auditor
(Wirtschaftsprüfer)	*(Wirtschaftsprüfer)*

Balance Sheet

	(EUR) As at March 31, 2024	(kEUR) As at March 31, 2023
ASSETS		
A. Fixed assets		
I. Tangible fixed assets		
1. Other equipment, operating and office equipment	**24,975.84**	32
	24,975.84	32
II. Long-term financial assets	**6,000,000.00**	6,000
Securities kept as fixed assets	**6,024,975.84**	6,032
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	**9,403,513.02**	10,355
2. Other assets	**825,029.15**	28
	10,228,542.17	10,383
II. Cash and bank balances	**238,951.69**	447
	10,467,493.86	10,830
C. Prepaid expenses	**22,873.32**	110
D. Asset excess resulting from the offsetting of assets with provisions	**175,223.48**	0
	16,690,566.50	**16,972**
EQUITY AND LIABILITIES		
A. Equity		
I. Subscribed capital	**25,000.00**	25
II. Accumulated profit brought forward	**593,326.98**	1,113
III. Net income/loss	**1,622,072.91**	-520
	2,240,399.89	618
B. Provisions		
1. Provisions for pensions and similar obligations	**8,373,452.29**	9,473
2. Tax provision	**1,805,637.59**	1,827
3. Other provisions	**3,418,285.15**	3,881
	13,597,375.03	15,181
C. Liabilities		
1. Trade payables	**672,238.58**	18
2. Other liabilities	**180,553.00**	1,155
- of which taxes: 146,631.40 EUR (Previous year: 1,088 kEUR)		
- of which relating to social security: 13,177.15 EUR (Previous year: 13 kEUR)		
- of which residual maturity of up to one year: 180,553.00 EUR (Previous year: 1,156 kEUR)		
	852,791.58	1,173
	16,690,566.50	16,972

Income Statement

		(EUR) Year ended March 31, 2024	(kEUR) Year ended March 31, 2023
1.	Sales	**14,299,835.21**	16,755
2.	Other operating income	**14,362.99**	23
	- of which generated from currency conversion: 14,238.29 EUR (Previous year: 23 kEUR)		
3.	**Gross profit**	**14,314,198.20**	16,778
4.	Personnel expenses:		
	a) Wages and salaries	**9,847,520.27**	10,522
	b) Social security, post-employment and other employee benefit costs	**1,698,514.91**	3,300
	- of which post-employment: 253,394.23 EUR (Previous year: 2,435 kEUR)		
		11,546,035.18	13,822
5.	Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	**29,374.15**	26
6.	Other operating expenses	**1,803,285.63**	1,782
	- of which expenses from currency conversion: 2.57 EUR (Previous year: 38 kEUR)		
7.	**Operating profit**	**935,503.24**	1,148
8.	Other interest and similar income	**986,305.86**	27
	- of which interest income from discounting provisions:		
	- 344,554.00 EUR (Previous year: 0 kEUR)		
9.	Other interest and similar expenses	**3.10**	751
	- of which interest expenses from accumulation of pension provisions 0.00 EUR (Previous year: 296 kEUR)		
10.	**Financial result**	**986,302.76**	-724
11.	Taxes on income	**299,733.09**	944
	- of which expenses from increases to and dissolution of deferred taxes: 0.00 EUR (Previous year: 0 kEUR)		
12.	**Result after tax**	**1,622,072.91**	-520
13.	**Net loss/income**	**1,622,072.91**	-520

Notes forming part of the Financial Statements

I. GENERAL INFORMATION ON THE COMPANY

The registered office TCS Business Services GmbH is in Düsseldorf. It is registered in the Commercial Register of the Local Court (Amtsgericht) in Düsseldorf under HRB 84792.

II. GENERAL INFORMATION ON THE CONTENT AND PRESENTATION OF THE FINANCIAL STATEMENTS

The Company is a medium-sized Company within the meaning of § 267 (2) HGB.

The Financial Statements of TCS Business Services GmbH were compiled while maintaining the classification and valuation principles of the previous year in accordance with the legal requirements for medium-sized companies by the German Commercial Code (HGB). Additionally, the provisions of the Limited Liability Act (GmbHG) were adhered to. The income statement was prepared according to the nature of expense method.

III. ACCOUNTING POLICIES

The Financial Statements contain all assets, liabilities, deferred items, expenses and income in compliance with legal requirements. Items on the assets side were not offset with items from the liabilities side, expenses were not offset with income unless this was explicitly required pursuant to § 246 German Commercial Code.

The opening entries of the opening balance sheet were properly transferred from the previous years' statement. The valuation was based on the assumption of the Company's ability as a going concern. Assets and liabilities were valued individually.

Assets and liabilities were measured prudently, i.e. all foreseeable risks and losses which have occurred by the balance sheet date were taken into consideration, even if these only become known between the balance sheet date and the date of the preparation of the Financial Statements. Income was only recognized if it was realised ahead of the reporting date. Expenses and income of the financial year were recognized regardless of the date of payment.

Property, plant and equipment are measured at cost less scheduled straight-line depreciation and unscheduled impairment losses if permanent impairment is expected. Scheduled straightline depreciation is measured based on the estimated operating lifespan. Tangible assets have an estimated lifespan of four years.

Financial assets were measured at cost or at a lower market value in case of expected permanent impairment.

Receivables and other assets are measured at acquisition costs. Recognizable individual risks as well as the risks of receivables default are recognized through value adjustments. Cash and cash equivalents are measured at face value.

Expenditures/income before the balance sheet date, insofar as they constitute costs/revenue for a period following this date, are presented as deferred items.

Provisions made for uncertain liabilities regarding pension obligations were estimated based on prudent commercial assessment with their probable settlement value which also accounts for expected wage developments. Provisions were made based on the projected unit credit method (PUC). Calculations were based on the guideline tables 2018 G of Dr. Heubeck. Provisions were discounted based on the average market interest rate annual for the last ten years of 1.8 per cent (Previous year: 1.8 per cent). According to historical experience, pension adjustments of 2.00 per cent, wage adjustments of 3.5 per cent as well as a rise of the upper limit for social security expenses of 2.5 per cent were considered.

Profit effects resulting from changes in the applied actuarial interest rate were shown within the personnel costs.

Assets that solely serve for fulfilment of pension obligations and cannot be seized by any other creditors were measured at fair value (cover assets). Income and expenditures from these assets were netted with the expenses resulting from provisions compounding. Additionally, these assets were charged against their underlying obligations. As this yields an obligation surplus at the balance sheet date, the result is shown with the provisions for pensions.

Provisions for taxation and other provisions which are uncertain regarding their value and/or their date of occurrence were measured on the basis of prudent commercial assessment at the expected settlement amount for these uncertain liabilities.

Current liabilities are reported with their repayment or settlement amount.

Notes forming part of the Financial Statements

Assets and liabilities in foreign currencies with maturity dates of less than a year were measured based on the mean spot exchange rate of the balance sheet date. All other assets and liabilities were measured either at the exchange rate on the date of invoicing or the higher mean spot exchange rate of the balance sheet date.

Deferred taxes were recognized for amounts resulting from temporary differences between the amounts shown in the commercial balance sheet and the tax balance sheet if these differences are expected to scale down in the following fiscal years. An overall resulting tax burden is shown as deferred tax liabilities in the balance sheet. In case of an overall resulting tax relief, the company does not apply the optional capitalization pursuant to § 274 (1) sentence 2 German Commercial Code.

Pursuant to § 273 (1) sentence 3 German Commercial Code, deferred taxes are shown without offsetting.

IV. EXPLANATORY NOTES ON THE BALANCE SHEET

The developments of the individual items of the fixed assets are shown in the statement of movements in fixed assets (gross).

Receivables from affiliated companies result exclusively from receivables for deliveries and services.

Within the other assets, an amount of 28 kEUR (Previous year: 26 kEUR) has a maturity date of more than a year.

The amounts barred from distribution pursuant to § 268 (8) German Commercial Code amount to 1,478 kEUR and are composed of 207 kEUR for covering of long-term work accounts and of 1,271 kEUR for covering pension obligations. The amounts barred from distribution therefore solely result from the capitalization of covering amounts at fair value.

From the discounting of provisions for pensions at the average market interest rate of the last ten years in comparison to the discounting at the average market interest rate of the last seven years results a difference of 132 kEUR. This difference is barred from distribution pursuant to § 253 (6) sentence 2 German Commercial Code.

The overall amount barred from distribution amounts therefore to 1,610 kEUR.

For netting liabilities from pension obligations with amounts for cover assets, the following amounts were determined:

Settlement amount of liabilities: 18,027 kEUR

Acquisition costs of the netted assets: 8,383 kEUR

Netted assets at fair value: 9,654 kEUR

Netted expenses: 1,009 kEUR

The amount at fair value results from the end of day stock market price for the securities of the cover assets on the balance sheet date and was measured on the basis of securities account statements.

Other provisions (3,418 kEUR) essentially comprise provisions for bonus payments (1,960 kEUR), anniversary bonuses (998 kEUR), vacation payments (200 kEUR) and for overdue receivables (117 kEUR).

As in the previous year, all liabilities will be due within one year.

Liabilities to affiliated companies comprise solely of trade payables.

Deferred tax balances for the financial year have developed as follows:

	At the beginning of the financial year	Change	At the end of the financial year
Deferred tax assets	**3,760,300.00**	**453,500.00**	3,306,800.00
Deferred tax liabilities	**2,353,400.00**	**-136,200.00**	2,217,200.00

In accordance with § 274 (1), the resulting tax reduction is not recognized as tax asset in the balance sheet.

Notes forming part of the Financial Statements

V. EXPLANATORY NOTES ON THE INCOME STATEMENT

Other operating income in the amount of 14 kEUR (Previous year: 23 kEUR) comprises solely of income from foreign currency translation.

Other operating expenses contain expenses from foreign currency translation in the amount of 0 kEUR (Previous year: 38 kEUR).

The amount of other interest and similar expenses contains expenses resulting from provisions compounding for pension obligations in the amount of 345 kEUR. In the previous year, income resulting from provisions compounding for pension obligations in the amount of 296 kEUR was shown in other interest and similar income.

The transition from net losses to net profit is calculated as follows:

Net income	**1,622 kEUR**
+Accumulated profit brought forward	**593 kEUR**
= Net profit	**2,215 kEUR**

VI. OTHER DISCLOSURES

Other financial obligations

As of 31 March 2023, the other financial obligations amount to 802 kEUR.

Members of the Company's executive bodies

During the financial year, the Company's business activities were managed by the following individuals:

Sapthagiri Chapalapalli

Pradeep Gaitonde

Mr. Sapthagiri Chapalapalli is responsible for Sales and Mr. Pradeep Gaitonde is responsible for Accounting and Finance. Mr. Sapthagiri Chapalapalli is employed by Tata Consultancy Services Deutschland and Mr. Pradeep Gaitonde is employed by Tata Consultancy Services Limited, India.

The Company made use of the protection clause pursuant to § 286 (4) German Commercial Code.

Average number of employees during the financial year

The total average number of employees amounts to 92 (Previous year: 102). The Company has only salaried employees.

Parent company

Tata Consultancy Services Limited, Mumbai, India, prepares the consolidated financial statement for the smallest group of companies and Tata Sons Limited, Mumbai, India, prepares the consolidated financial statements for the largest group of companies, into which Tata Consultancy Services Deutschland GmbH is respectively included.

The consolidated financial statements can be obtained from Bombay House, Mumbai, India.

The consolidated financial statements of Tata Consultancy Services Limited, Mumbai, India, are published under the register number 11-84781 and the consolidated financial statements of Tata Sons Limited, Mumbai, India, are published under the register number 478.

Düsseldorf, April 22, 2024

S. Chapalapalli
(Managing Director)

P. Gaitonde
(Managing Director)

Notes forming part of the Financial Statements

STATEMENT OF MOVEMENTS IN FIXED ASSETS (GROSS) AS OF 31 MARCH 2024

	Costs	Additions	Disposals	Reclassifications	Costs	Accumulated amortization, depreciation and write-downs	Disposals	Amortization, depreciation and write-downs during the financial year	Accumulated amortization, depreciation and write-downs	Book value	Book value
	01.04.2024				31.03.2024	01.04.2023			31.03.2024	31.03.2024	31.03.2023
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Tangible fixed assets											
1. Other equipment, operating and office equipment	103,528.92	22,400.00	1,243.76	0.00	124,685.16	71,221.13	885.96	29,374.15	99,709.32	24,975.84	32,307.79
Tangible fixed assets	**103,528.92**	**22,400.00**	**1,243.76**	**0.00**	**124,685.16**	**71,221.13**	**885.96**	**29,374.15**	**99,709.32**	**24,975.84**	**32,307.79**
II. Long-term financial assets											
Securities kept as fixed assets	6,000,000.00	0.00	0.00	0.00	6,000,000.00	0.00	0.00	0.00	0.00	6,000,000.00	6,000,000.00
Financial assets	**6,000,000.00**	**0.00**	**0.00**	**0.00**	**6,000,000.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6,000,000.00**	**6,000,000.00**
	6,103,528.92	**22,400.00**	**1,243.76**	**0.00**	**6,124,685.16**	**71,221.13**	**0.00**	**29,374.15**	**99,709.32**	**6,024,975.84**	**6,032,307.79**

MANAGEMENT REPORT FOR THE BUSINESS

I. COMPANY PROFILE

1. Business Model

The Company operates in the information technology market. It provides services in the areas of management consulting and software development. It currently provides services exclusively for Tata Consultancy Services Deutschland GmbH (TCS), which is charged using the cost-plus method.

2. Human Resources

The number of staff employed by the Company decreased from an average of 102 in the financial year 2022/2023 to an average of 92 in the financial year 2023/2024 due to fluctuation. The Company employs all staff in Germany, of which 70 are based in Düsseldorf and 22 in Berlin. All operating costs for these employees, together with all other costs of the Company, are charged in full to TATA Consultancy Services Deutschland GmbH at a mark-up of 7% (cost plus method).

II. ECONOMIC REPORT

1. General economic conditions and industry environment

The year 2023 continued to be influenced by the war in Ukraine and the renewed conflict in the Middle East. The high inflation rate and the rise in interest rates also had an impact.

The consequences of the global crises have weighed on the German economy. According to the Federal Statistical Office, gross domestic product recorded a slight decline of - 0.3% in 2023 (previous year: + 1.8%). By contrast, investments in equipment developed positively. They rose by 3.0% in price-adjusted terms compared to 2022. The labor market also remained robust. At 45.9 million, the number of people in employment in Germany in 2023 was higher than ever before.

According to figures from the industry association Bitkom, the IT sector recorded growth of 2.2% despite the difficult conditions. However, the growth rates of the individual sub¬segments are very different. While the volume of hardware business fell by 5.4%, IT services recorded an increase of 5.1% and software sales rose by 9.6%.

2. Business Performance

Sales for the financial year fell by 2,455 kEUR to 14,300 kEUR compared with the financial year 2022/2023. Due to the cost-plus method, revenues are largely dependent on the costs incurred at TCS Business Services GmbH. Due to the decrease in the number of employees and the associated decrease in personnel costs, lower revenues than expected were generated in the financial year. Higher interest income resulted in an increase in net income before taxes. It increased from 424 kEUR to 1,922 kEUR. In 2023/2024, our key financial indicator revenue therefore developed negatively and the financial performance indicator EBIT declined.

The increase in net income compared with the previous year, is mainly due to increased interest earnings in connection with the discounting of pension provisions.

Overall, the forecast for fiscal 2022/2023 was achieved. Management considers business performance in 2022/2023 to be satisfactory.

3. Assets, liabilities, financial position and financial performance

<u>Financial performance</u>

Sales decreased from 16,755 kEUR to 14,300 kEUR. Due to the cost-plus method used, it is not possible to analyze sales by product and/or region. Rather, the decrease is mainly attributable to lower personnel expenses and material expenses. In addition, the net loss for the year is mainly influenced by increased interest expenses for additions to pension provisions, as the cost-plus method only relates to earnings before interest and taxes (EBIT).

kEUR

	As at March 31, 2024	As at March 31, 2023
Earnings after taxes	**1,622**	(520)

MANAGEMENT REPORT FOR THE BUSINESS

The development of the main types of expenses in relation to total output is shown below:

	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
	%	%
Personnel expenses	**81**	82
Other operating expenses	**13**	11

Financial position

Compared to March 31, 2023, cash and cash equivalents decreased from 447 kEUR to 239 kEUR. The development of cash and cash equivalents is largely dependent on the Group's internal liquidity management. The Company was able to meet its payment obligations at all times in the year under review.

Cash flow from operating activities increased from 433 kEUR in the 2022/2023 financial year to 472 kEUR in the 2023/2024 financial year. This is mainly due to the decrease in receivables from affiliated companies.

All liabilities and accruals (with the exception of pension accruals) have a short-term maturity. They account for 36.4% of the balance sheet total.

The Company reports positive net working capital of 4,363 kEUR (previous year: 3,923 kEUR). Net working capital comprises inventories, cash and cash equivalents, current receivables and other assets less current provisions and liabilities.

Assets and liabilities

Assets decreased by 282 kEUR to 16,691 kEUR compared to March 31, 2023, mainly due to the decrease in receivables from affiliated companies.

The range of trade receivables (receivables * 360 / sales) has increased from 222 days in the previous year to 237 days in the current fiscal year. Management does not see any impairment risks, as the trade receivables are exclusively due from a solvent sister company.

Compared to March 31, 2023, equity increased by 1,622 kEUR to 2,240 kEUR. The equity ratio amounts to 13.4% (previous year: 3.6%). The increase in the equity ratio results from the net loss for the year.

Provisions (13,597kEUR) mainly comprise provisions for pensions (8,373 kEUR), bonus payments (1,960 kEUR), anniversary payments (998 kEUR), vacation (200 kEUR), outstanding invoices (117 kEUR) and tax provisions (1,806 kEUR).

The decrease of 975 kEUR in other liabilities compared with the previous year is mainly due to VAT liabilities. This is mainly due to decrease in revenue.

III. FORECAST, OPPORTUNITIES AND RISKS

1. Forecast

Expected general economic conditions and industry environment

In its spring forecast for 2024, the Kiel Institute for the World Economy (IfW) predicts only a moderate increase in the global economy of 2.8% measured on a purchasing power parity basis and 3.1% for 2025. The IfW forecasts only a modest increase in economic activity for China due to structural problems, whereas India is seen as the driving force with growth rates of 7.0%. The IfW also sees the presidential elections in the United States as a major source of uncertainty. An escalation of trade conflicts would have a negative impact on global economic activity.

In its spring forecast, the IfW predicts a moderate recovery for the German economy only after the spring and even a contraction in the winter half-year. The institute expects gross domestic product to increase by just 0.1% in 2024 and 1.2% in 2025. This is 0.8% less than expected in the winter forecast. The institute sees the reasons for this as a delayed and less dynamic recovery in private consumption and weak investments. The decline in inflation, which is estimated at 2.3% for 2024 and 1.7% for 2025, is seen as positive. Despite the weak economic momentum, the unemployment rate is expected to remain low (5.8% for 2024 and 5.6% for 2025). The IfW assumes that the number of people in employment will rise again this year before declining due to demographic change.

MANAGEMENT REPORT FOR THE BUSINESS

Business expectations in the digital economy are more optimistic again at the end of the first quarter of 2024 and also significantly more confident than those of the economy as a whole. According to surveys conducted by Bitkom in March, IT and telecommunications companies assess the current business situation as better than in February. With an increase of 1.2 points to 15.5 points, the index for the current business situation is above the previous month's value for the first time since July 2023. Business expectations for the rest of the year have improved even more significantly compared to February. According to calculations by Bitkom and the ifo Institute, the digital index, which reflects the current business situation and business expectations for the next three months, stood at 6.4 points in March, 4.8 points higher than in February.

Outlook for the company

All operating risks are borne by TCS, as the company uses the cost-plus method of accounting based on EBIT. With regard to the number of employees, a further slight decrease in the number of employees is expected. The development of the Company is thus largely dependent on the development of costs as well as on the development of TCS. Therefore, the forecast of TCS is discussed in the following:

In order to achieve growth above the industry average in fiscal year 2024/25 and in subsequent years, management plans to position its services and solutions with new customers and to develop new business areas with existing customers, in line with the above approach. In Germany, investments were made in the TCS Enterprise Cloud and in digital services. Both areas offer the company meaningful opportunities to develop new services and solutions. The Company plans to continue to target the SME segment in Germany, which has proven successful and will be further expanded.

Based on the current forecasts for the company, we expect our key figures for sales and EBIT to continue at the current level with a corresponding impact on operating profit in 2024/2025.

2. Risk report

Industry-specific risks

Here again, reference is made to the risks of TCS. In general, customers' willingness to invest is influenced by the overall economic development in the respective countries or in Europe as a whole, as well as by their confidence in a positive economic development. As the Company generates the majority of its sales in Germany, the development of the German economy is decisive for the Company's growth. Based on current knowledge, the Company considers the risk to be low.

Income-related risks

Based on the cost-plus method, no significant risks are seen here, with the exception of potential interest charges in connection with pension provisions.

Financial risks

Foreign currency risks arise in particular from the conclusion of transactions in US dollars and other foreign currencies. A weakening of the dollar or other foreign currencies against the euro could therefore lead to foreign currency losses. The risk is considered to be low. The interest rate risks arising from pension commitments are to be offset by covering them with securities.

Reference is again made here to the financial risks of TCS:

At TCS, default and liquidity risks are limited by the selection of customers and close cooperation in payment transactions between sales and administration within the framework of a functioning dunning system. TCS has a solvent and creditworthy customer base. Bad debt losses are the absolute exception. In addition, there is a long-standing cooperation with the majority of customers. In this respect, we consider the financial risk of a liquidity bottleneck, in particular due to possible late payments to us by our sister company TCS, to be low.

Management does not see any risks that could jeopardize the Company's ability to continue as a going concern.

MANAGEMENT REPORT FOR THE BUSINESS

3. Opportunities

TCS forecasts are again used for the opportunities report:

TCS' ability to generate growth and maintain economic momentum is linked to its ability to consistently meet customers' ever-changing business needs and help them transform by deploying new digital technologies in their businesses. The supplier consolidation offers opportunities and new services and solutions such as S4 HANA, public cloud and cyber¬security services and solutions continue to offer good growth opportunities on the market. In addition, new business areas are to be developed, expanded and marketed to both new and existing customers (including German SMEs). Based on current knowledge, TCS assesses the opportunities as medium.

Frankfurt am Main, April 22, 2024

S. Chapalapalli
(Manager)

Pradeep Gaitonde
(Manager)

ALLGEMEINE AUFTRAGSBEDINGUNGEN

1. GELTUNGSBEREICH

(1) Die Auftragsbedingungen gelten für Verträge zwischen Wirtschafts- prüferinnen, Wirtschaftsprüfern oder Wirtschaftsprüfungsgesellschaften (im Nachstehenden zusammenfassend „Wirtschaftsprüfer" genannt) und ihren Auftraggebern über Prüfungen, Steuerberatung, Beratungen in wirtschaftlichen Angelegenheiten und sonstige Aufträge, soweit nicht etwas anderes ausdrücklich in Textform vereinbart oder gesetzlich zwingend vorgeschrieben ist.

(2) Dritte können nur dann Ansprüche aus dem Vertrag zwischen Wirtschaftsprüfer und Auftraggeber herleiten, wenn dies vereinbart ist oder sich aus zwingenden gesetzlichen Regelungen ergibt. Im Hinblick auf solche Ansprüche gelten diese Auftragsbedingungen auch diesen Dritten gegenüber. Einreden und Einwendungen aus dem Vertragsverhältnis mit dem Auftraggeber stehen dem Wirtschaftsprüfer auch gegenüber Dritten zu.

2. UMFANG UND AUSFÜHRUNG DES AUFTRAGS

(1) Gegenstand des Auftrags ist die vereinbarte Leistung, nicht ein bestimmter wirtschaftlicher Erfolg. Der Auftrag wird nach den Grundsätzen ordnungsmäßiger Berufsausübung ausgeführt. Der Wirtschaftsprüfer übernimmt im Zusammenhang mit seinen Leistungen keine Aufgaben der Geschäftsführung. Der Wirtschaftsprüfer ist für die Nutzung oder Umsetzung der Ergebnisse seiner Leistungen nicht verantwortlich. Der Wirtschaftsprüfer ist berechtigt, sich zur Durchführung des Auftrags sachverständiger Personen zu bedienen.

(2) Die Berücksichtigung ausländischen Rechts bedarf – außer bei betriebswirtschaftlichen Prüfungen – der ausdrücklichen Vereinbarung in Textform.

(3) Ändert sich die Sach- oder Rechtslage nach Abgabe der abschließenden beruflichen Äußerung, so ist der Wirtschaftsprüfer nicht verpflich- tet, den Auftraggeber auf Änderungen oder sich daraus ergebende Folge- rungen hinzuweisen.

3. MITWIRKUNGSPFLICHTEN DES AUFTRAGGEBERS

(1) Der Auftraggeber hat dafür zu sorgen, dass dem Wirtschaftsprüfer alle für die Ausführung des Auftrags notwendigen Unterlagen und weiteren Informationen rechtzeitig übermittelt werden und ihm von allen Vorgängen und Umständen Kenntnis gegeben wird, die für die Ausführung des Auftrags von Bedeutung sein können. Dies gilt auch für die Unterlagen und weiteren Informationen, Vorgänge und Umstände, die erst während der Tätigkeit des Wirtschaftsprüfers bekannt werden. Der Auftragge- ber wird dem Wirtschaftsprüfer geeignete Auskunftspersonen benennen.

(2) Auf Verlangen des Wirtschaftsprüfers hat der Auftraggeber die Vollständigkeit der vorgelegten Unterlagen und der weiteren Informationen sowie der gegebenen Auskünfte und Erklärungen in einer vom Wirtschaftsprüfer formulierten Erklärung in gesetzlicher Schriftform oder einer sonstigen vom Wirtschaftsprüfer bestimmten Form zu bestätigen.

4. SICHERUNG DER UNABHÄNGIGKEIT

(1) Der Auftraggeber hat alles zu unterlassen, was die Unabhängigkeit der Mitarbeiter des Wirtschaftsprüfers gefährdet. Dies gilt für die Dauer des Auftragsverhältnisses insbesondere für Angebote auf Anstellung oder Übernahme von Organfunktionen und für Angebote, Aufträge auf eigene Rechnung zu übernehmen.

(2) Sollte die Durchführung des Auftrags die Unabhängigkeit des Wirtschaftsprüfers, die der mit ihm verbundenen Unternehmen, seiner Netzwerkunternehmen oder solcher mit ihm assoziierten Unternehmen, auf die die Unabhängigkeitsvorschriften in gleicher Weise Anwendung finden wie auf den Wirtschaftsprüfer, in anderen Auftragsverhältnissen beeinträchtigen, ist der Wirtschaftsprüfer zur außerordentlichen Kündigung des Auftrags berechtigt.

5. BERICHTERSTATTUNG UND MÜNDLICHE AUSKÜNFTE

Soweit der Wirtschaftsprüfer Ergebnisse im Rahmen der Bearbeitung des Auftrags in gesetzlicher Schriftform oder Textform darzustellen hat, ist allein diese Darstellung maßgebend. Entwürfe solcher Darstellungen sind unverbindlich. Sofern nicht anders gesetzlich vorgesehen oder vertraglich vereinbart, sind mündliche Erklärungen und Auskünfte des Wirtschaftsprüfers nur dann verbindlich, wenn sie in Textform bestätigt werden. Erklärungen und Auskünfte des Wirtschaftsprüfers außerhalb des erteilten Auftrags sind stets unverbindlich.

6. WEITERGABE EINER BERUFLICHEN ÄUSSERUNG DES WIRTSCHAFTSPRÜFERS

(1) Die Weitergabe beruflicher Äußerungen des Wirtschaftsprüfers (Arbeitsergebnisse oder Auszüge von Arbeitsergebnissen – sei es im Entwurf oder in der Endfassung) oder die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber an einen Dritten bedarf der in Textform erteilten Zustimmung des Wirtschaftsprüfers, es sei denn, der Auftraggeber ist zur Weitergabe oder Information aufgrund eines Gesetzes oder einer behördlichen Anordnung verpflichtet.

(2) Die Verwendung beruflicher Äußerungen des Wirtschaftsprüfers und die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber zu Werbezwecken durch den Auftraggeber sind unzulässig.

7. MÄNGELBESEITIGUNG

(1) Bei etwaigen Mängeln hat der Auftraggeber Anspruch auf Nacherfüllung durch den Wirtschaftsprüfer. Nur bei Fehlschlagen, Unterlassen bzw. unberechtigter Verweigerung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung kann er die Vergütung mindern oder vom Vertrag zurücktreten; ist der Auftrag nicht von einem Verbraucher erteilt worden, so kann der Auftraggeber wegen eines Mangels nur dann vom Vertrag zurücktreten, wenn die erbrachte Leistung wegen Fehlschlagens, Unterlassung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung für ihn ohne Interesse ist. Soweit darüber hinaus Schadensersatzansprüche bestehen, gilt Nr. 9.

(2) Ein Nacherfüllungsanspruch aus Abs. 1 muss vom Auftraggeber unverzüglich in Textform geltend gemacht werden. Nacherfüllungsansprü- che nach Abs. 1, die nicht auf einer vorsätzlichen Handlung beruhen, verjähren nach Ablauf eines Jahres ab dem gesetzlichen Verjährungsbeginn. (3) Offenbare Unrichtigkeiten, wie z.B. Schreibfehler, Rechenfehler und formelle Mängel, die in einer beruflichen Äußerung (Bericht, Gutachten und dgl.) des Wirtschaftsprüfers enthalten sind, können jederzeit vom Wirtschaftsprüfer auch Dritten gegenüber berichtigt werden. Unrichtigkeiten, die geeignet sind, in der beruflichen Äußerung des Wirtschaftsprüfers enthaltene Ergebnisse infrage zu stellen, berechtigen diesen, die Äußerung auch Dritten gegenüber zurückzunehmen. In den vorgenannten Fällen ist der Auftraggeber vom Wirtschaftsprüfer tunlichst vorher zu hören.

8. SCHWEIGEPFLICHT GEGENÜBER DRITTEN, DATENSCHUTZ

(1) Der Wirtschaftsprüfer ist nach Maßgabe der Gesetze (§ 323 Abs. 1 HGB, § 43 WPO, § 203 StGB) verpflichtet, über Tatsachen und Umstände, die ihm bei seiner Berufstätigkeit anvertraut oder bekannt werden, Stillschweigen zu bewahren, es sei denn, dass der Auftraggeber ihn von dieser Schweigepflicht entbindet.

(2) Der Wirtschaftsprüfer wird bei der Verarbeitung von personenbezogenen Daten die nationalen und europarechtlichen Regelungen zum Datenschutz beachten.

9. HAFTUNG

(1) Für gesetzlich vorgeschriebene Leistungen des Wirtschaftsprüfers, insbesondere Prüfungen, gelten die jeweils anzuwendenden gesetzlichen Haftungsbeschränkungen, insbesondere die Haftungsbeschränkung des § 323 Abs. 2 HGB.

(2) Sofern weder eine gesetzliche Haftungsbeschränkung Anwendung findet noch eine einzelvertragliche Haftungsbeschränkung besteht, ist der Anspruch des Auftraggebers aus dem zwischen ihm und dem Wirtschaftsprüfer bestehenden Vertragsverhältnis auf Ersatz eines fahrlässig verursachten Schadens, mit Ausnahme von Schäden aus der Verletzung von Leben, Körper und Gesundheit sowie von Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen, gemäß § 54a Abs. 1 Nr. 2 WPO auf 4 Mio. € beschränkt. Gleiches gilt für Ansprüche, die Dritte aus oder im Zusammenhang mit dem Vertragsverhältnis gegenüber dem Wirtschaftsprüfer geltend machen.

(3) Leiten mehrere Anspruchsteller aus dem mit dem Wirtschaftsprüfer bestehenden Vertragsverhältnis Ansprüche aus einer fahrlässigen Pflichtverletzung des Wirtschaftsprüfers her, gilt der in Abs. 2 genannte Höchstbetrag für die betreffenden Ansprüche aller Anspruchsteller insgesamt.

(4) Der Höchstbetrag nach Abs. 2 bezieht sich auf einen einzelnen Schadensfall. Ein einzelner Schadensfall ist auch bezüglich eines aus mehreren Pflichtverletzungen stammenden einheitlichen Schadens gegeben. Der einzelne Schadensfall umfasst sämtliche Folgen einer Pflichtverletzung ohne Rücksicht darauf, ob Schäden in einem oder in mehreren aufeinanderfolgenden Jahren entstanden sind. Dabei gilt mehrfaches auf gleicher oder gleichartiger Fehlerquelle beruhendes Tun oder Unterlassen als einheitliche Pflichtverletzung, wenn die betreffenden Angelegenheiten miteinander in rechtlichem oder wirtschaftlichem Zusammenhang stehen. In diesem Fall kann der Wirtschaftsprüfer nur bis zur Höhe von 5 Mio. € in Anspruch genommen werden.

(5) Ein Schadensersatzanspruch erlischt, wenn nicht innerhalb von sechs Monaten nach der in Textform erklärten Ablehnung der Ersatzleistung Klage erhoben wird und der Auftraggeber auf diese Folge hingewiesen wurde. Dies gilt nicht für Schadensersatzansprüche, die auf vorsätzliches Verhalten zurückzuführen sind, sowie bei einer schuldhaften Verletzung von Leben, Körper oder Gesundheit sowie bei Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen. Das Recht, die Einrede der Verjährung geltend zu machen, bleibt unberührt.

(6) § 323 HGB bleibt von den Regelungen in Abs. 2 bis 5 unberührt.

10. ERGÄNZENDE BESTIMMUNGEN FÜR PRÜFUNGSAUFTRÄGE

(1) Ändert der Auftraggeber nachträglich den durch den Wirtschaftsprüfer geprüften und mit einem Bestätigungsvermerk versehenen Abschluss oder Lagebericht, darf er diesen Bestätigungsvermerk nicht weiterverwenden.

Hat der Wirtschaftsprüfer einen Bestätigungsvermerk nicht erteilt, so ist ein Hinweis auf die durch den Wirtschaftsprüfer durchgeführte Prüfung im Lagebericht oder an anderer für die Öffentlichkeit bestimmter Stelle nur mit in gesetzlicher Schriftform erteilter Einwilligung des Wirtschaftsprüfers und mit dem von ihm genehmigten Wortlaut zulässig.

(2) Widerruft der Wirtschaftsprüfer den Bestätigungsvermerk, so darf der Bestätigungsvermerk nicht weiterverwendet werden. Hat der Auftraggeber den Bestätigungsvermerk bereits verwendet, so hat er auf Verlangen des Wirtschaftsprüfers den Widerruf bekanntzugeben.

(3) Der Auftraggeber hat Anspruch auf fünf Berichtsausfertigungen. Weitere Ausfertigungen werden besonders in Rechnung gestellt.

11. ERGÄNZENDE BESTIMMUNGEN FÜR HILFELEISTUNG IN STEUERSACHEN

(1) Der Wirtschaftsprüfer ist berechtigt, sowohl bei der Beratung in steuerlichen Einzelfragen als auch im Falle der Dauerberatung die vom Auftraggeber genannten Tatsachen, insbesondere Zahlenangaben, als richtig und vollständig zugrunde zu legen; dies gilt auch für Buchführungsaufträge. Er hat jedoch den Auftraggeber auf von ihm festgestellte wesentliche Unrichtigkeiten hinzuweisen.

(2) Der Steuerberatungsauftrag umfasst nicht die zur Wahrung von Fristen erforderlichen Handlungen, es sei denn, dass der Wirtschaftsprüfer hierzu ausdrücklich den Auftrag übernommen hat. In diesem Fall hat der Auftraggeber dem Wirtschaftsprüfer alle für die Wahrung von Fristen wesentlichen Unterlagen, insbesondere Steuerbescheide, so rechtzeitig vorzulegen, dass dem Wirtschaftsprüfer eine angemessene Bearbeitungszeit zur Verfügung steht.

(3) Mangels einer anderweitigen Vereinbarung in Textform umfasst die laufende Steuerberatung folgende, in die Vertragsdauer fallenden Tätigkeiten:

a) Ausarbeitung und elektronische Übermittlung der Jahressteuererklärungen, einschließlich E-Bilanzen, für die Einkommensteuer, Körperschaftsteuer und Gewerbesteuer, und zwar auf Grund der vom Auftraggeber vorzulegenden Jahresabschlüsse und sonstiger für die Besteuerung erforderlichen Aufstellungen und Nachweise

b) Nachprüfung von Steuerbescheiden zu den unter a) genannten Steuern c) Verhandlungen mit den Finanzbehörden im Zusammenhang mit den unter a) und b) genannten Erklärungen und Bescheiden

d) Mitwirkung bei Betriebsprüfungen und Auswertung der Ergebnisse von Betriebsprüfungen hinsichtlich der unter a) genannten Steuern

e) Mitwirkung in Einspruchs- und Beschwerdeverfahren hinsichtlich der unter a) genannten Steuern.

Der Wirtschaftsprüfer berücksichtigt bei den vorgenannten Aufgaben die wesentliche veröffentlichte Rechtsprechung und Verwaltungsauffassung.

(4) Erhält der Wirtschaftsprüfer für die laufende Steuerberatung ein Pauschalhonorar, so sind mangels anderweitiger Vereinbarungen in Textform die unter Abs. 3 Buchst. d) und e) genannten Tätigkeiten gesondert zu honorieren.

(5) Sofern der Wirtschaftsprüfer auch Steuerberater ist und die Steuerberatervergütungsverordnung für die Bemessung der Vergütung anzuwenden ist, kann eine höhere oder niedrigere als die gesetzliche Vergütung in Textform vereinbart werden.

(6) Die Bearbeitung besonderer Einzelfragen der Einkommensteuer, Körperschaftsteuer, Gewerbesteuer und Einheitsbewertung sowie aller Fragen der Umsatzsteuer, Lohnsteuer, sonstigen Steuern und Abgaben erfolgt auf Grund eines besonderen Auftrags. Dies gilt auch für

a) die Bearbeitung einmalig anfallender Steuerangelegenheiten, z.B. auf dem Gebiet der Erbschaftsteuer und Grunderwerbsteuer,

b) die Mitwirkung und Vertretung in Verfahren vor den Gerichten der Finanz- und der Verwaltungsgerichtsbarkeit sowie in Steuerstrafsachen,

c) die beratende und gutachtliche Tätigkeit im Zusammenhang mit Umwandlungen, Kapitalerhöhung und -herabsetzung, Sanierung, Eintritt und Ausscheiden eines Gesellschafters, Betriebsveräußerung, Liquidation und dergleichen und

d) die Unterstützung bei der Erfüllung von Anzeige- und Dokumentationspflichten.

(7) Soweit auch die Ausarbeitung der Umsatzsteuerjahreserklärung als zusätzliche Tätigkeit übernommen wird, gehört dazu nicht die Überprüfung etwaiger besonderer buchmäßiger Voraussetzungen sowie die Frage, ob alle in Betracht kommenden umsatzsteuerrechtlichen Vergünstigungen wahrgenommen worden sind. Eine Gewähr für die vollständige Erfassung der Unterlagen zur Geltendmachung des Vorsteuerabzugs wird nicht übernommen.

12. ELEKTRONISCHE KOMMUNIKATION

Die Kommunikation zwischen dem Wirtschaftsprüfer und dem Auftraggeber kann auch per E-Mail erfolgen. Soweit der Auftraggeber eine Kommunikation per E-Mail nicht wünscht oder besondere Sicherheitsanforderungen stellt, wie etwa die Verschlüsselung von E-Mails, wird der Auftraggeber den Wirtschaftsprüfer entsprechend in Textform informieren.

13. VERGÜTUNG

(1) Der Wirtschaftsprüfer hat neben seiner Gebühren- oder Honorarforderung Anspruch auf Erstattung seiner Auslagen; die Umsatzsteuer wird zusätzlich berechnet. Er kann angemessene Vorschüsse auf Vergütung und Auslagenersatz verlangen und die Auslieferung seiner Leistung von der vollen Befriedigung seiner Ansprüche abhängig machen. Mehrere Auftraggeber haften als Gesamtschuldner.

(2) Ist der Auftraggeber kein Verbraucher, so ist eine Aufrechnung gegen Forderungen des Wirtschaftsprüfers auf Vergütung und Auslagenersatz nur mit unbestrittenen oder rechtskräftig festgestellten Forderungen zulässig.

14. STREITSCHLICHTUNGEN

Der Wirtschaftsprüfer ist nicht bereit, an Streitbeilegungsverfahren vor einer Verbraucherschlichtungsstelle im Sinne des § 2 des Verbraucherstreitbeilegungsgesetzes teilzunehmen.

15. ANZUWENDENDES RECHT

Für den Auftrag, seine Durchführung und die sich hieraus ergebenden Ansprüche gilt nur deutsches Recht.

TCS Technology Solutions GmbH.

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

For the financial year ended December 31, 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the TCS Technology Solutions GmbH, Bonn

AUDIT OPINION ON THE ANNUAL FINANCIAL STATEMENTS AND THE QUALIFIED AUDIT OPINION ON THE MANAGEMENT REPORT

We have audited the annual financial statements of TCS Technology Solutions GmbH, Bonn, which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January 2023 to 31 December 2022, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of TCS Technology Solutions GmbH, Bonn, for the financial year from 1 January 2023 to 3. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to section 289f paragraph 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the require¬ments of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023 in compliance with German Legally Required Accounting Principles, and

- except for the effects of the matter described in the "Basis for the Qualified Audit Opinions" section of our report, the accompanying management report as a whole provides an appropriate view of the Company's position. Except for the effects of this matter, in all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that, except for the qualifications of the audit opinion on the management report noted, our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

BASIS FOR THE AUDIT OPINION ON THE ANNUAL FINANCIAL STATEMENTS AND THE QUALIFIED AUDIT OPINION ON THE MANAGEMENT REPORT

Contrary to § 289f para. 4 in conjunction with para. para. 2 no. 4 of the HGB the Corporate Governance Statement in the management report does not include information on the quota of women on the Supervisory Board, the Managing Directors and the two management levels below the Managing Directors.

We conducted our audit of the annual financial statements and of the management report in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprufer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements and our qualified opinion on the management report.

OTHER INFORMATION

The legal representatives are responsible for the other information. The other information comprises the corporate governance statement pursuant to section 289f (4) of the German Commercial Code (HGB) (disclosures on the proportion of women).

Our audit opinions on the financial statements and the management report do not cover the other in¬formation and, accordingly, we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information referred to above and, in doing so, consider whether the other information is

- materially inconsistent with the financial statements, the content of the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on our work, we conclude that there is a material misstatement of such other information, we are required to report that fact. As described in the section "Basis for the audit opinion on the annual financial statements and for the qualified audit opinion on the management report", contrary to section 289f para. 4 in conjunction with. (2) no. 4 HGB, the Corporate Governance Statement included in the management report does not disclose the women's quota for the Supervisory Board, the Managing Directors and the two management levels below the Managing Directors. We have concluded that, for the same reason, there are material misstatements in the Corporate Governance Statement pursuant to section 289f (4) HGB (information on the women's quota).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally

Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprufer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in in¬ternal control that we identify during our audit.

Grant Thornton AG

Wirtschaftsprufungsgesellschaft

Matthias Koch

Wirtschaftsprufer [German Public Auditor]

Ralf Clemens

Wirtschaftsprufer [German Public Auditor]

Dusseldorf, 26 April 2024

Balance Sheet

Amount in EUR

	As at December 31, 2023	As at December 31, 2022
ASSETS		
A. Fixed Assets		
1. Intangible Assets		
1. Acquired concessions, industrial property rights and similar rights and assets, as well as licences in such rights and assets	**706,847.25**	681,838.33
2. Advance payments	**0.00**	731,000.00
	706,847.25	1,412,838.33
II. Tangible Assets		
1. Technical equipment and machinery	**1,534,471.94**	3,160,149.06
2. Other equipment, factory and office equipment	**1,028,660.76**	1,127,058.76
3. Advance payments and assets under construction	**1,440,335.13**	983,821.93
	4,003,467.83	5,271,029.75
	4,710,315.08	6,683,868.08
B. Current Assets		
I. Inventories		
Raw materials and supplies	**92,246.29**	92,246.29
II. Receivables and other assets		
1. Trade receivables	**13,557,547.95**	32,564,826.58
2. Receivables from affiliated companies	**2,323,054.59**	1,029,014.02
3. Other assets	**2,705,013.71**	2,990,161.21
III Cash at bank	**99,689,231.19**	106,274,894.00
	118,367,093.73	142,951,142.10
C. Prepaid expenses	**8,327,200.68**	8,908,176.70
D. Difference from offsetting assets	**1,323,406.73**	0.00
	132,728,016 22	158,543,186.88
A. Equity		
I. Share capital	**3,250,000.00**	3,250,000 00
II. Capital reserves	**118,922,728.71**	118,922,728.71
III. Retained profits brought forward	**8,597,518.98**	8,597,518.98
IV. Loss for the previous period	**-46,627,442.96**	-39,047,275.29
V. Loss for the period	**7,926,230.18**	-7,580,167.67
	92,089,034.91	84,142,804.73
B. Provisions		
1. Provisions for pensions	**0.00**	3,465,011.27
2. Provisions for taxes	**5,535,999.29**	8,022,709.85
3. Other provisions	**15,883,110.02**	32,845,695.61
	21,219,109.31	44,333,416.73
C. Liabilities		
1 Trade payables (thereof with a maturity of up to one year € 14.530,859,47; prior vear T€ 17.175	**14,530,869.47**	17,175,475.26
2. Other liabilities (thereof from taxes € 2.519.084,80; prior year T€ 7.893) (thereof with a maturitv of upto one vear €4.909.012 53: prior year T€ 12 891)	**4,909,012.53**	12,891,490 16
	19,438,872.00	30,066,965.42
	132,728,016.22	158,543,186.88

Statements of Profit and Loss

		Year ended December 31, 2023	Year ended December 31, 2022
1.	Revenue	**187,594,877.26**	231,888,423.80
2.	Other operating income	**4,437,542.67**	3,254,533.41
3.	Cost of materials		
	a) Cost of raw materials, consumables and supplies, and of purchased merchandise	**-256,853.36**	-108,983.55
	b) Cost of purchased services	**-69,866,783.50**	-76,051,604.54
		-70,123,636.86	- 76,160,588.09
4.	Personnel expenses		
	a) Wages and salaries	**-92,728,018.22**	-100,229,172.19
	b) Social security, post-employment and other employee benefit costs (thereof post-employment cost €1.156.091,17; prior year T€ 7.782)	**-16,711,565.69**	-24,908,433.78
		-109,439,583.91	-125,137,605.97
5.	Amortization and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment	**-3,268,723.39**	-4,495,810.57
6.	Other operating expenses	**-10,378,127.66**	-15,018,840.79
7.	Other interest and similar income	**8,242,888.71**	122,190.01
8.	Interest and similar expenses	**-1,257,953.00**	-14,994,269.47
9.	Taxes on income	**2,118,946.36**	-7,038,200.00
10.	Earnings after taxes	**7,926,230.18**	-7,580,167.67
11.	Income from the assumption of losses	**0.00**	0.00
12.	Expenses from profit transfer	**0.00**	0.00
13.	Loss for the financial period	**7,926,230.18**	-7,580,167.67

Notes forming part of the Financial Statement

I. GENERAL NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

TCS Technology Solutions GmbH, Bonn (TCS GmbH; formerly TCS Technology Solutions AG), was entered in the Commercial Register at Bonn Local Court on 13 April 2023 under the number HRB 27943 (until 13 April 2023 HRB 8867).

These financial statements have been prepared in accordance with the provisions of the Third Book of the German Commercial Code. (Handelsgesetzbuch, "HGB").

The company is a large corporation according to the criteria of Section 267 (3) HGB.

The income statement has been prepared using the expense method.

The fiscal year corresponds to the calendar year.

II. INFORMATION ON SHAREHOLDINGS

The share capital of TCS GmbH of EUR 3,250,000 is held 100 % by Tata Consultancy Services Netherlands B.V., Amsterdam, Netherlands (TCS).

For the smallest group, Tata Consultancy Services Limited, Mumbai, India, and for the largest group, Tata Sons Limited, Mumbai, India, each prepares consolidated financial statements in which TCS GmbH is included.

The consolidated financial statements are available at Bombay House, Mumbai, India. The consolidated financial statements of Tata Consultancy Services Limited, Mumbai, India, are published under registration number 11-84781, and the consolidated financial statements of Tata Sons Limited, Mumbai, India, under registration number 478.

III. ACCOUNTING AND VALUATION METHODS

Intangible assets purchased against payment are valuated at acquisition cost less straight-line depreciation. In the year of acquisition, an asset is depreciated pro rata temporis. The useful life is generally set to five years.

Property, plant and equipment are valued at acquisition cost less scheduled straight-line depreciation.

Depreciation in 2023 is based on the following definitions for useful life:

	Years
Data processing units	4.5
Telecommunications equipment	5
Operating equipment	6
Office equipment	10

The fixed value method is used to value inventories pursuant to Section 240 para. 3 HGB. The last physical inventory was conducted in fiscal year 2018.

Receivables and other assets are measured at nominal value.

Cash and bank balances

As of the reporting date, TCS GmbH had bank balances in the amount of TEUR 99,689, which are reported at nominal value.

Prepaid expenses are recognized pursuant to Section 250 para.1 HGB for expenses incurred prior to the balance sheet date, which represent expenditure for a certain period after the balance sheet date.

Obligations arising from pensions and similar obligations at TCS GmbH are secured against insolvency through cover assets at Metzler Trust e.V., Frankfurt am Main. The asset-side difference from offsetting of assets shows the asset-side surplus from offsetting the cover assets against provisions for pensions and similar obligations. Cover assets, serving exclusively to meet liabilities arising from pensions and similar obligations and are not accessible to all other creditors, are measured at fair value pursuant to Section 253 para. 1 sent. 4 HGB and offset against pension obligations pursuant to 246 para. 2 sent. 2 and 3 HGB.

Notes forming part of the Financial Statement

Provisions for pensions and similar obligations are valued pursuant to actuarial principles (modified guideline tables 2018 G by Dr. Klaus Heubeck) based on an assumed interest rate of 1.83%, a salary dynamic of 2.80% and an adjustment rate for pensions of 2.20% p.a.. The projected unit credit method is used as the valuation method.

The difference resulting from the valuation of pension obligations using the actuarial interest rate based on the 10-year average and the valuation using the 7-year average is subject to the distribution ban as per Section 253 para. 6 HGB (see chapter VI 2. Distribution ban).

For discounting purposes, TCS GmbH uses the actuarial interest rate determined and published by the Deutsche Bundesbank, which results from an assumed remaining term of 15 years.

Equity is recognised at the nominal amount.

Other provisions are recognised as follows:

1. Anniversary provisions

These are valued according to actuarial principles (modified guideline tables 2018 G by Dr. Klaus Heubeck) based on an actuarial interest rate of 1.75% and a salary dynamic of 2.80% p.a. The projected unit credit method is used as the valuation method.

2. Death benefit provisions

These are valued according to actuarial principles (modified guideline tables 2018 G by Dr. Klaus Heubeck) based on an actuarial interest rate of 1.75% and a salary dynamic of 2.80% p.a. The projected unit credit method is used as the valuation method.

3. Early retirement provisions

These are valued according to actuarial principles (modified guideline tables 2018 G by Dr. Klaus Heubeck) based on an actuarial interest rate of 1.05% and a salary dynamic of 2.80% p.a. The projected unit credit method is used as the valuation method.

4. Miscellaneous other provisions

In accordance with Section 253 para. 1 Sentence 2 and para. 2 HGB, other non- current provisions are recognized at their settlement amount, which is discounted over the individual term using the interest rates of Deutsche Bundesbank. Provisions with a remaining term of up to one year are not discounted.

Provisions are measured in such a way that they adequately cover all known but uncertain risks in terms of amount and/or timing. They are considered at the settlement amount deemed necessary in accordance with prudent business judgment.

Liabilities are recognized at their settlement amount

IV. DISCLOSURES ON INDIVIDUAL ITEMS OF THE BALANCE SHEET

1. Fixed assets

The development of fixed assets from 1 January 2023 to 31 December 2023 can be seen in the attached gross fixed asset movement schedule.

2. Receivables and other assets

Receivables arid other assets of TEUR 18,586 (prior year: TEUR 36,584) include trade receivables of TEUR 15,881 (prior year: TEUR 33,594), other receivables from employees of TEUR 259 (prior year: TEUR 194) and creditors with debit balances of TEUR 1.672 (prioryear: TEUR 1,232).

There were no foreign currency receivables as at the balance sheet date.

Receivables and other assets have a remaining term of up to one year.

Notes forming part of the Financial Statement

3. Prepaid expenses

Prepaid expenses mainly comprise advance payments for rent, maintenance and upkeep of hardware and software for subsequent years.

4. Asset-side difference from offsetting of assets

The asset-side difference from asset offsetting results from offsetting the cover assets available to secure the pension payment against the accruals for pensions and similar obligations.

Provisions for pensions and similar obligations are offset against the fair value of a cover asset pursuant to Section 246 para. 2 Sentence 2 HGB and, pursuant to Section 246 para. 2 Sentence 3 in conjunction with Section 266 para. 2 lit. E. HGB under the separate asset item "Asset-side difference from offsetting of assets".

The following table shows the fulfilment amounts of the pension provision existing at the end of the year and the fair value of the cover assets, which is based on market prices, as well as the resulting difference:

	As of December 31, 2023	As of December 31, 2022
	TEUR	TEUR
Settlement amount pension provision	**120.902**	120.241
Fair value cover assets	**122.226**	116.776
Difference on assets side from offsetting of assets	**1.324**	-3.465
Acquisition costs of cover assets	**126.104**	125.552
Unrealised gains/losses on cover assets	**-3.878**	-8.776

The excess of cover assets over pension liability increased in the reporting year from EUR -3.5 million to EUR 1.3 million due to the higher valuation of cover assets and the simultaneous increase in pension obligations. The balance is recognised on the assets side under "Excess of cover assets over pension liability".

In fiscal year 2023, the acquisition costs of cover assets increased by TEUR 552 (prior year: TEUR 0). The unrealised gain from the cover assets increased by TEUR 4,897 to TEUR -3,879 as at the balance sheet date. As at 31.12.2023, the balance from the income from the valuation of the cover assets as at the balance sheet date of TEUR 4,897 (prior year: expense TEUR 11,057) is offset against the interest expense from the pension provision of TEUR 2,161 (prior year: TEUR 2,064) and the income from the change in interest rates of TEUR 903 (prior year: expense TEUR 1,774) and recognised under interest and similar income in the amount of TEUR 4,191 (prior year: expense TEUR 14,894).

The German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz) resulted in a difference of TEUR 6,559 for pension obligations as at 1 January 2010, of which one fifteenth (TEUR 437) is reversed annually in the income statement under "Other operating expenses" and added to pension provisions. As at 31 December 2023, the remaining difference amounts to TEUR 437.

The difference between the recognition of pension provisions based on the seven year average interest rate and the ten-year average interest rate amounts to TEUR 1,602 (prior year: TEUR 7,442) as of the balance sheet date.

5. Equity

In accordance with Section 272 HGB, equity includes subscribed capital, the capital reserve and other revenue reserves. The company's subscribed capital amounts to TEUR 3,250.

As at 31 December 2023, the equity ratio was 69% (prior year: 53%).

Other revenue reserves include amounts of TEUR 8,579 (prior year: TEUR 8,579) that were allocated in the past due to amounts blocked from distribution.

Notes forming part of the Financial Statement

6. Provisions

The tax provisions of TEUR 5,536 (prior year: TEUR 8,023) include TEUR 4,169 (prior year: TEUR 4,704) in trade tax and TEUR 1,367 (prior year: TEUR 3,319) in corporate tax.

Other provisions mainly relate to outstanding invoices (TEUR 3,491; prior year: TEUR 17,419), early retirement (TEUR 3,557; prior year: TEUR 6,063), bonus entitlements (TEUR 5,475; prior year: TEUR 5,497) and vacation/overtime entitlements (TEUR 2,672; prior year: TEUR 3,499).

7. Liabilities

Liabilities of TEUR 19,440 (prioryear: TEUR 30,067).include TEUR 14,531 (prioryear: TEUR 17,175) in trade payables and TEUR 2,519 (prior year: TEUR 7,893) in liabilities from operating taxes and levies.

There were no foreign currency liabilities or liabilities with a remaining term of more than 5 years as at the balance sheet date.

8. Deferred taxes

Deferred tax assets result from valuation differences in non-current assets and non- current provisions.

The option to capitalize the surplus of deferred income tax assets pursuant to Section 274 para. 1 sentence 2 HGB has not been exercised.

V NOTES TO INDIVIDUAL ITEMS OF THE INCOME STATEMENT

1. Revenues

Revenues relate to the following areas of activity:

	As of December 31, 2023 TEUR	As of December 31, 2022 TEUR
Revenues operating products	**90,801**	148,436
Project services	**96,317**	83,452
Other	**477**	0
Total	**187,595**	231,888

Compared to the prior year, sales fell by 19.1% and were generated entirely in Germany.

2. Other operating income

Other operating income of TEUR 4,438 (prior year: TEUR 3,255) includes income relating to other periods of TEUR 4,040 (prior year: TEUR 3,271), which is mainly attributable to the reversal of provisions.

3. Cost of materials

The cost of materials is made up of expenses for raw materials, consumables and supplies and for purchased goods totalling TEUR 257 (prior year: TEUR 109) and expenses for purchased services amounting to TEUR 69,867 (prior year: TEUR 76,052). Expenses for purchased services mainly relate to rent, maintenance and upkeep in the amount of TEUR 38,648. Another significant expense concerns IT consultant services at TEUR 30,691.

4. Personnel expenses

Personnel expenses comprise wages and salaries of TEUR 92,728 (prioryear: TEUR 100,229) and social security contributions of TEUR 16,712 (prioryear: TEUR 24,908).

5. Depreciation

Depreciation in the reporting period was allocated to intangible fixed assets in the amount of TEUR 703 (prior year: TEUR 725) and to technical equipment/operating and office equipment of TEUR 2,566 (prioryear: TEUR 3,771).

Notes forming part of the Financial Statement

6. Other operating expenses

Other operating expenses of TEUR 10,378 (prior year. TEUR 15,019) mainly include expenses for rent, occupancy costs and ancillary costs of TEUR 2,842, energy costs of TEUR 1,589, legal and consulting costs of TEUR 1,101 and insurance costs of TEUR 1,011.

The German Accounting Law Modernization Act (Bi/anzrechtsmodernisierungsgesetz) resulted in a difference of TEUR 6,559 for pension obligations as of 1 January 2010. As of 31 December 2023, the remaining difference amounts to TEUR 437. Other operating expenses include expenses pursuant to Section 67 para.1 and 2 of the Introductory Act to the German Commercial Code (Einfuhrungsgesetz zum Handelsgesetzbuch, "EGHGB") in the amount of TEUR 437 (prior year: TEUR 437).

7. Other interest and similar income

Other interest and similar income includes interest income from cash investments with SBI Bank of TEUR 2,792 (prior year: TEUR 122) and income from the valuation of cover assets of TEUR 5,449 (prior year: expense TEUR 11,057).

8. Interest and similar expenses

Interest and similar expenses include expenses from the valuation of cover assets of TEUR 0 (prioryear: TEUR 11,057) and the following effects regarding pensions:

	As of December 31, 2023	As of December 31, 2022
	TEUR	TEUR
Interest portion of pensions	**2,161**	2,064
Interest rate change	**-903**	1,774
Net result	**1,258**	3,838

In addition, interest expenses to banks amounting to TEUR 0 (prior year: TEUR 76) and expenses from the interest portion of other personnel provisions amounting to TEUR 0 (prior year: TEUR 12) are reported under interest and similar expenses.

9. Taxes on income and earnings

Income taxes include expenses for corporate tax in the amount of TEUR 1,952 (prior year: TEUR 2,954) and trade tax in the amount of TEUR 167 (prioryear: TEUR 4,084).

VI. OTHER INFORMATION

1. Other financial obligations

In the context of rental, maintenance and other contracts, there are other financial obligations pursuant to Section 285 No. 3a HGB. The breakdown is as follows:

	2023	2024	2025	2026	2027	2028	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Obligations from rental contracts	**8.985**	**4.539**	**1.639**	**1.469**	**4**	**0**	**16.636**
Obligations from maintenance contracts	**26.261**	**17.326**	**941**	**27**	**4**	**0**	**44.558**
Total obligation	**35.245**	**21.865**	**2.580**	**1.496**	**8**	**0**	**61.194**

2. Distribution/disbursement block

The Company acts in full compliance with the regulations on profit transfer based on the distribution and disbursement block.

Notes forming part of the Financial Statement

The amounts relevant for distributions and disbursements are as follows:

	As of December 31, 2023	As of December 31, 2022
	TEUR	TEUR
Amounts blocked from distribution pursuant to section 268 para. 8 HGB in conjunction with Section 285 No. 28 HGB		
Difference between acquisition cost of cover assets and valuation at fair value	**-3,878**	-8,776
Difference from the valuation of pension provisions blocked against distribution as per Section 253 para. 6 HGB	**1,602**	7,442
Total	**-2,276**	-1,334

TCS Technology Solutions GmbH generated a profit in the reporting year.

3. Supplementary report

Otherwise, there were no events of particular significance after the balance sheet date that had a material impact on our results of operations, financial position and net assets.

4. Organs of the company

Members of the Executive Board

Ingo Rosenstein, Velbert
Chairman of the Management Board (formerly Chairman of the Executive Board)
Pradeep Gaitonde, Issy-les-Moulineaux, France

Managing Director (formerly Chief Financial Officer) until 13 April 2023
Dr Prithwish Ray, Amstelveen, Netherlands
Managing Director (formerly Chief Human Resources Officer)
Niraj Sanghvi, Frankfurt am Main
Managing Director 13.04.2023-15.01.2024
Vennimalai Rabindran, Zeist, Netherlands
Managing Director from 15 January 2024

Members of the Supervisory Board

Sapthagiri Chapalapalli, Frankfurt am Main
Chairman of the Supervisory Board (Managing Director Tata Consultancy Deutschland GmbH)

Heinz Gehri, Monsingen, Switzerland
Deputy Chairman of the Supervisory Board (Country Head and Director of Tata Consultancy Services Switzerland)

Kunchitham Krithivasan, Chennai, India
President of Banking and Financial Services Business
of Tata Consultancy Services Limited

Samir Seksaria, Mumbai, India
Chief Financial Officer of Tata Consultancy Services Limited

Employee representatives

Andreas Beutner, Hameln
Employee at TCS Technology Solutions GmbH

Kai Specht, Wachtberg
Employee at TCS Technology Solutions GmbH, Dipl. Verwaltungswirt

Notes forming part of the Financial Statement

5. Remuneration of the governing bodies

Board members did not receive any remuneration in the reporting year or in the previous year.

Pension obligations for former board members amount to TEUR 5,736 as of 31 December 2023 (prior year: TEUR 5,820).

Members of the Supervisory Board did not receive any remuneration in the reporting year or in the previous year.

There are no pension obligations for former members of the Supervisory Board.

No advances or loans were granted to members of corporate bodies.

6. Number of employees

The average number of employees is as follows:

	As of December 31, 2023	As of December 31, 2022
civil servants on leave	**107**	128
Employees	**972**	1,099
Total	**1,079**	1,227
Part-time employees hereof	**116**	120

Parental leave (10 in 2023), dual students (0 in 2023), apprentices (1 in 2023), working students (1 in 2023) and the Board (0 in 2023) are not included in the average number of employees.

7. Auditor's fee

	As of December 31, 2023	As of December 31, 2022
Auditor services	**51,0**	55,2
Other confirmation services	**0,0**	0,0
Tax consultant services	**25,0**	35,0
Other services	**0,0**	0,0
Total	**76,0**	90,2

8. Appropriation of earnings

The management proposes that the net profit for the year of EUR 7,926,230.18 will be carried forward to new account as profit carried forward.

Bonn, 26 April 2024

TCS Technology Solutions GmbH

(formerly TCS Technology Solutions AG)

Ingo Rosenstein

Chairman of the Management Board

Dr Prithwish Ray
Managing Director

Vennimalai Rabindran
Managing Director
(since 15 January 2024)

Notes forming part of the Financial Statement

Development of fixed assets in the financial year 2023

	Acquisition and production costs					Accumulated depreciation					Sack value	
	01.01.2023 Euro	Addition Euro	Disposal Euro	Reversal Euro	31.12.2023 Euro	01.01.2023 Euro	Addition Euro	Disposal Euro	Reversal Euro	31.12.2023 Euro	01.01.2023 Euro	31.12.2023 Euro
I. Intangible Assets												
1. Acquired concessions, industrial property rights and similar rights and assets, as well as licences in such rights and assets	35.644.370,77	0,00	-1.324.532,10	731.000,00	35.050.838,67	-34.962.532,44	-703.130,68	1.321.671,70	0,00	-34.343.991,42	681.838,33	706.847,25
2. Prepayments on intangible assets	731.000,00	0,00	0,00	-731.000,00	0,00	0,00	0,00	0,00	0,00	0,00	731.000,00	0,00
	36.375.370,77	0.00	-1.324.532,10	0.00	35.050.838,67	-34.962.532,44	-703.130,68	1.321.671,70	0,00	-34.343.991,42	1.412.838,33	706.847,25
II. Tangible Assets												
1. Technical equipment and machinery	53.284.950,15	41.084,32	-2.369.810,93	720.073,14	51.676.296,68	-50.124.801,09	-2.208.334,89	2.191.311,24	0,00	-50.141.824,74	3.160.149,06	1.534.471,94
2. Other equipment, factory and office equipment	4.438.480,88	266.129,94	-792.897,83	1.349,59	3.913.062,58	-3.311.422,12	-357.257,82	784.278,12	0,00	-2.884.401,82	1.127.058,76	1.028.660,76
3. Prepayments on tangible assets and assets under construction	983,821.93	1.177.935,93	0,00	-721.422,73	1.440.335,13	0,00	0,00	0,00	0,00	0,00	983.821,93	1.440.335,13
	58.707.252,96	1.485.150,19	-3.162.708,76	0,00	57.029.694,39	-53.436.223,21	-2.565.592,71	2.975.589,36	0,00	-53.026.226,56	5.271.029,75	4.003.467,83
Total	95.082.623,73	1.485.150,19	-4.487.240,86	0,00	92.080.533,06	-88.398.755,65	-3.268.723,39	4.297.261,06	0,00	-87.370.217,98	6.683.868,08	4.710.315,08

MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2023

1. BASICS OF THE COMPANY

TCS Technology Solutions GmbH (TCS TS) has is registered office in Bonn and has nine locations: Berlin, Dortmund, Frankfurt, Hamburg, Hamelin, Hanover, Munich, Nuremberg and Saarbrucken. IT services with different focuses are provided in these locations.

On 29 December 2022, the Extraordinary General Meeting resolved to change the company's legal form from a stock corporation to a limited liability company. The constitutive entry of the change of legal form was made in the commercial register on 13 April 2023.

The company is a subsidiary of Tata Consultancy Services Netherlands BV (Amsterdam) (TCS NL), which in turn is a subsidiary of the globally active Tata Consultancy Services Ltd. The TCS Group offers a consultancy-orientated, integrated portfolio of business, technology and engineering services and solutions.

1.1 Business model and governance

TCS TS was part of the Deutsche Bank Group until the end of 2020 and was acquired by TCS NL on 01 January 2021.

The company's product range essentially comprises the planning, development, implementation and operation of IT application systems and IT infrastructure.

After the takeover of the company by TCS NL, the adjustment of the previous business model, which included the exclusive activity of the company as a service delivery provider for the Deutsche Bank Group, was started. The personnel capacities of the company, which will be increasingly freed up in the future due to the contractual agreements with the Deutsche Bank Group, will be used to provide services for customers and branches. To this end, the company had reorganised itself in the previous year and now offers customer- and industry-specific IT services on the market through the established delivery centres.

1.2 Research and development

As a service delivery provider for IT services integrated into a globally operating group, the company does not provide any research or development services of its own.

2. ECONOMIC REPORT

2.1 Macroeconomic and Industry Conditions

According to calculations by the Federal Statistical Office (Destatis), price and calendar-adjusted gross domestic product (GDP) in Germany was 0.3% lower in 2023 than in the previous year. The reasons cited for the subdued economy are the persistently high prices, unfavourable financing conditions due to rising interest rates and lower demand from Germany and abroad. Contrary to expectations in the previous year, a further post-corona recovery of the economy did not take place in 2023.

Despite these difficult economic conditions, IT and telecommunications (ICT) companies were able to record sales growth of 2.0%, according to the German digital association Bitkom, which also had a positive impact on the labour market and, according to Bitkom estimates, created around 28,000 new jobs in the ICT sector in Germany.

2.2 Business development

The 2023 financial year was characterised by the further consolidation of the company's business model. In addition to the ongoing provision of transition services in 2023 for the transfer of the IT systems previously operated by the company for Postbank to the IT systems of Deutsche Bank Group (DB), the company also continued to refocus on the provision of IT services for customers in the German, Austrian and Swiss markets. Important projects were finalised with customers in this area.

Services for new customers doubled in relation to 2023 compared to 2022. However, the expectation of a significant, disproportionately high absolute increase in new customer business was not fulfilled, which, in addition to the ongoing project activities for DB, is also attributable to the generally difficult economic situation in Germany in the past 2023 financial year, according to the management.

The decline in sales with DB of around 25% compared to the previous year could not be offset by additional new business in the 2023 financial year as planned, meaning that sales fell by a good 19% year-on-year to €187.6 million.

The company has responded to this situation with the new "Growth Acceleration Programme" launched in 2023 and the associated intensification of cooperation with the international sales organisations of the TCS Group.

Due to the nature of the business activity as a service delivery provider for IT services, the employees of TCS TS are the most important success factor. Free working hours continued to be used intensively for training measures, particularly in the areas of language skills and agility, as well as to promote personal initiative in order to prepare employees for changing activities. Nevertheless, the number of employees decreased over the course of 2023, particularly due to staff turnover and retirement. While 1,227 people were still employed in the previous year according to the annual average under commercial law, in 2023 there were 1,079 people, 148 people or 12.1% fewer than in the previous year. As at the balance sheet date of 31 December 2023,1,035 people were still employed.

In 2023, the majority of employees continued to work from home. In the 4th quarter of 2023, however, the management gave the go-ahead for "back to office".

2.3 Assets, financial and earnings situation

2.3.1 Financial situation

Total assets fell by € 25.8 million to € 132.7 million compared to the previous year's figure of € 158.5 million.

On the assets side, the decrease is mainly due to the significant year-on-year fall in trade receivables of € 17.7 million as a result of lower sales and a € 6.5 million drop in bank balances.

The significant improvement in the valuation of the plan assets has led to a difference of € 1.3 million being recognised from the offsetting of assets instead of the pension provision of € 3.5 million reported in the previous year, despite pension obligations remaining virtually unchanged as at the balance sheet date.

On the liabilities side, other provisions decreased by € 17.1 million, of which around € 13.9 million is primarily attributable to provisions for outstanding purchase invoices. At € 14.5 million, trade payables were also € 2.7 million lower as at the reporting date. The decline in other liabilities from € 12.9 million to € 4.9 million is largely due to the decrease in VAT liabilities as at the reporting date, also as a result of the decline in sales.

Due to the net profit for the year of€ 7.9 million, equity increased from € 84.1 million to € 92.1 million.

2.3.2 Financial position

The company reported a high equity ratio of 69.4% as at the balance sheet date, compared to an equity ratio of around 53.1% in the previous year. In addition to the net profit for the year, the € 25.8 million reduction in total assets contributed to this.

Equity totalling €92.1 million is offset by cash and cash equivalents totalling just under €99.7 million on the assets side. In the opinion of the management, this represents a very good ratio between equity and debt capital, which takes into account the challenges facing the company in the final transformation of its business model from a by 2021 purely DB-internal IT service provider to an internationally competitive service delivery provider for IT services.

The company's pension obligations are fully covered by the existing plan assets as at the balance sheet date.

Cash and cash equivalents fell by a total of € 6.6 million compared to the previous year to € 99.7 million. Due to the company's high liquidity position, the ability to fulfil all payment obligations was guaranteed at all times, even though the company does not have any credit lines of its own with financing partners, as in the previous year.

At € 1.5 million, investments in the 2023 financial year are at a similarly low level as in 2022 (€ 1.9 million). 0.3 million of the investments related to other equipment, operating and office equipment and € 1.2 million to advance payments on property, plant and equipment and assets under construction, particularly in connection with operating and office equipment.

2.3.3 Earnings situation

The 2023 financial year closed with earnings before interest and taxes (EBIT) of € -1.2 million, following EBIT of € 14.3 million in the previous year. Taking into account the interest result and income taxes, net income for the past financial year totalled € 7.9 million, compared to a net loss of € 7.6 million in the previous year.

At €187.6 million, sales fell by €44.3 million or a good 19% compared to the previous year's figure of €231.9 million. As expected, the decline in sales with DB could not be compensated for by new customer business to the extent planned.

The cost of materials, which in addition to software licences and maintenance costs includes in particular expenses for purchased personnel capacities - both from other affiliated companies of the TCS Group and third parties - was only reduced by € 6.1 million or 8.0% to € 70.1 million compared to the previous year.

Gross profit, defined as sales revenue less cost of materials, therefore fell by € 38.3 million in absolute terms from € 155.6 million to € 117.5 million due to the disproportionately low reduction in the cost of materials. The gross profit ratio fell accordingly from 67.2% in the previous year to 62.6% in the reporting year.

Personnel expenses fell by € 15.7 million from € 125.1 million to € 109.4 million. This decrease is mainly due to the reduction in the annual average number of employees by 148 from 1,227 to 1,079. As at the balance sheet date, the company still had a total of 1,035 employees. At € 101.4 thousand, average personnel costs per capita were slightly below the previous year's figure of € 102.0 thousand.

Depreciation and amortisation amounted to € 3.4 million (previous year: € 4.5 million). The balance of other operating income and other operating expenses improved by € 5.8 million from € -11.8 million to € - 5.9 million.

Net interest income as the sum of other interest and similar income and interest and similar expenses shows a significant improvement. While a negative interest result of € -14.9 million was recorded in the previous year, a positive interest result of € 7.0 million was achieved in the reporting year. This improvement of just under € 22.0 million, despite the significant decline in gross profit and a disproportionately low adjustment in personnel expenses, contributed significantly to the significant improvement in earnings from a net loss of € - 7.6 million in the previous year to a net profit of € 7.9 million, i.e. an improvement in earnings of € 15.5 million.

2.3.4 Financial and non-financial performance indicators

The financial and non-financial performance indicators stated here are the key figures used by the company to assess progress or success in achieving the defined corporate goals.

2.3.4.1 Financial performance indicators

The company is managed and monitored on the basis of the accounting information to be used by all subsidiaries of TCS NL, which is based on the International Financial Reporting Standards (IFRS). In contrast, the company's annual financial statements are based on the accounting regulations prescribed by German commercial law, which may differ significantly from accounting information based on IFRS in individual cases.

In the case of the company, this relates in particular to the measurement of existing pension obligations and the recognition of rental and lease agreements. In addition to revenue and earnings before interest and taxes (EBIT), the most important financial performance indicators are revenue per employee (based on full-time equivalents).

Sales declined significantly compared to the previous year and totalled € 187.6 million (previous year: € 231.9 million). New business activities accounted for just under 7% (previous year: 4%) of this sales revenue at € 12.7 million (previous year: € 6.9 million).

Earnings before interest and taxes amounted to € -1.2 million in 2023 (previous year € 14.3 million). The main reason for this deterioration is the decline in sales with the customer Deutsche Bank, which could not be replaced by new business to the extent planned and which could not be offset by a short-term adjustment of cost structures.

The reduction in personnel expenses is the result of a lower number of employees in the financial year. As shown under the non-financial performance indicators, an average of 1,072 employees were employed on the basis of full-time equivalents. This results in revenue per employee of € 175 thousand for the 2023 financial year (previous year: € 189 thousand).

2.3.4.2 Non-financial performance indicators

As a service delivery provider for IT services, the employees of TCS TS are the most important success factor. Accordingly, the most significant non-financial performance indicators are related to them. The most important non-financial performance indicators include the average number of employees (based on full-time equivalents, or "FTE" for short), the sickness rate and the staff turnover rate.

As at 31 December 2023,1,017 people were employed (previous year: 1,185) with a female share of 24%. The 1,017 employees include 113 part-time employees (previous year: 127), which corresponds to a part-time ratio of 11%. Furthermore, the company did not have any trainees or dual students in the financial year. These figures have fallen further compared to the previous year (4 trainees and 6 dual students).

The sickness rate is a measure of the unplanned loss of personnel capacities that must be compensated for by the use of external personnel capacities, which leads to unplanned expenses or to a pro rata reduction in billable services and thus lower sales revenue. In the past financial year, the fourth since the start of the coronavirus pandemic, the sickness rate rose by over 12% year-on-year to 8.2% (2022: 7.3%).

The German labour market for IT specialists remains employee-friendly, which makes it easier to change employers and consequently leads to an unplanned reduction in available personnel capacity on the part of the company, which can only be avoided or reduced if vacant positions are successfully filled by new employees. At 13.4%, the staff turnover rate has increased compared to the previous year (12.1%). 25% of employees (37 HC) who left the company retired. Adjusted for retirements, the fluctuation rate is therefore 10%. The personal changes for employees associated with the realignment of the company to a competitive company and the good labour market situation for IT specialists continue to have an impact here too.

To counterbalance this, the aforementioned Growth Acceleration Programme was set up. It was launched at the end of 2023 and refers to the TCS Group's cooperative operating model, which divides services for customers between offshore and local onshore services as standard. The ultimate goal at TCS TS is to ensure that every employee finds the perfect project that not only matches their skills, but also provides a suitable space for personal development. Employees are given intensive support in developing their skills and ambitions, such as achieving certifications, whether through self-study or under the guidance of an instructor.

2.4 Assessment of the economic situation

Business performance in the third year since the start of the reorganisation of the company's business operations has fallen somewhat short of expectations. The decline in sales with Deutsche Bank expected for 2023, which materialised, could not be offset to the planned extent by new customer business.

The expected break-even earnings before interest and taxes (EBIT) with falling expenses was almost achieved. In contrast, while a renewed net loss for 2023 slightly below the previous year's level had been expected, a net profit was achieved due to the significant improvement in net interest income compared to the previous year. The expected slight deterioration in the liquidity trend was also achieved.

With regard to the average number of employees (FTE), the company assumed a further reduction for 2023 as a continuation of the trend from previous years. This has also materialised in this respect.

With regard to "revenue per employee (FTE)", neither an improvement nor a deterioration compared to 2022 was expected. In fact, the key figure fell by 7.4% compared to the previous year due to the poorer sales performance. The slight improvements expected for the sickness and staff turnover rates were also not achieved in the financial year.

Overall, the management assesses the company's performance in the 2023 financial year as still satisfactory.

3 FORECAST, OPPORTUNITY AND RISK REPORT

3.1 Forecast

After economic output was expected to grow by 1.3% in 2024 in the joint autumn report by the leading German economic research institutes, this forecast was significantly reduced in the spring report. Growth of just 0.1% is currently expected, which at best equates to stagnation of economic output in Germany. At the same time, there are still extensive geopolitical risks that could have a significant impact on inflation in Germany and thus lead to a more recessionary development. These research institutes only expect a slight recovery in economic development in 2025, with growth of 1.4%.

Despite this difficult macroeconomic environment, the digital association Bitkom expects an overall increase in turnover of 4.4% for companies in the ICT sector in its forecast from January 2024. Revenue from IT services, which is particularly relevant for TCS TS, is even expected to increase by 4.8%, with above-average growth expected for cloud-related services in particular. According to the digital association Bitkom, this underlines the fact that the German economy is taking the topic of digitalisation seriously and that the willingness to invest remains high, even under difficult economic conditions. At the same time, the digital association Bitkom expects the number of employees in the ITC sector to increase by a further 36,000, meaning that the shortage of skilled labour and the inadequate skills profiles of employees in particular could act as a brake on growth.

For TCS TS, 2023 has shown that the transformation process from the decreasing volume of tasks for the Deutsche Bank Group to significant absolute growth in new client business cannot be realised seamlessly. Based on our corporate planning, we therefore expect a significant reduction in sales revenue for 2024 compared to 2023, with the share of new client business set to continue to increase significantly. Sales revenue with Deutsche Bank is expected to halve compared to the previous year.

With regard to the average number of employees (FTE), we expect a further reduction in 2024 as a continuation of the trend of previous years with a fluctuation rate of over 10% (2023:13%). For the sickness rate, we assume that the high level (2023: 8.2%) will continue.

A further slight deterioration compared to 2023 is expected for the key figure "Revenue per employee (FTE)" due to the conversion process resulting from the decline in services for the Deutsche Bank Group and the delayed expansion of new business.

With expenses falling overall, the company expects earnings before interest and taxes (EBIT) to be significantly negative in 2024 and a significant net loss for the year. Against this backdrop, it can also be assumed that the good liquidity trend as at the balance sheet date will deteriorate significantly.

3.2 Opportunity and risk report

3.2.1 Opportunity report

The company's economic development in the 2024 financial year will be increasingly characterised by the expansion of business with new customers and a further decline in cooperation with the Deutsche Bank Group. The resources freed up as a result of the ongoing termination of the "Budapest" programme with the customer Deutsche Bank offer the opportunity to expand the new customer business in 2024 to such an extent that the decline in sales revenue with the customer Deutsche Bank can be quickly offset.

Demand for IT expertise is expected to remain high in 2024, as many companies continue to drive digitalisation and IT specialists are in high demand. Accordingly, the management of TCS TS assumes that the market environment for its services as a service delivery provider for IT services will develop much more positively than the overall economic environment in the relevant markets, particularly in Germany.

This also leads to the forecast that staff turnover will remain at a similarly high level as in the previous year (13%). While this represents a risk for TCS TS, it also offers the opportunity to further adjust personnel costs as a key cost factor in line with sales development without having to bear extensive restructuring costs if, contrary to expectations, the pace of development of new customer groups is below average.

3.2.2 Risk report

Transformation and market risks

Expected sales with our largest customer, Deutsche Bank, will decrease significantly in 2024. This means that there is a particular transformation risk in 2024 in order to transfer employees to new engagements as quickly as possible, i.e. to utilise existing personnel capacities.

This is subject to the risk that a reskilling of the previously committed employees in line with market requirements will not have a sufficiently rapid effect. Nevertheless, the company's medium to long-term assessment is that significant sales growth can be achieved in conjunction with the German and European sister companies in the TCS Group. To this end, the growth acceleration programme initiated at the end of 2023 described above will be continued in conjunction with the entire TCS Group.

Personnel risks, fluctuation

Staff turnover has risen significantly compared to the time they were with Deutsche Bank Group. This reflects the overall economic situation, but also the personal situation of employees in a company undergoing a great deal of change. In particular, the switch to English as the leading corporate language is a challenge for many employees.

The personnel development measures implemented are intended to take this into account. The objective communicated within the company is to generally retain and develop all employees. To this end, the TCS Group offers TCS TS employees further extensive opportunities for further training in addition to the measures specifically designed for TCS TS.

However, as the TCS Group's business model is generally based on an onshore/offshore approach, the current fluctuation in TCS TS is not seen as a threatening risk.

As in the previous year, the company is not currently exposed to any significant market price, counterparty default and/or liquidity risks due to its business model and customer structure.

3.3 Concluding assessment

The company is very aware of the opportunities and risks and appropriate measures are put in place with the support of the entire Group. Employees are seen as the real value of the company. Their own initiative for personal development is specifically encouraged.

The overall situation of risks and opportunities is manageable, taking into account the existing financial and earnings situation. At TCS TS, assuming that the economy develops in line with expectations in the 2024 financial year, there are no discernible risks that could jeopardise the company's continued existence.

4. DECLARATION ON CORPORATE GOVERNANCE IN ACCORDANCE WITH SECTION 289F (4) HGB

The company is part of a multinational group with global business activities. As part of its ongoing endeavours to promote talent, the company supports the recruitment of talents with different educational and cultural backgrounds, regardless of their origin. The global gender diversity within the Group shows that women make up more than 35% of the workforce.

In principle, the company employees are selected and recruited on the basis of their skills and qualifications. The determination of individual salary agreements for the company employees is independent of their gender. One of our basic principles is that work of equal value is remunerated equally.

Women and men are supported equally in their professional qualifications - regardless of their professional background and life circumstances. The aim is for every employee, regardless of gender, to be able to contribute to demanding specialist, project and management positions.

TCS TS offers specific measures to help employees achieve a better work-life balance:

- The home office option, for example, gives participants the option of working from home several days a week.
- Flexible working hours offer the prospect of freely planning working hours within a large time window.
- As far as operational requirements allow, requests for part-time employment are honoured.
- Temporary sabbaticals are another option.

The company continuously supports its employees in developing their skills in order to qualify for higher positions through regular management development programmes.

However, targets and target achievement deadlines for the participation of women in management positions have not yet been set.

Bonn, 26 April 2024
TCS Technology Solutions GmbH

Ingo Rosenstein
Chairman of the Management Board

Vennimalai Rabindran (since 15 January 2024)
Managing Director

Dr Prithwish Ray

Managing Director

TCS URUGUAY S.A.

FINANCIAL STATEMENTS

For the year ended December 31, 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF TCS URUGUAY S.A.

Opinion

We have audited the financial statements of TCS Uruguay S.A. (the "Company"), which comprise the statement of financial position as of December 31st, 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TCS Uruguay S.A. as of December 31st, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether TCS Uruguay S.A.'s financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Montevideo, Uruguay
February 28, 2024

Statement of Financial Position

(in Uruguayan Pesos)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS:			
Current assets:			
Cash and cash equivalents	8 (a)	**66,298,426**	116,203,245
Trade receivables			
Billed	8 (c)	**922,305,741**	608,906,213
Unbilled		**85,043,650**	103,429,281
Other financial assets	8 (d)	**38,672,786**	44,806,499
Other assets	10 (c)	**84,830,397**	94,525,316
Total current assets		**1,197,151,000**	967,870,554
Non-current assets:			
Trade receivables			
Unbilled		**288,462**	310,321
Investments	8 (b)	**354,289,584**	354,289,584
Other financial assets	8 (d)	**32,315,158**	55,526,705
Income tax assets (net)		**28,969,143**	44,090,853
Deferred tax assets (net)	14	**763,433**	280,568
Property, plant and equipment	10 (a)	**79,834,751**	110,713,558
Right-of-use assets	9	**256,855,294**	11,327,243
Intangible assets	10 (b)	**16,743**	32,035
Other assets	10 (c)	**7,934,941**	245,327
Total non-current assets		**761,267,509**	576,816,194
TOTAL ASSETS		**1,958,418,509**	1,544,686,748
LIABILITIES AND EQUITY:			
Liabilities:			
Current liabilities:			
Trade payables	8 (e)	**37,327,817**	32,463,127
Borrowings		**-**	80,142,000
Lease liabilities		**27,047,008**	17,331,155
Other financial liabilities	8 (f)	**36,295,213**	32,996,559
Unearned and deferred revenue	11	**37,780,263**	55,257,080
Employee benefit obligations	15	**312,704,713**	228,015,564
Provisions		**16,430**	-
Other liabilities	10 (d)	**122,833,131**	86,799,367
Total current liabilities		**574,004,575**	533,004,852
Non-current liabilities:			
Lease liabilities		**227,095,790**	-
Total non-current liabilities		**227,095,790**	-
TOTAL LIABILITIES		**801,100,365**	533,004,852
Equity:			
Share capital	8 (j)	**540,000**	540,000
Legal reserves		**108,000**	108,000
Other equity		**(2,069,390)**	(2,069,390)
Retained earnings		**1,158,739,534**	1,013,103,286
TOTAL EQUITY		**1,157,318,144**	1,011,681,896
TOTAL LIABILITIES AND EQUITY		**1,958,418,509**	1,544,686,748

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(in Uruguayan Pesos)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Revenues:			
Consultancy services	11	**3,918,971,513**	3,269,277,594
TOTAL REVENUES		**3,918,971,513**	3,269,277,594
Operating expenses:			
Employee benefits expenses	15	**3,097,700,736**	2,427,595,063
Depreciation and amortisation expense	9&10&11	**83,792,844**	94,823,333
Other operating expenses	12	**186,976,516**	163,124,789
TOTAL OPERATING EXPENSES		**3,368,470,096**	2,685,543,185
Operating profit		**550,501,417**	583,734,409
Other income / (expense):			
Finance and other income	13 (a)	**6,550,364**	4,368,982
Finance costs	13 (b)	**(12,336,347)**	(7,286,484)
Other gains / (losses) net	13 (c)	**(15,024,325)**	(70,365,380)
OTHER INCOME / (EXPENSE), NET		**(20,810,308)**	(73,282,882)
Profit before taxes		**529,691,109**	510,451,527
Income tax expense	14	**36,764,061**	16,261,595
Profit for the year		**492,927,048**	494,189,932
OTHER COMPREHENSIVE INCOME (OCI):			
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**492,927,048**	494,189,932

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Equity
for the year ended December 31, 2023

(in Uruguayan Pesos)

	Equity share capital	Legal Reserves	Other equity	Retained earnings	Total equity
Balance as at January 1, 2022	540,000	108,000	(2,069,390)	518,913,354	517,491,964
Profit for the year	-	-	-	494,189,932	494,189,932
Total comprehensive income / (losses)	-	-	-	494,189,932	494,189,932
Dividend (Note 5)	-	-	-	-	-
Balance as at December 31, 2022	540,000	108,000	(2,069,390)	1,013,103,286	1,011,681,896
Balance as at January 1, 2023	**540,000**	**108,000**	**(2,069,390)**	**1,013,103,286**	**1,011,681,896**
Profit for the year	**-**	**-**	**-**	**492,927,048**	**492,927,048**
Total comprehensive income / (losses)	**-**	**-**	**-**	**492,927,048**	**492,927,048**
Dividend (Note 5)	**-**	**-**	**-**	**(347,290,800)**	**(347,290,800)**
Balance as at December 31, 2023	**540,000**	**108,000**	**(2,069,390)**	**1,158,739,534**	**1,157,318,144**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Cash Flows

(in Uruguayan Pesos)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year		**492,927,048**	494,189,932
Adjustments to reconcile Profit or loss to net cash provided by operating activities:			
Depreciation and amortisation expense	9&10&11	**83,792,844**	94,823,333
(Gain) / Loss on disposal of property, plant and equipment	13(c)	**(91,844)**	(2,413)
Income tax expense	14	**36,764,061**	16,261,595
Unrealised foreign exchange (gain) / loss		**11,939,667**	36,449,159
Operating profit before capital changes		**625,331,777**	641,721,606
Net change in:			
Trade receivables			
Billed		**(313,399,528)**	(146,200,631)
Unbilled		**18,407,490**	(49,479,022)
Other financial assets		**4,946,036**	(5,034,001)
Other assets		**2,005,305**	(58,189,439)
Trade and other payables		**4,864,690**	3,887,716
Other financial liabilities		**1,986,609**	14,296,361
Unearned and deferred revenues		**(17,476,817)**	17,421,937
Provisions		**16,430**	(11,267,060)
Employee benefit obligations		**84,689,149**	58,373,012
Other liabilities		**36,033,764**	19,506,068
Cash generated from operations		**447,404,904**	485,036,546
Taxes paid (net of refunds)		**(22,125,216)**	(47,074,220)
Net cash provided by operating activities		**425,279,688**	437,962,326
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	10(a)	**(19,569,593)**	(62,897,537)
Purchase of investments (*)		**-**	(353,768,640)
Proceeds from disposal of property, plant and equipment	10(a)	**154,498**	28,609
Loan given to fellow subsidiary		**-**	(67,869,000)
Repayment of loan installment		**(75,080,000)**	(92,830,000)
Loan recovered from fellow subsidiary		**22,279,164**	27,060,597
Loan received from parent company		**-**	186,216,800
Net cash used in investing activities		**(72,215,931)**	(364,059,171)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	5	**(347,290,800)**	-
Lease liabilities		**(33,673,023)**	(39,420,547)
Net cash used in financing activities		**(380,963,823)**	(39,420,547)
Net change in cash and cash equivalents		**(27,900,066)**	34,482,609
Exchange difference on translation of foreign currency cash and cash equivalents		**(22,004,753)**	(42,181,798)
Cash and cash equivalents, beginning of the year		**116,203,245**	123,902,435
Cash and cash equivalents at the end of the year	8(a)	**66,298,426**	116,203,246
Supplementary cash flow information:			
Interest paid		**12,280,093**	7,187,670
Interest received		**7,817,535**	1,771,645
Dividend received		**10**	13

(*) Purchase of investments UYU 353.768.640 in MGDC during the period ended December 31, 2022

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes to the financial statements

1. GENERAL INFORMATION

TCS Uruguay S.A. (the Company) is a private company whose headquarter is located on Monte Caseros 2600, in Montevideo, Uruguay.

The Company is part of a wider economic group, represented by TCS Iberoamerica S.A., therefore, the results of its operations could be affected to operate without this support.

The Company's main activities are the development of software, provision of IT services and process outsourcing services aimed at both local and foreign markets.

The financial statements have been approved by the Entity´s Board of Directors for their issuance on February 28, 2024 and will be submitted to the shareholders meeting for approval.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") adopted by the International Accounting Standards Board (IASB), translated into Spanish, and interpretations prepared by the Interpretations Committee of the International Financial Reporting Standards or the previous Interpretations Committee, in accordance with the Appropriate Accounting Standards in Uruguay pursuant to Decrees 291/014, 292/014 and 124/011.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Uruguayan peso. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Notes to the financial statements

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment and intangibles

The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates and judgements, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value).

e. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

f. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by

Notes to the financial statements

an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

Legal reserve

The Legal reserve has reached the maximum amount established by Article 93 of Law 16.060.

Retained earnings

On June 21, 2023 it was determined to distribute dividends in advanced for a total of $ 41.703.200 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On September 22, 2023 it was determined to distribute dividends in advanced for a total of $ 114.615.000 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On December 01, 2023 it was determined to distribute dividends in advanced for a total of $ 190.972.600 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

6. REGISTRATION OF FINANCIAL STATEMENTS

According to Decree 156/16 dated May 30, 2016, commercial companies will not be able to distribute dividends as long as they do not comply with the obligation to register, within the established terms, the financial statements to the Auditoría Interna de la Nación (AIN), institution that regulates the commercial companies.

To date, the Company has complied with this obligation for the year ended on December 31, 2022. For the year ended on December 31, 2023 the company has time to comply until June 30, 2024.

7. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1] Effective for annual periods beginning on or after January 1, 2024.

[2] Effective for annual periods beginning on or after January 1, 2025

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 Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

The company has applied IFRIC 23 effective for annual periods beginning on or after January 1, 2019 as below:

I**FRIC 23 Interpretation Uncertainty over Income Tax Treatment**

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

8. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company´s obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes to the financial statements

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Cash in hand	**31,493**	30,603
Current account balances with banks	**66,266,933**	116,172,642
Total	**66,298,426**	116,203,245

b. Investments

Investments consist of the following:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Investments carried at cost		
Fully paid equity shares		
i. TCS Argentina S.A.	**3,128**	3,128
ii. TCS Inversions Chile Ltda.	**29**	29
iii. MGDC S.C.	**353,841,756**	353,841,756
iv. TCS Guatemala S.A.	**444,671**	444,671
Total Investments - Non current	**354,289,584**	354,289,584

c. Trade receivables-Billed

Trade receivables- Billed consist of the following:

(in Uruguayan Pesos)

Trade receivables –Billed- Current	As at December 31, 2023	As at December 31, 2022
Trade receivables - Billed	**954,386,748**	639,697,639
Less: Provision for volume discount	**(32,081,007)**	(30,791,426)
Total	**922,305,741**	608,906,213

Trade receivables- Billed include balances with related parties amounting to UYU 947.842.543 and UYU 622.418.996 for the period ended on December 31,2023 and December 31, 2022 respectively. (Refer note 17)

d. Other financial assets

Other financial assets consist of the following:

(in Uruguayan Pesos)

Other financial assets – Current	As at December 31, 2023	As at December 31, 2022
Employee advances (*)	**12,389,467**	14,807,859
Loan to related parties	**25,999,734**	22,945,616
Deposits for premises	**-**	4,823,815
Accrued Interest	**283,585**	2,189,138
Others	**-**	40,071
Total	**38,672,786**	44,806,499

(*) Include recoverable advances to foreign employees deputed in Uruguay.

Notes to the financial statements

(in Uruguayan Pesos)

Other financial assets – Non-current	As at December 31, 2023	As at December 31, 2022
Deposits for premises	**4,241,795**	-
Loan to related parties	**28,073,363**	55,526,705
Total	**32,315,158**	55,526,705

e. Trade Payables

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Trade payables	**22,647,676**	17,621,525
Accrued expenses	**14,680,141**	14,841,602
Total	**37,327,817**	32,463,127

f. Other financial liabilities

Other financial liabilities consist of the following:

(in Uruguayan Pesos)

Other financial liabilities – Current	As at December 31, 2023	As at December 31, 2022
Accrued payroll	**33,114,832**	24,223,981
Accrued interest	**-**	98,815
Capital Creditors	**1,830,381**	7,342,763
Security Deposits	**1,350,000**	1,331,000
Total	**36,295,213**	32,996,559

g. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

(in Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**66,298,426**	**66,298,426**
Trade receivables		
Billed	**922,305,741**	**922,305,741**
Unbilled	**85,332,112**	**85,332,112**
Other financial assets	**70,987,944**	**70,987,944**
Total	**1,144,924,223**	**1,144,924,223**
Financial liabilities		
Trade payables	**37,327,817**	**37,327,817**
Lease Liabilities	**254,142,798**	**254,142,798**
Other financial liabilities	**36,295,213**	**36,295,213**
Total	**327,765,828**	**327,765,828**

Notes to the financial statements

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

(in Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	116,203,245	116,203,245
Trade receivables		
Billed	608,906,213	608,906,213
Unbilled	103,739,602	103,739,602
Other financial assets	100,333,204	100,333,204
Total	929,182,264	929,182,264
Financial liabilities		
Trade payables	32,463,127	32,463,127
Borrowings	80,142,000	80,142,000
Lease Liabilities	17,331,155	17,331,155
Other financial liabilities	32,996,559	32,996,559
Total	162,932,841	162,932,841

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at December 31, 2023 and December 31, 2022 approximate at the fair value due to their nature. Carrying amounts of other financial assets, other financial liabilities and borrowings which are subsequently measured at amortized cost also approximates the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

h. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company´s exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percent against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures for Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to unhedged foreign currency exposure as at December 31, 2023 and 2022:

(in Uruguayan Pesos)

December 2023	USD	GBP	EUR	AUD	CAD	BRL	DKK	CHF	MXN
Net financial assets	934,103,925	26,224,031	112,839,602	(70,341)	5,670,647	2,255,103	142	5,806,270	5,675,303
Net financial liabilities	277,296,114	61,015	(62,336)	(1,691)	51,417	-	-	18,473	-

(in Uruguayan Pesos)

December 2022	USD	GBP	EUR	AUD	CAD	BRL	DKK	CHF	MXN
Net financial assets	833,297,634	5,281,963	93,233,906	315,623	22,168,255	590,485	141	18,930,477	8,491,890
Net financial liabilities	101,293,569	151,757	(366)	(3,841)	343,566	-	-	-	-

10 percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately UYU 81.514.169 for the period ended December 31, 2023 and UYU 88.052.569 for the period ended December 31, 2022 respectively.

- **Interest rate risk**

  The Company is not exposed to interest rate risk.

  Credit risk

  Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

  Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. Cash and cash equivalents include an amount of held with a bank UYU 66.266.933 having high quality credit rating which are individually in excess of 10 percent or more of the Company's total cash and cash equivalents as at 31st December, 2023 (UYU 116.172.642 as at 31st December, 2022). None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was UYU 1.224.402.775 and UYU 1.017.831.653 as at December 31, 2023 and December 31, 2022 respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Notes to the financial statements

Company's exposure to customers is diversified, and single customer which contributes individually to more than 10 percent of outstanding trade receivable and contract assets as at December 31, 2023 and December 31, 2022, respectively are as follows:

	As at December 31, 2023		As at December 31, 2022	
	Total trade receivables and contract assets	Percentage	Total trade receivables and contract assets	Percentage
Customer A	**926,190,805**	**85**	629,411,173	79

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

	As at December 31, 2023	As at December 31, 2022
	Net %	Net %
Americas	**79**	83
Europe	**15**	15
Others	**6**	2
	100	100

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(in Uruguayan Pesos)

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**37,327,817**	**-**	**-**	**-**	**37,327,817**
Lease liabilities (*)	**24,898,325**	**23,133,600**	**69,400,800**	**106,992,900**	**224,425,625**
Other financial liabilities	**36,295,213**	**-**	**-**	**-**	**36,295,213**
Total	**98,521,355**	**23,133,600**	**69,400,800**	**106,992,900**	**298,048,655**

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	32,463,127	-	-	-	32,463,127
Lease liabilities (*)	17,647,245	-	-	-	17,647,245
Other financial liabilities	32,996,559	-	-	-	32,996,559
Total	83,106,931	-	-	-	83,106,931

(*) Amounts are presented at nominal value and not book value.

Notes to the financial statements

j. Equity instruments

The authorised, issued, subscribed and fully paid up share capital consists of the following:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Authorised		
Equity shares of uruguayan pesos 1 each (1.800.000 shares)	**1,800,000**	1,800,000
Total	**1,800,000**	1,800,000
Issued, Subscribed and Fully paid up		
Outstanding balance of equity shares of uruguayan pesos 1 each (540.000 shares)	**540,000**	540,000
Total	**540,000**	540,000

Details of shares held by shareholders in the company equity shares.

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
TCS Iberoamerica S.A. (Holding Company)	**540,000**	540,000
% Holding in class	**100%**	100%

Fully paid equity shares, which have a par value of 540.000 Uruguayan pesos (UYU 1 each) carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

9. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the

Notes to the financial statements

straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in- substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re- measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(in Uruguayan Pesos)

	Additions for year ended December 31, 2023	Net carrying amount as at December 31, 2023
Buildings	**278,919,857**	**256,855,294**
Total	**278,919,857**	**256,855,294**

(in Uruguayan Pesos)

	Additions for year ended December 31, 2022	Net carrying amount as at December 31, 2022
Buildings	1,483,466	11,327,243
Total	1,483,466	11,327,243

Depreciation on right-of-use asset is as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Buildings	**33,391,806**	27,234,951
Total	**33,391,806**	27,234,951

Interest on lease liabilities are UYU 10.649.123 and UYU 1.573.838 for the period ended on December 31, 2023 and December 31, 2022 respectively.

The Company incurred UYU Nil and UYU Nil for the period ended December 31, 2023 and December 31, 2022 towards expenses relating to short-term leases and leases of low-value assets.

Notes to the financial statements

The total cash outflow are UYU 44.738.450 and UYU 41.730.509 for the period ended December 31, 2023 and December 31, 2022 respectively for long term and short term leases.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

10. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Notes to the financial statements

Property, plant and equipment consist of the following:

(in Uruguayan Pesos)

	Leasehold improvements	Computer equipments	Furniture & fixtures	Office equipments	Electrical Installations	Automobiles	Total
Gross block as at December 31, 2022	**224,516,685**	**186,636,513**	**40,713,493**	**20,244,172**	**1,781,054**	**-**	**473,891,917**
Purchases	**2,845,549**	**19,785,767**	**8,386**	**5,264,414**	**-**	**-**	**27,904,115**
Disposals	**-**	**(9,020,120)**	**-**	**-**	**-**	**-**	**(9,020,120)**
Gross block as at December 31, 2023	**227,362,234**	**197,402,160**	**40,721,879**	**25,508,586**	**1,781,054**	**-**	**492,775,912**
Accumulated depreciation as at December 31, 2022	**213,233,143**	**106,906,507**	**36,544,862**	**15,101,477**	**1,600,673**	**-**	**373,386,663**
Disposals	**-**	**(8,957,466)**	**-**	**-**	**-**	**-**	**(8,957,466)**
Depreciation for the year	**11,370,272**	**34,942,332**	**1,420,076**	**2,473,057**	**180,008**	**-**	**50,385,746**
Accumulated depreciation as at December 31, 2023	**224,603,415**	**132,891,374**	**37,964,938**	**17,574,534**	**1,780,682**	**-**	**414,814,943**
Net carrying amount as at December 31, 2023	**2,758,819**	**64,510,786**	**2,756,941**	**7,934,052**	**372**	**-**	**77,960,969**
Capital work-in-progress	**492,125**	**972,433**	**18,212**	**391,011**	**-**	**-**	**1,873,782**
Total							**79,834,751**

	Leasehold improvements	Computer equipments	Furniture & fixtures	Office equipments	Electrical Installations	Automobiles	Total
Gross block as at December 31, 2021	224,516,685	139,665,948	38,874,324	16,126,225	1,781,054	-	420,964,236
Purchases	-	47,013,011	1,839,169	4,117,947	-	-	52,970,127
Disposals	-	(42,446)	-	-	-	-	(42,446)
Gross block as at December 31, 2022	224,516,685	186,636,513	40,713,493	20,244,172	1,781,054	-	473,891,917
Accumulated depreciation as at December 31, 2021	179,082,252	77,538,382	34,294,048	13,516,997	1,420,294	-	305,851,973
Disposals	-	(16,250)	-	-	-	-	(16,250)
Depreciation for the year	34,150,891	29,384,375	2,250,814	1,584,480	180,380	-	67,550,940
Accumulated depreciation as at December 31, 2022	213,233,143	106,906,507	36,544,862	15,101,477	1,600,673	-	373,386,663
Net carrying amount as at December 31, 2022	11,283,542	79,730,006	4,168,631	5,142,695	180,381	-	100,505,254
Capital work-in-progress	-	5,842,772	-	4,365,532	-	-	10,208,304
Total							110,713,558

Notes to the financial statements

b. Other intangible assets

Intangible assets purchased including acquired in business combination, are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences. Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years

Intangible assets are amortised on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

Intangible assets

(in Uruguayan Pesos)

	Software Licences
Gross block as at December 31, 2022	**342,102**
Purchases	**-**
Disposals	**-**
Gross block as at December 31, 2023	**342,102**
Accumulated depreciation as at December 31, 2022	**310,067**
Disposals	**-**
Depreciation for the year	**15,292**
Accumulated depreciation as at December 31, 2023	**325,360**
Net carrying amount as at December 31, 2023	**16,743**

Intangible assets

(in Uruguayan Pesos)

	Software Licences
Gross block as at December 31, 2021	342,102
Purchases	-
Disposals	-
Gross block as at December 31, 2022	342,102
Accumulated depreciation as at December 31, 2021	272,625
Disposals	-
Amortisation for the year	37,442
Accumulated depreciation as at December 31, 2022	310,067
Net carrying amount as at December 31, 2022	32,035

Notes to the financial statements

The estimated amortisation for the years subsequent to December 31, 2023 is as follows:

Intangible assets

	(in Uruguayan Pesos)
2024	**15,390**
2025	**1,353**
Total	**16,743**

c. Other assets

Other assets consist of the following:

(in Uruguayan Pesos)

Other current assets	**As at December 31, 2023**	**As at December 31, 2022**
Prepaid expenses	**332,029**	100,046
Advance to suppliers	**185,905**	878,668
Tax credit	**12,768,842**	5,113,750
Contract assets	**71,543,621**	88,404,062
Others	**-**	28,790
Total	**84,830,397**	94,525,316

(in Uruguayan Pesos)

Other non current assets	**As at December 31, 2023**	**As at December 31, 2022**
Contract assets	**7,934,941**	245,327
Total	**7,934,941**	245,327

Refer note 11 for changes in contract assets.

d. Other liabilities

Other liabilities consist of the following:

(in Uruguayan Pesos)

Other liabilities – Current	**As at December 31, 2023**	**As at December 31, 2022**
Indirect tax payable and other statutory liabilities	**122,833,131**	86,799,367
Total	**122,833,131**	86,799,367

Notes to the financial statements

11. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

  Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

  The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

  Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

  The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

  Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever

Notes to the financial statements

is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals, and geography.

Revenue disaggregation by nature of services is as follows:

(in Uruguayan Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Consultancy services	**3,918,971,513**	3,269,277,594
Total	**3,918,971,513**	3,269,277,594

Revenue disaggregation by industry vertical is as follows:

(in Uruguayan Pesos)

Industry Vertical	For the year ended December 31, 2023	For the year ended December 31, 2022
Banking, Financial and Insurance	**345,725,304**	367,062,425
Manufacturing	**472,162,881**	386,541,722
Retail and Consumer Products	**236,670,565**	190,877,145
Communication, Media and Technology	**2,078,644,359**	1,688,190,858
Life Sciences and Healthcare	**508,253,562**	422,001,648
Others	**277,514,842**	214,603,796
Total	**3,918,971,513**	3,269,277,594

Revenue disaggregation by geography is as follows:

(in Uruguayan Pesos)

Geography	For the year ended December 31, 2023	For the year ended December 31, 2022
Americas	**3,358,603,939**	2,901,748,047
Others	**560,367,574**	367,529,547
Total	**3,918,971,513**	3,269,277,594

Geographical revenue is allocated based on the location of the customers.

Notes to the financial statements

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is 1.836.265.025 Uruguayan Pesos out of which 57.62 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**88,649,389**	30,496,670
Increase due to revenue recognized during the year, excluding amounts billed during the year	**32,150,542**	86,493,557
Invoice raised that was included in the contract asset balance at the beginning of th period	**(42,564,367)**	(25,791,767)
Translation exchange difference	**1,242,988**	(2,549,071)
Total	**79,478,552**	88,649,389

Changes in unearned and deferred revenue (contract liabilities) are as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**55,257,080**	37,835,143
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year.	**(53,199,831)**	(34,329,391)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**37,968,511**	54,647,248
Translation exchange difference	**(2,245,497)**	(2,895,920)
Total	**37,780,263**	55,257,080

12. OPERATING EXPENSES RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortization and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, and other expenses.

Notes to the financial statements

(in Uruguayan Pesos)

Other operating expenses	Year ended December 31, 2023	Year ended December 31, 2022
Communication	**15,331,633**	13,466,166
Facility running expenses	**55,640,331**	48,880,849
Fees to external consultants	**9,310,542**	6,723,722
Other expenses	**70,051,857**	43,689,572
Travel expenses	**36,642,153**	50,364,480
Total	**186,976,516**	163,124,789

(in Uruguayan Pesos)

Expenses by function	Year ended December 31, 2023	Year ended December 31, 2022
Cost of revenue	**2,847,502,704**	2,219,043,984
Selling, general and administrative expenses	**520,967,392**	466,499,201
Total	**3,368,470,096**	2,685,543,185

13. OTHER INCOME

a. Finance and other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using effective interest method.

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest revenue - bank deposits	**2,982,800**	671,002
Interest revenue - other deposits	**584,422**	608,406
Interest revenue- loan to related parties (Refer Note 17)	**2,983,132**	3,089,559
Dividends received - subsidiaries (Refer note 17)	**10**	15
Total	**6,550,364**	4,368,982

b. Finance costs

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Finance costs - Interest on loans other than banks	**1,687,224**	5,712,646
Interest on lease liabilities	**10,649,123**	1,573,838
Total	**12,336,347**	7,286,484

Notes to the financial statements

c. Other gains / (losses) net

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Gain/(loss) on disposal of property, plant and equipment	**91,844**	2,413
Net foreign exchange gains/(losses)	**(15,161,889)**	(70,369,331)
Others	**45,720**	1,538
Total	**(15,024,325)**	(70,365,380)

14. INCOME TAXES

Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that is related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

The income tax expense consists of the following:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Current income tax expense		
Domestic	**22,124,369**	1,343,730
Overseas	**15,122,557**	9,655,475
	37,246,926	10,999,205
Deferred income tax expense / (benefit)		
Domestic	**(482,865)**	5,262,390
	(482,865)	5,262,390
Total income tax expense	**36,764,061**	16,261,595

Notes to the financial statements

The reconciliation of income tax expense and book net income is as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Income before income taxes	**529,691,109**	510,451,527
Federal income tax rate	**25%**	25%
Expected income tax expense	**132,422,777**	127,612,882
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(787,229,196)**	(621,698,433)
Tax pertaining to prior years:		
Current tax	**592,038**	(4,493,019)
Fixed assets of SEZ/STP	**286,083**	(7,843,619)
Disallowable expenses:		
Income exempt related disallowed expenses	**692,784,641**	533,238,935
Other permanent differences:		
Other adjustments	**(2,092,283)**	(10,555,151)
Total income tax expense	**36,764,061**	16,261,595

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2023 are as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2022	Recognized / reversed through profit or loss	Recognised through retained earnings	Year ended December 31, 2023
Originated by:				
Property, plant and equipment	**(280,592)**	**711,533**	**-**	**430,941**
Lease liabilities	**326,541**	**(261,776)**	**-**	**64,764**
Provisions	**234,619**	**33,109**	**-**	**267,728**
	280,568	**482,865**	**-**	**763,433**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2022 are as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2021	Recognized / reversed through profit or loss	Recognised through retained earnings	Year ended December 31, 2022
Originated by:				
Property, plant and equipment	1,513,528	(1,794,120)	-	(280,592)
Lease liabilities	1,244,793	(918,252)	-	326,541
Provisions	2,784,637	(2,550,018)	-	234,619
	5,542,958	(5,262,390)	-	280,568

Notes to the financial statements

Investment tax credit

On June 25, 2014 the Ministry of Economy and Finance determined to give a tax benefit to TCS Uruguay S.A. under regulatory Decree 455/07 of Law 16.906 of Promotion and protection of investments. This benefit grants an exemption of 20.277.929 IU from IRAE (Corporate income tax) for 40.71 percent of the eligible investment to be used in a 6-year term and an exemption from IP (Net worth tax) on movable fixed assets for the whole of their useful lives and on civil works for a term of 8 years.

Direct tax contingencies

There are no contingency in relation to Direct tax matters.

15. EMPLOYEE BENEFITS

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, incentives and allowances	**2,755,678,970**	2,153,660,589
Contributions to provident and other funds	**303,930,254**	233,681,952
Staff welfare	**38,091,512**	40,252,522
Total	**3,097,700,736**	2,427,595,063

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Benefits to employees	**311,376,581**	226,865,078
Other employee benefit obligations	**1,328,132**	1,150,486
Total	**312,704,713**	228,015,564

16. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has contractually committed (net of advances) UYU 7.541.193 and UYU 3.852.731 as at December 31, 2023 and December 31, 2022 respectively, for purchase of property, plant and equipment.

Notes to the financial statements

Contingencies

- **Direct tax matters**

  Refer note 14.

- **Indirect tax matters**

  There are no contingency in relation to Indirect tax matters.

- **Other claims**

  Claims aggregating UYU Nil and UYU Nil as at December 31, 2023 and December 31, 2022 respectively, against the Company have not been acknowledged as debts.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The Company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(in Uruguayan Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from operations		
Tata Consultancy Services Limited	**3,252,225,411**	2,706,761,768
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**-**	16
Tata Consultancy Services Canada Inc.	**146,531,366**	155,690,211
Tata Consultancy Services Chile S.A.	**448,434**	-
Tata Consultancy Services Deutschland GmbH	**115,850,072**	88,925,976
Tata Consultancy Services Do Brasil Ltda	**8,262,981**	13,506,852
Tata Consultancy Services France S.A.	**82,032,918**	47,164,295
TCS Iberoamerica S.A.	**1,736,678**	-
Tata Consultancy Services Switzerland Ltd.	**145,729,030**	116,312,520
Tata Consultancy Services Netherlands BV	**-**	1,797,137
Tata Consultancy Services Argentina S.A.	**2,593,992**	3,199,163
Tata Consultancy Services Belgium	**42,336,451**	33,520,483
Tata Consultancy Services De Espana S.A.	**10,576,369**	8,331,592
Tata Consultancy Services De Mexico S.A., De C.V.	**20,367,556**	10,675,501
Total	**576,465,846**	479,123,746
Interest income		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services Guatemala S.A	**2,983,132**	2,828,214
TCS Iberoamerica S.A.	**-**	261,346
Total	**2,983,132**	3,089,560

Notes to the financial statements

Transactions with related parties are as follows:

(in Uruguayan Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Loan given		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services Guatemala S.A	**-**	67,869,000
Total	**-**	67,869,000
Loan recovered		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services Guatemala S.A	**22,279,164**	1,667,397
Total	**22,279,164**	1,667,397
Other income		
Subsidiaries of Tata Consultancy Services Limited		
TCS Inversiones Chile Limitada	**10**	15
Total	**10**	15
Equity investment made		
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**-**	353,768,640
Total	**-**	353,768,640
Purchases of goods and services (including reimbursements)		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Communications (America) Inc.	**2,636,923**	-
Tata Consultancy Services Limited	**171,316,839**	141,133,470
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**-**	110,253
Tata America International Corporation	**(332,831)**	(117,087)
Tata Consultancy Services De Mexico S.A.,De C.V.	**4,496,498**	3,885,096
TCS Inversiones Chile Limitada	**18,176,926**	15,147,275
TCS Solution Center S.A.	**-**	(54,406)
TCS Colombia S.A.	**29**	-
Tata Consultancy Services Do Brasil Ltda	**3,856,789**	(3,825,316)
Tata Consultancy Services Canada Inc.	**(385,601)**	(73,897)
Total	**25,811,810**	15,071,917

Notes to the financial statements

Transactions with related parties are as follows:

(in Uruguayan Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**237,701**	186,298
Total	**237,701**	186,298
Dividend paid		
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica S.A.	**347,290,800**	-
Total	**347,290,800**	-
Loan repaid		
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica S.A.	**75,080,000**	92,830,000
Total	**75,080,000**	92,830,000
Loan taken		
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica S.A.	**-**	180,906,000
Total	**-**	180,906,000
Interest Paid		
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica S.A.	**1,681,137**	5,712,646
Total	**1,681,137**	5,712,646

Balances receivable from related parties are as follows:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Trade receivables and contract assets		
Tata Consultancy Services Limited	**955,405,743**	654,875,523
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**340,077**	70,755
Tata Consultancy Services Canada Inc.	**12,620,543**	38,604,394
Tata Consultancy Services Deutschland GmbH	**30,004,103**	29,800,252
Tata Consultancy Services Do Brasil Ltda	**2,251,158**	2,829,843
Tata Consultancy Services France S.A.	**47,234,145**	25,775,890
Tata Consultancy Services Switzerland Ltd.	**40,476,292**	27,211,064
Tata Consultancy Services Belgium	**3,664,053**	7,993,950
Tata Consultancy Services De Espana S.A.	**5,375,097**	11,549,862
Tata Consultancy Services De Mexico S.A.,De C.V.	**8,322,659**	9,290,243
Tata Consultancy Services Argentina S.A.	**5,720,032**	3,194,588
TCS Colombia S.A.	**(40)**	(12)
Total	**156,008,119**	156,320,829

Notes to the financial statements

Balances receivable from related parties are as follows:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Loans, other financial assets and other assets		
Subsidiaries of Tata Consultancy Services Limited		
TCS Guatemala S.A.	**54,307,342**	80,701,530
Total	**54,307,342**	80,701,530

Balances payable to related parties are as follows:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**162,010**	186,298
Tata Communications (America) Inc.	**510,522**	-
Total	**672,533**	186,298
Tata Consultancy Services Limited	**73,150,687**	74,484,275
Subsidiaries of Tata Consultancy Services Limited		
TCS Inversiones Chile Limitada	**6,041,671**	3,329,296
Tata Consultancy Services Canada Inc.	**2,828,454**	4,520,218
Tata Consultancy Services De Mexico S.A.,De C.V.	**(110,699)**	525,309
MGDC S.C.	**(1,654)**	(1,698)
Tata Consultancy Services Deutschland GmbH	**-**	3,676,991
Tata Consultancy Services France S.A.	**-**	5,598,770
Tata Consultancy Services De Espana S.A.	**-**	3,056,513
Tata Consultancy Services Do Brasil Ltda	**483,853**	1,132,718
Tata Consultancy Services Switzerland Ltd.	**-**	88,373
Tata America International Corporation	**4**	4
TCS Iberoamerica S.A.	**-**	80,240,815
Total	**9,241,630**	102,167,308

Compensation to key management personnel

(in Uruguayan Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Short-term benefits	**14,995,813**	12,293,760
Total	**14,995,813**	12,293,760

18. SUBSEQUENT EVENT

There were no subsequent events that meet disclosure.

TCS SOLUTION CENTER S.A.

FINANCIAL STATEMENTS

For the year ended December 31, 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

CONTENT	PAGE

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF
TCS SOLUTION CENTER S.A.

Opinion

We have audited the financial statements of TCS Solution Center S.A. (the "Company"), which comprise the statement of financial position as of December 31st, 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TCS Solution Center S.A. as of December 31st, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether TCS Solution Center S.A.'s financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Montevideo, Uruguay
February 28, 2024

Statement of Financial Position

(in Uruguayan Pesos)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS:			
Current assets:			
Cash and cash equivalents	8 (a)	**727.869.556**	585.122.375
Trade receivables			
Billed	8 (c)	**881.282.870**	831.667.137
Unbilled		**162.244.095**	143.660.170
Other financial assets	8 (d)	**16.771.351**	24.629.305
Other assets	10 (c)	**46.845.318**	31.260.575
Total current assets		**1.835.013.190**	1.616.339.562
Non-current assets:			
Investments	8 (b)	**914**	914
Other financial assets	8 (d)	**2.148.589**	24.042.600
Deferred tax assets (net)	14	**60.374.006**	49.542.028
Property, plant and equipment	10 (a)	**324.488.109**	242.930.871
Right-of-use assets	9	**205.967.008**	157.124.256
Intangible assets	10 (b)	**260.705**	1.003.494
Trade receivables			
Unbilled		**406.556**	115.477
Other assets	10 (c)	**12.023.454**	6.517.097
Total non-current assets		**605.669.341**	481.276.737
TOTAL ASSETS		**2.440.682.531**	2.097.616.299
LIABILITIES AND EQUITY:			
Liabilities:			
Current liabilities:			
Trade payables	8 (e)	**90.494.285**	81.727.813
Lease liabilties		**56.978.947**	39.696.493
Other financial liabilities	8 (f)	**134.788.609**	102.609.134
Unearned and deferred revenue		**43.456.964**	27.658.836
Employee benefit obligations	15	**170.182.325**	136.645.624
Income tax liabilities (net)		**41.054.890**	22.302.044
Provisions		**1.684.423**	7.480.317
Other liabilities	10 (d)	**159.449.230**	124.120.800
Total current liabilities		**698.089.673**	542.241.061
Non-current liabilities:			
Lease liabilties		**146.418.620**	117.541.185
Total non-current liabilities		**146.418.620**	117.541.185
TOTAL LIABILITIES		**844.508.293**	659.782.246
Equity:			
Share capital	8 (j)	**359.244.073**	359.244.073
Legal reserves		**71.848.815**	71.848.815
Other equity		**(72.321.612)**	(335.609.260)
Retained earnings		**1.237.402.962**	1.342.350.425
TOTAL EQUITY		**1.596.174.238**	1.437.834.053
TOTAL LIABILITIES AND EQUITY		**2.440.682.531**	2.097.616.299

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of profit or loss and other comprehensive income

(in Uruguayan Pesos)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenues:			
Revenue from operations	11	**4.466.175.800**	4.703.418.358
TOTAL REVENUES		**4.466.175.800**	4.703.418.358
Operating expenses:			
Employee benefits expenses	15	**3.161.633.116**	3.129.069.048
Depreciation and amortisation expense	9 &10 &11	**224.619.805**	269.366.621
Other operating expenses	12	**495.445.736**	571.703.218
TOTAL OPERATING EXPENSES		**3.881.698.657**	3.970.138.887
Operating income		**584.477.143**	733.279.471
Other income / (expense)			
Finance and other income	13 (a)	**82.600.253**	24.569.569
Other gains / (losses), net	13 (c)	**(46.323.959)**	(29.906.124)
Finance costs	13 (b)	**(23.356.310)**	(19.015.114)
OTHER INCOME / (EXPENSES) (NET)		**12.919.984**	(24.351.669)
Profit before taxes		**597.397.127**	708.927.802
Income tax	14	**211.584.227**	194.240.877
Profit for the year		**385.812.900**	514.686.925
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will be reclassified subsequently to profit or loss:			
Translation adjustment		**263.287.648**	(385.994.471)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**649.100.548**	128.692.454

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Changes in Equity

(in Uruguayan Pesos)

	Equity share capital	Legal reserves	Other equity	Retained earnings	Total equity
Balance as at December 31, 2021	359.244.073	71.848.815	50.385.211	1.547.883.600	2.029.361.699
Other comprehensive income	-	-	(385.994.471)	-	(385.994.471)
Profit for the year	-	-	-	514.686.925	514.686.925
Total comprehensive income / (losses)	-	-	(385.994.471)	514.686.925	128.692.454
Dividend (Note 5)	-	-	-	(720.220.100)	(720.220.100)
Balance as at December 31, 2022	359.244.073	71.848.815	(335.609.260)	1.342.350.425	1.437.834.053
Other comprehensive income	**-**	**-**	**263.287.648**	**-**	**263.287.648**
Profit for the year	**-**	**-**	**-**	**385.812.900**	**385.812.900**
Total comprehensive income / (losses)	**-**	**-**	**263.287.648**	**385.812.900**	**649.100.548**
Dividend (Note 5)	**-**	**-**	**-**	**(490.760.363)**	**(490.760.363)**
Balance as at December 31, 2023	**359.244.073**	**71.848.815**	**(72.321.612)**	**1.237.402.962**	**1.596.174.238**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Cash Flows

(in Uruguayan Pesos)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year		**385.812.900**	514.686.925
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortisation expense	9 &10 &11	**224.619.805**	269.366.621
Income tax expense	14	**211.584.227**	194.240.877
Unrealised foreign exchange (gain) / loss		**10.046.446**	43.785.839
Loss on disposal of property, plant and equipment	13(c)	**230.151**	52.206
Net gain / loss on lease modification		**-**	(1.351.325)
Bad debts and advances written off, allowance for doubtful trade receivables		**(485 823)**	(172 421)
Lease concession		**-**	(539.334)
Net change in:			
Trade receivables			
Billed		**75.724.453**	(95.754.012)
Unbilled		**3.522.160**	19.283.456
Other financial assets		**(249.980)**	2.046.465
Other assets		**(12.796.390)**	55.818.355
Trade and other payables		**(3.617.664)**	3.011.524
Other financial liabilities		**10.321.923**	(11.379.452)
Unearned and deferred revenues		**9.944.838**	(80.749.453)
Employee benefit obligations		**20.289.521**	10.579.374
Other liabilities		**12.664.221**	4.151.207
Provisions		**(5.820.162)**	(1.480.236)
Cash generated from operations		**941.790.627**	925.596.617
Taxes paid (net of refunds)		**(199.025.084)**	(151.527.765)
Net cash provided by operating activities		**742.765.543**	774.068.852
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	10(a)	**(189.238.568)**	(85.075.393)
Proceeds from sale of property and equipment	10(a)	**66.429**	314.506
Loan given to fellow subsidiary		**-**	(42.322.000)
Loan recovered		**32.056.800**	7.989.200
Net cash used in investing activities		**(157.115.339)**	(119.093.687)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		**(63.262.438)**	(83.669.451)
Dividends paid	5	**(490.760.363)**	(720.220.100)
Net cash used in financing activities		**(554.022.801)**	(803.889.551)
Net change in cash		**31.627.403**	(148.914.386)
Exchange difference on translation of foreign currency cash and cash equivalents		**111.119.778**	(199.188.448)
Cash and cash equivalents, beginning of the year		**585.122.375**	933.225.209
Cash and cash equivalents, end of the year	8(a)	**727.869.556**	585.122.375
Supplementary cash flow information:			
Interest paid		**23.356.310**	19.015.114
Interest received		**65.084.134**	22.308.132
Dividend received		**19.195.523**	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes to the financial statements

1. GENERAL INFORMATION

TCS Solution Center S.A. (the Company) is a private company whose headquarter is located on Monte Caseros 2600, in Montevideo, Uruguay.

The Company has a branch office offshore, TCS Solution Center (Colombia Branch) in Bogotá D.C., incorporated on August 15, 2006 in accordance with Colombian law.

These financial statements have been consolidated with such branch.

The Company's main activities are the development of software, provision of IT services and process outsourcing services aimed at both local and foreign markets.

The financial statements have been approved by the Entity´s Board of Directors for their issuance on February 28, 2024 and will be submitted to the shareholders meeting for approval.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") adopted by the International Accounting Standards Board (IASB), translated into Spanish, and interpretations prepared by the Interpretations Committee of the International Financial Reporting Standards or the previous Interpretations Committee, in accordance with the Appropriate Accounting Standards in Uruguay pursuant to Decrees 291/014, 292/014 and 124/011.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non¬current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The Statement of Cash flow have been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Uruguayan peso. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non¬monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Notes to the financial statements

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment and intangibles

The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates and judgements, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value).

e. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

f. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Notes to the financial statements

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

Legal reserve

The legal reserve is a reserve fund created in compliance with article 93 of Law 16.060 for commercial companies, which establishes that no less than 5 percent of the net profit for the year should be used to increase the mentioned reserve, until it reaches 20 percent of the paid-in capital.

Retained earnings

On September 22, 2023 it was determined to distribute dividends in advanced for a total of $ 112.418.212 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On June 21, 2023 it was determined to distribute dividends in advanced for a total of $ 177.807.280 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On December 01, 2023 it was determined to distribute dividends in advanced for a total of $ 200.534.871 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On November 30, 2022 it was determined to distribute dividends in advanced for a total of $ 187.112.000 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On May 12, 2022 it was determined to distribute dividends in advanced for a total of $ 321.498.100 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On March 23, 2022 it was determined to distribute dividends in advanced for a total of $ 211.610.000 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

Other equity

The balance of the account corresponds to the difference of exchange rate in the Colombia branch with functional currency Colombian Pesos, within an equity account as set forth in IAS 21.

6. REGISTRATION OF FINANCIAL STATEMENTS

According to Decree 156/16 dated May 30, 2016, commercial companies will not be able to distribute dividends as long as they do not comply with the obligation to register, within the established terms, the financial statements to the Auditoría Interna de la Nación (AIN), institution that regulates the commercial companies.

To date, the Company has complied with this obligation for the year ended on December 31, 2022. For the year ended on December 31, 2023 the Company has time to comply until June 30, 2024.

7. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

Notes to the 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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

8. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of

Notes to the financial statements

financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company´s obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes to the financial statements

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Cash in hand	**70.407**	67.927
Current account balances with banks	**727.799.149**	585.054.448
Total	**727.869.556**	585.122.375

b. Investments

Investments consist of the following:

Investment - Non current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Investments carried at Cost		
Fully paid equity shares		
i. Tata Consultancy Services De México S.A. De C.V	**906**	906
ii. TCS do Brazil Ltda.	**8**	8
Total Investments - Non current	**914**	914

c. Trade receivables - Billed

Trade receivables – Billed consist of the following:

Trade receivables – Billed – Current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Trade receivables - Billed	**887.786.567**	875.223.717
Less: Allowance for doubtful trade receivables - Billed	**-**	(35.466.345)
Less: Provision for volume discount	**(6.503.697)**	(8.090.235)
Total	**881.282.870**	831.667.137

Trade receivables – Billed include balances with related parties amounting to UYU 315.453.122 and UYU 419.347.803 for the period ended on December 31, 2023 and December 31, 2022 respectively. (Refer Note 17)

Notes to the financial statements

d. Other financial assets

Other financial assets consist of the following:

Other financial assets – Current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Employee advances (*)	**11.595.333**	12.068.274
Loan to fellow subsidiary	**-**	8.014.200
Deposits for premises	**-**	2.816.406
Accrued Interest	**5.171.022**	1.725.958
Others	**4.996**	4.467
Total	**16.771.351**	24.629.305

(*) Include recoverable advances to foreign employees deputed in Uruguay and Colombia.

Other financial assets – Non-current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Deposits for premises	**2.148.589**	-
Loan to fellow subsidiary	**-**	24.042.600
Total	**2.148.589**	24.042.600

e. Trade payables

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Trade payables	**68.915.065**	55.953.116
Accrued expenses	**21.579.220**	25.774.697
Total	**90.494.285**	81.727.813

f. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Accrued payroll	**134.188.609**	100.285.968
Capital creditors	**-**	1.641.166
Security deposits	**600.000**	682.000
Total	**134.788.609**	102.609.134

Notes to the financial statements

g. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

(in Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**727.869.556**	**727.869.556**
Trade receivables		
Billed	**881.282.870**	**881.282.870**
Unbilled	**162.650.651**	**162.650.651**
Other financial assets	**18.919.940**	**18.919.940**
Total	**1.790.723.017**	**1.790.723.017**
Financial liabilities		
Trade payables	**90.494.285**	**90.494.285**
Lease liabilties	**203.397.567**	**203.397.567**
Other financial liabilities	**134.788.609**	**134.788.609**
Total	**428.680.461**	**428.680.461**

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

(in Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	585.122.375	585.122.375
Trade receivables		
Billed	831.667.137	831.667.137
Unbilled	143.775.647	143.775.647
Other financial assets	48.671.905	48.671.905
Total	1.609.237.064	1.609.237.064
Financial liabilities		
Trade payables	81.727.813	81.727.813
Lease liabilties	157.237.678	157.237.678
Other financial liabilities	102.609.134	102.609.134
Total	341.574.625	341.574.625

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at December 31, 2023 and December 31, 2022 approximate at the fair value due to their nature. Carrying amounts of other financial assets, other financial liabilities and borrowings which are subsequently measured at amortized cost also approximates the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

h. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Notes to the financial statements

- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company´s exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percent against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures for Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to unhedged foreign currency exposure as at December 31, 2023 and December 31,2022:

(in Uruguayan Pesos)

December 31, 2023	USD	GBP	CAD	COP	MXN	ARS	AUD	EUR	DKK	BRL	UDF	CLP
Net financial assets	**409.683.400**	**(1.653.927)**	**-**	**1.327.130.378**	**10.617.075**	**118.592**	**(1.499.661)**	**11.702.417**	**3.625.818**	**385.269**	**-**	**706.327**
Net financial liabilities	**98.653.182**	**-**	**(4.185)**	**314.257.944**	**111.571**	**-**	**2.060**	**(128)**	**(1.133)**	**-**	**-**	**-**

(in Uruguayan Pesos)

December 31, 2022	USD	GBP	CAD	COP	MXN	ARS	AUD	EUR	DKK	BRL	UDF	CLP
Net financial assets	596.968.556	(377.422)	1.092.022	944.985.391	4.403.560	556.180	606.840	39.162.557	7.218.380	458.388	158.204	666.566
Net financial liabilities	54.135.757	-	(32)	174.199.691	186.518	-	-	(127)	(3.033)	-	-	-

10 percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately UYU 135.913.244 for the period ended December 31, 2023 and UYU 134.779.638 for the year ended December 31, 2022 respectively.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Notes to the financial statements

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and other financial assets. Cash and cash equivalents include an amount of 66.799.477 Uruguayan Pesos held with a bank in Uruguay and 652.152.134 Uruguayan Pesos held with banks in Colombia having high quality credit rating which are individually in excess of 10 percent or more of the Company's total cash and cash equivalents as at December 31, 2023 (an amount of 101.561.610 Uruguayan Pesos held with a bank in Uruguay and 388.423.186 Uruguayan Pesos held with banks in Colombia as at December 31, 2022). None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was UYU 1.802.059.081 and UYU 1.620.730.054 as at December 31, 2023 and December 31, 2022, respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Company's exposure to customers is diversified, and single customer which contributes individually to more than 10 percent of outstanding trade receivable and contract assets as at December 31, 2023 and December 31, 2022, respectively are as follows:

(in Uruguayan Pesos)

	As at December 31, 2023		As at December 31, 2022	
	Trade receivables and Contract Assets	Percentage	Trade receivables and Contract Assets	Percentage
Customer A	**269.318.548**	**31**	206.312.275	21
Customer B	**330.255.974**	**26**	434.700.422	44
Customer C	**125.462.106**	**12**	80.630.276	8

Geographic concentration of credit risk

Geographic concentration of trade receivables (net of allowances) and contract assets is as follows:

	As at December 31, 2023	As at December 31, 2022
	Net %	Net %
America	**94**	91
Europe	**4**	5
Others	**2**	4

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

Notes to the financial statements

The allowance for lifetime expected credit loss on trade receivables for the period ended December 31, 2023 and December 31, 2022 was UYU NIL and UYU 35.466.345, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(in Uruguayan Pesos)

	Year ended December 31,2023	Year ended December 31,2022
Balance at the beginning of the Year	**35.466.345**	70.284.111
Changes during the year	**-**	-
Bad Debts written off	**(37.472.228)**	(19.179.005)
Provision written back	**(476.761)**	(181.449)
Translation exchnage difference	**2.482.644**	(15.457.312)
Balance at the End of the Year	**-**	35.466.345

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(in Uruguayan Pesos)

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**90.494.285**	**-**	**-**	**-**	**90.494.285**
Lease liabilities (*)	**72.918.165**	**67.432.414**	**100.901.135**	**-**	**241.251.714**
Other financial liabilities	**134.788.609**	**-**	**-**	**-**	**134.788.609**
Total	**298.201.059**	**67.432.414**	**100.901.135**	**-**	**466.534.608**

(in Uruguayan Pesos)

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	81.727.813	-	-	-	81.727.813
Lease liabilities (*)	52.386.749	37.574.312	88.604.925	17.064.466	195.630.452
Other financial liabilities	102.609.134	-	-	-	102.609.134
Total	236.723.696	37.574.312	88.604.925	17.064.466	379.967.399

(*) Amounts are presented at nominal value and not book value.

Notes to the financial statements

j. Equity instruments

The authorised, issued, subscribed and fully paid up share capital consists of the following:

(in Uruguayan Pesos)

	As at December 31,2023	As at December 31,2022
Authorised		
Equity shares of uruguayan pesos 1 each (500.000.000 shares)	**500.000.000**	500.000.000
Total	**500.000.000**	500.000.000
Issued, Subscribed and Fully paid up		
Outstanding balance of equity shares of uruguayan pesos 1 each (359.244.073 shares)	**359.244.073**	359.244.073
Total	**359.244.073**	359.244.073

Details of shares held by shareholders in the Company equity shares

(in Uruguayan Pesos)

	As at December 31,2023	As at December 31,2022
TCS Iberoamerica S.A. (Holding Company)	**359.244.073**	359.244.073
% Holding in class	**100%**	100%

Fully paid equity shares, which have a par value of 359.244.073 Uruguayan pesos (UYU 1 each) carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

9. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non¬lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right- of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

Notes to the financial statements

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by- lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(in Uruguayan Pesos)

	Additions for the year ended December 31, 2023	Net carrying amount as at December 31, 2023
ROU Leasehold Building	**79.859.404**	**171.403.292**
ROU Leasehold office equipment	**-**	**65.335**
ROU Leasehold improvements	**-**	**34.498.381**
Total	**79.859.404**	**205.967.008**

(in Uruguayan Pesos)

	Additions for the year ended December 31, 2022	Net carrying amount as at December 31, 2022
ROU Leasehold Building	139.821.046	122.234.219
ROU Leasehold office equipment	769.202	381.001
ROU Leasehold improvements	-	34.509.036
Total	140.590.248	157.124.256

Depreciation on right-of-use asset is as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
ROU Leasehold Building	**55.861.580**	69.173.475
ROU Leasehold office equipment	**356.878**	322.726
ROU Leasehold improvements	**6.715.255**	7.243.507
Total	**62.933.713**	76.739.708

Notes to the financial statements

Interest on lease liabilities is UYU 17.746.431 for the period ended on December 31, 2023 (UYU 19.015.114 for the year ended on December 31, 2022).

The Company incurred UYU 12.516.904 for the period ended December 31, 2023 (UYU 12.418.234 for the year ended December 31, 2022) towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow is UYU 93.525.773 for the period ended December 31, 2023 for long term and short term leases (UYU 115.075.940 for the year ended December 31, 2022).

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

10. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Notes to the financial statements

Property, plant and equipment consist of the following:

(in Uruguayan Pesos)

	Leasehold improvements	Computer equipments	Furniture and fixtures	Office equipments	Electric installation	Total
Gross block as at December 31, 2022	**100.297.002**	**1.187.784.539**	**12.126.176**	**19.685.360**	**18.221.127**	**1.338.114.204**
Purchases	**-**	**183.458.485**	**499.356**	**4.132.025**	**1.148.702**	**189.238.568**
Disposals	**-**	**(9.962.886)**	**(122.916)**	**(33.653)**	**-**	**(10.119.455)**
Effect of foreign currency translations	**13.606.311**	**265.779.488**	**1.222.806**	**3.218.083**	**3.782.449**	**287.609.137**
Gross block as at December 31, 2023	**113.903.313**	**1.627.059.626**	**13.725.422**	**27.001.815**	**23.152.278**	**1.804.842.454**
Accumulated depreciation as at December 31, 2022	**100.296.990**	**955.152.162**	**10.770.244**	**14.964.321**	**13.999.616**	**1.095.183.333**
Disposals	**-**	**(9.666.306)**	**(122.916)**	**(33.653)**	**-**	**(9.822.875)**
Depreciation for the year	**-**	**155.177.073**	**666.030**	**2.959.322**	**2.140.878**	**160.943.303**
Effect of foreign currency translations	**13.606.311**	**213.833.025**	**1.162.412**	**2.271.492**	**3.177.344**	**234.050.584**
Accumulated depreciation as at December 31, 2023	**113.903.301**	**1.314.495.954**	**12.475.770**	**20.161.482**	**19.317.838**	**1.480.354.345**
Net carrying amount as at December 31, 2023	**12**	**312.563.672**	**1.249.652**	**6.840.333**	**3.834.440**	**324.488.109**
Capital work-in-progress *	**-**	**-**	**-**	**-**	**-**	**-**
Total						**324.488.109**

(in Uruguayan Pesos)

	Leasehold improvements	Computer equipments	Furniture and fixtures	Office equipments	Electric installation	Total
Gross block as at December 31, 2021	121.863.713	1.462.888.221	15.486.829	22.438.536	23.694.845	1.646.372.144
Purchases	-	83.656.879	-	1.424.467	-	85.081.346
Disposals	(1.024.856)	(725.053)	(1.409.850)	(216.399)	-	(3.376.158)
Effect of foreign currency translations	(20.541.855)	(358.035.508)	(1.950.803)	(3.961.244)	(5.473.718)	(389.963.128)
Gross block as at December 31, 2022	100.297.002	1.187.784.539	12.126.176	19.685.360	18.221.127	1.338.114.204
Accumulated depreciation as at December 31, 2021	118.902.623	1.046.353.535	13.337.712	15.380.031	16.060.032	1.210.033.933
Disposals	(1.024.856)	(358.342)	(1.409.850)	(216.399)	-	(3.009.447)
Depreciation for the year	2.858.963	183.615.594	738.176	2.571.962	2.097.896	191.882.591
Effect of foreign currency translations	(20.439.740)	(274.458.625)	(1.895.794)	(2.771.273)	(4.158.312)	(303.723.744)
Accumulated depreciation as at December 31, 2022	100.296.990	955.152.162	10.770.244	14.964.321	13.999.616	1.095.183.333
Net carrying amount as at December 31, 2022	12	232.632.377	1.355.932	4.721.039	4.221.511	242.930.871
Capital work-in-progress *	-	-	-	-	-	-
Total						242.930.871

b. Other intangible assets

Intangible assets purchased including acquired in business combination, are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences.

Notes to the financial statements

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licenses	Lower of license period and 2-5 years

Intangible assets are amortised on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

Intangible assets

(in Uruguayan Pesos)

	Software Licences
Gross block as at December 31, 2022	**2.977.286**
Purchases	**-**
Disposals	**-**
Effect of foreign currency translations	**-**
Gross block as at December 31, 2023	**2.977.286**
Accumulated depreciation as at December 31, 2022	**1.973.792**
Disposals	**-**
Amortisation for the year	**742.789**
Effect of foreign currency translations	**-**
Accumulated depreciation as at December 31, 2023	**2.716.581**
Net carrying amount as at December 31, 2023	**260.705**

(in Uruguayan Pesos)

	Software Licences
Gross block as at December 31, 2021	2.977.286
Purchases	-
Disposals	-
Effect of foreign currency translations	-
Gross block as at December 31, 2022	2.977.286
Accumulated depreciation as at December 31, 2021	1.229.470
Disposals	-
Amortisation for the year	744.322
Effect of foreign currency translations	-
Accumulated depreciation as at December 31, 2022	1.973.792
Net carrying amount as at December 31, 2022	1.003.494

Notes to the financial statements

The estimated amortisation for the years subsequent to December 31, 2023 is as follows:

Intangible assets

	(in Uruguayan Pesos)
2024	**185.064**
2025	**75.641**
Total	**260.705**

c. Other assets

Other assets consist of the following:

Other assets – Current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	**8.133.934**	6.165.209
Advance to suppliers	**487.508**	99.350
Indirect tax recoverable	**2.303.462**	-
Other current assets	**-**	22.254
Contract assets	**9.731.609**	11.457.051
Contract fulfillment costs (*)	**26.188.805**	13.516.711
Total	**46.845.318**	31.260.575

Other assets – Non-current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	**832.620**	1.372.845
Contract assets	**1.604.457**	35.939
Contract fulfillment costs (*)	**9.586.377**	5.108.313
Total	**12.023.454**	6.517.097

(*) Contract fulfillment costs of UYU 20.282.893 and UYU 25.341.694 for the period ended December 31, 2023 and December 31, 2022, respectively, have been amortised in the profit or loss.

Refer note 11 for changes in contract assets.

d. Other liabilities

Other liabilities consist of the following

Other liabilities – Current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Advance received from customers	**2.789.899**	231.442
Indirect tax payable and other statutory liabilities	**156.659.331**	123.866.499
Others	**-**	22.859
Total	**159.449.230**	124.120.800

Notes to the financial statements

11. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company´s contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Notes to the financial statements

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals, and geography.

Revenue disaggregation by nature of services is as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Consultancy services	**4.425.704.834**	4.668.677.855
Sale of equipment and software licences	**40.470.966**	34.740.503
Total	**4.466.175.800**	4.703.418.358

Revenue disaggregation by industry vertical is as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Banking, Financial and Insurance	**2.753.295.083**	2.833.596.161
Manufacturing	**52.376.705**	31.531.956
Retail and Consumer Products	**543.884.709**	592.892.240
Communication, Media and Technology	**356.214.660**	395.150.416
Others	**760.404.643**	850.247.585
Total	**4.466.175.800**	4.703.418.358

Revenue disaggregation by geography is as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
America	**4.186.071.396**	4.328.820.387
Others	**280.104.404**	374.597.971
Total	**4.466.175.800**	4.703.418.358

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate

Notes to the financial statements

transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is 1.623.767.295 Uruguayan Pesos out of which 55.68 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(in Uruguayan Pesos)

	Year ended December 31,2023	Year ended December 31, 2022
Balance at the beginning of the year	**11.492.990**	65.105.041
Increase due to revenue recognized during the year, excluding amounts billed during the year	**5.629.856**	10.929.736
Invoice raised that was included in the contract asset balance at the beginning of the period	**(6.697.025)**	(50.056.482)
Translation exchange difference	**910.245**	(14.485.305)
Balance at the end of the year	**11.336.066**	11.492.990

Changes in unearned and deferred revenue (contract liabilities) are as follows:

(in Uruguayan Pesos)

	Year ended December 31,2023	Year ended December 31, 2022
Balance at the beginning of the year	**27.658.836**	125.537.055
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(28.479.020)**	(23.468.552)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**43.335.638**	(48.459.708)
Translation exchange difference	**941.510**	(25.949.959)
Balance at the end of the year	**43.456.964**	27.658.836

Notes to the financial statements

12. OPERATING EXPENSES RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortisation and other Operating Expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various Funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel costs, cost of equipment and software licenses, communication expenses and other expenses.

Other operating expense

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Fees to external consultants	**98.243.250**	119.778.104
Facility running expenses	**45.171.830**	63.538.708
Travel expenses	**34.012.272**	45.390.700
Communication	**22.482.054**	26.092.433
Cost of equipment and software licenses	**32.672.539**	28.600.126
Other expenses	**262.863.791**	288.303.147
Total	**495.445.736**	571.703.218

Expenses by function

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Cost of revenue	**3.062.460.816**	3.065.854.928
Selling and administrative expenses	**819.237.841**	904.283.959
Total	**3.881.698.657**	3.970.138.887

13. OTHER INCOME

a. Finance and other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using effective interest method.

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Dividends received - subsidiaries (Refer note 17)	**19.195.523**	-
Interest revenue - bank deposits and Other deposits	**62.780.301**	23.161.494
Interest revenue - subsidiary	**624.428**	1.408.075
Total	**82.600.253**	24.569.569

Notes to the financial statements

b. Finance costs

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Other interest expenses	**5.609.879**	-
Lease interest	**17.746.431**	19.015.114
Total	**23.356.310**	19.015.114

c. Other gains / (losses), net

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Gains / (loss) on disposal of property, plant and equipment	**(230.151)**	(52.206)
Net foreign exchange gains / (losses)	**(47.361.510)**	(40.498.508)
Others	**1.267.702**	10.644.590
Total	**(46.323.959)**	(29.906.124)

14. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

TCS Solution Center S.A. is tax by a current Income tax at a 25%.

TCS Colombia branch is tax by a current Income tax at a 35%.

Current tax

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis

Deferred tax

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Notes to the financial statements

The income tax expense consists of the following:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Current income tax expense		
Domestic	**19.611.778**	10.345.479
Overseas	**192.064.148**	155.109.903
	211.675.926	165.455.382
Deferred income tax expense / (benefit)		
Domestic	**(124.235)**	-
Overseas	**32.536**	28.785.495
	(91.699)	28.785.495
Total income tax expense	**211.584.227**	194.240.877

The reconciliation of income tax expense and book net income is as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Income before income taxes	**597.397.127**	708.927.802
Income tax rate Uruguay	**25%**	0%
Expected income tax expense	**149.349.282**	-
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax on transfer of foreign subsidiary overseas branches	**17.700.860**	-
Income exempt from tax	**(371.252.086)**	-
Branch income tax	**192.064.148**	155.109.903
Deferred tax	**(91.699)**	28.785.495
Fixed assets of SEZ/STP	**(685.130)**	-
Disallowable expenses:		
Direct cost associated to income exempt of tax	**182.315.720**	-
Indirect Administrative cost associated to income exempt of tax	**44.219.288**	-
Other permanent differences:		
Wealth tax	**333.877**	-
Interest and other gain related leases (IFRS 16 accounting)	**(1.992.091)**	-
Indirect financial cost associated to income exempt of tax	**(377.942)**	-
WHT on dividend and payments	**-**	10.345.479
Total income tax expense	**211.584.227**	194.240.877

Notes to the financial statements

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2023 are as follows:

	Year ended December 31, 2022	Recognised / reversed through profit or loss	Unrealized translation adjustment	Year ended December 31, 2023
Originated by:				
Property, plant and equipment	**42.340.916**	**1.549.821**	**9.349.564**	**53.240.301**
Lease liabilities	**39.698**	**(1.008.385)**	**(107.379)**	**(1.076.066)**
Other	**7.161.414**	**(449.737)**	**1.498.094**	**8.209.771**
	49.542.028	**91.699**	**10.740.279**	**60.374.006**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2022 are as follows:

	Year ended December 31, 2021	Recognised / reversed through profit or loss	Unrealized translation adjustment	Year ended December 31, 2022
Originated by:				
Property, plant and equipment	53.670.052	2.164.774	(13.493.910)	42.340.916
Lease liabilities	2.063.731	(1.781.047)	(242.986)	39.698
Other	42.428.273	(29.169.222)	(6.097.637)	7.161.414
	98.162.056	(28.785.495)	(19.834.533)	49.542.028

Direct tax contingencies

The Company has contingent liability of UYU NIL as at December 31, 2023 and December 31, 2022, respectively, in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants. The Company has evaluated and concluded that this tax demand by authorities will not succeed on ultimate resolution.

15. EMPLOYEE BENEFITS

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company provides retirement benefits such as pension (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short¬term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position.

Notes to the financial statements

Employee cost consist of the following:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, incentives and allowances	**2.772.828.509**	2.758.442.339
Contributions to provident and other funds	**321.226.841**	299.535.094
Staff welfare	**67.577.766**	71.091.615
	3.161.633.116	3.129.069.048

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Benefits to employees	**168.509.169**	135.070.893
Other employee benefit obligations	**1.673.156**	1.574.731
Total	**170.182.325**	136.645.624

16. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has contractually committed (net of advances) UYU 5.487.740 and UYU 3.495.643 as at December 31, 2023 and December 31, 2022, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer to Note No.14

- **Indirect tax matters**

  There is no contingency in relation to Indirect tax matters.

- **Other claims**

  Claims aggregating UYU 8.155.133 and UYU 5.344 as at December 31, 2023 and December 31, 2022, respectively, against the Company have not been acknowledged as debts.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The Company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Notes to the financial statements

Transactions with related parties are as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations		
Tata Consultancy Services Limited	**968.414.500**	1.781.616.237
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**-**	(42)
Tata Consultancy Services Asia Pacific Pte Ltd.	**8.765**	11.701.868
Tata Consultancy Services Belgium	**27.144.243**	52.040.538
Tata Consultancy Services Chile S.A.	**2.609.835**	3.907.887
Tata Consultancy Services De Mexico S.A.,De C.V.	**4.713.000**	35.063.009
Tata Consultancy Services France S.A.	**50.021.794**	89.808.200
Tata Consultancy Services Netherlands BV	**741.083**	762.515
Tata Consultancy Services Switzerland Ltd.	**1.429.188**	49.818.890
Tata Solution Center S.A.	**6.055**	2.560.682
Tata Consultancy Services Canada Inc.	**-**	3.426.978
Tata Consultancy Services do Brasil Ltda	**2.298.354**	3.556.667
Tata Consultancy Services Sucursal del Peru	**1.980**	(488.218)
Total	**1.057.388.796**	2.033.775.211
Interest income		
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**624.428**	1.408.075
Total	**624.428**	1.408.075
Dividend income		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**19.195.523**	-
Total	**19.195.523**	-
Loan given		
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**-**	42.322.000
Total	**-**	42.322.000
Loan recovered		
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**30.929.600**	7.989.200
Total	**30.929.600**	7.989.200
Purchases of goods and services (including reimbursements)		
Tata Consultancy Services Limited	**76.861.214**	269.273.326
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**5**	465.671
Tata America International Corporation	**(4.519)**	-

Notes to the financial statements

Transactions with related parties are as follows:

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Tata Consultancy Services Chile S.A.	**-**	8.969.467
Tata Consultancy Services De Mexico S.A.,De C.V.	**32.091**	32.879.373
Tata Consultancy Services Do Brasil Ltda	**3.824**	2.558.111
TCS Inversiones Chile Limitada	**5.052.950**	24.109.053
TCS France S.A.	**377**	-
TCS Uruguay S. A.	**-**	48.734
Tata Solution Center S.A.	**(49)**	(197.767)
Tata Consultancy Services Sucursal del Peru	**2.029.006**	2.617.973
Total	**83.974.901**	340.723.941
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**3.447.491**	9.673.444
Total	**3.447.491**	9.673.444
Dividend paid		
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica S.A.	**490.760.363**	720.220.100
Total	**490.760.363**	720.220.100

Balances receivable from related parties are as follows:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Trade receivables and contract assets		
Tata Consultancy Services Limited	**232.932.205**	433.449.838
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**4.541**	320.568
Tata Consultancy Services Argentina S.A.	**19.728**	20.836.823
Tata Consultancy Services Asia Pacific Pte Ltd.	**692**	1.667.841
Tata Consultancy Services Belgium	**2.399.658**	4.501.770
Tata Consultancy Services Canada Inc.	**-**	1.092.023
Tata Consultancy Services Chile S.A.	**419.351**	824.770
Tata Consultancy Services De Mexico S.A.,De C.V.	**1.013.344**	4.602.112
Tata Consultancy Services Netherlands BV	**127.126**	63.196
Tata Consultancy Services Switzerland Ltd.	**2.842**	2.550.905
Tata Solution Center S.A.	**1.844**	785.117
Tata Consultancy Services France S.A.	**19.412.200**	34.597.594

Notes to the financial statements

Balances receivable from related parties are as follows:

(in Uruguayan Pesos)

	As at December 31, 2023	As at December 31, 2022
Tata Consultancy Services Do Brasil Ltda	**202.967**	520.935
TCS Guatemala	**-**	376.748
Tata Consultancy Services Sucursal del Peru	**-**	3.125
Total	**256.536.498**	506.193.365
Loans, other financial assets and other assets		
Tata Consultancy Services Limited	**2.612**	1.556.109
Tata Consultancy Services Sucursal del Peru	**489**	-
MGDC S.C.	**-**	33.454.957
Total	**3.101**	35.011.067
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**5.003.247**	7.600.629
Tata Consultancy Services Limited	**16.055.605**	45.599.272
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**-**	(158)
Tata Consultancy Services Chile S.A.	**-**	43.734
Tata Consultancy Services De Mexico S.A.,De C.V.	**5.912**	4.431.222
Tata Consultancy Services Do Brasil Ltda	**221**	62.545
TCS Inversiones Chile Limitada	**1.628.151**	4.242.422
Tata Consultancy Services Switzerland Ltd.	**222.024**	-
Tata Consultancy Services Asia Pacific Pte Ltd.	**144**	79.385
Tata Consultancy Services France	**-**	445.439
TCS Belgium S.A./N.V.	**24.659**	7
Tata Consultancy Services Sucursal del Peru	**437.733**	-
Total	**23.377.696**	62.504.497

Compensation to key management personnel

(in Uruguayan Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Short-term benefits	**33.702.789**	30.815.062
Total	**33.702.789**	30.815.062

18. SUBSEQUENT EVENTS

There were no subsequent events that meet disclosure.

Translation from the original prepared in Spanish for publication in Argentina

TATA CONSULTANCY SERVICES ARGENTINA S.A.

Letter to shareholders and financial statements for regular fiscal period beginning January 01, 2023 and ended December 31, 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

CONTENTS **PAGE**

LETTER TO SHAREHOLDERS

FOR THE REGULAR FISCAL PERIOD FROM JANUARY 01, 2023 TO DECEMBER 31, 2023
(INFORMATION NOT COVERED BY THE INDEPENDENT AUDITORS' REPORT)

To the shareholders of
Tata Consultancy Services Argentina S.A.

In compliance with legal provisions in force and the bylaws, the Board of Directors is pleased to submit for your consideration the following documentation for the regular fiscal period of 12 months ended December 31, 2023: the letter to shareholders, balance sheet, statements of profit or loss, changes in shareholders' equity and cash flows, notes 1 to 11 and exhibits I to IV, the independent auditors' report and supervisory auditor's report.

1. MAIN CONTENTS OF BUSINESS POLICIES AND OBJECTIVES

a. Company's business, background and structure

The Company's main business is to sell and provide IT design services.

b. Financial position and business development

The amounts included in the Statement of changes in shareholders' equity are stated in constant currency as at December 31, 2023.

c. Decision taking and internal control

As it relates to decision taking, the Company is ruled by decisions adopted at meetings of directors and shareholders.

However, various systems have been implemented in relation to strategic planning, administrative procedures, IT and communication, personnel assessment and management and quality control, contributing to a proper internal control, to ensure that objectives are achieved efficiently and effectively, based on reliable financial information and in compliance with laws and regulations in force.

2. COMPARATIVE FINANCIAL STATEMENT RATIOS

	Description	As at December 31, 2023	As at December 31, 2022
1	Solvency (1)	**(0.01)**	0.15
2	Current liquidity (2)	**4.93**	5.94
3	Non current assets (3)	**0.07**	0.04
4	Profitability (4)	**(15.79)**	0.44

(1) Shareholders' equity/total liabilities

(2) Current assets / Current liabilities

(3) Non current assets / Total assets

(4) Net income or loss/shareholders' equity

According to my report of:
February 28, 2024

Pablo Gustavo Traini
Regular Supervisory Auditor

3. RELATED COMPANIES (ART. 33 LAW 19550, AS AMENDED)

As described in note 6 to the financial statements, balances as at December 31 and December 31, 2023 with related companies are as follows:

(Amount in ARS)

Receivables	As at December 31, 2023	As at December 31, 2022
For services		
Tata Consultancy Services Limited	**48.915.159**	99.117.622
Tata Consultancy Services France	**11.898.988**	22.808.664
Tata Consultancy Services Deutschland GmbH	**13.678.524**	4.991.055
Tata America International Corporation	**3.895.990**	-
Tata Consultancy Services Chile S.A	**568.751**	-
Total	**78.957.412**	126.917.341
Other receivable		
Tata Consultancy Services Limited	**3.178.749**	-
Tata Consultancy Services de México, S.A. de C.V.	**2.279.161**	-
Total	**5.457.910**	-
Payables		
Trade		
TCS Solution Center Sucursal Colombia	**412.989.529**	287.377.269
Tata Consultancy Services Limited	**741.452.421**	1.243.184.910
Tata Consultancy Services de México, S.A. de C.V.	**518.352.256**	387.719.183
TCS Uruguay S.A.	**118.440.504**	43.887.526
Tata Consultancy Services do Brasil Ltda.	**132.835**	-
Tata Consultancy Services France	**13.486.184**	-
Tata Sons Private Limited	**3.085.344**	6.760.218
Total	**1.807.939.072**	1.968.929.106

4. PROFIT OR LOSS STRUCTURE COMPARATIVE WITH THE PRIOR YEAR:

a. Comparative balance sheet structure

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
Current assets	**2.070.356.782**	2.741.848.558
Non current assets	**151.848.635**	110.801.508
Total assets	**2.222.205.418**	2.852.650.066
Current liabilities	**419.773.238**	461.381.991
Non-current liabilities	**1.828.158.883**	2.010.700.593
Total liabilities	**2.247.932.121**	2.472.082.584
Shareholders' equity	**(25.726.703)**	380.567.482
Total liabilities + shareholders' equity	**2.222.205.418**	2.852.650.066

b. Comparative consolidated financial position

(Amount in ARS)

	Year ended December 31, 2023	Year ended December 31, 2022
Net sales	**3.224.079.087**	3.872.964.421
Cost of services	**(2.011.600.358)**	(2.294.363.755)
Gross Profit	**1.212.478.729**	1.578.600.666
Selling expenses	**(221.900.600)**	(256.090.109)
Administrative expenses	**(900.544.414)**	(1.037.428.992)
Other operating expenses	**(98.714.087)**	(229.995.369)
Other net income	**(1.639.504)**	547.542
Financial gains/losses (including gain or loss on net monetary position - RECPAM)	**(401.880.041)**	117.710.993
Loss before income tax	**(412.199.884)**	173.344.731
Income tax	**5.905.732**	(7.120.572)
Net loss/gain	**(406.294.185)**	166.224.159

c. Cash flow structure

(Amount in ARS)

	Year ended December 31, 2023	Year ended December 31, 2022
Cash at beginning of the year		
Ordinary operating activities	**752.876.284**	846.049.445
Investing activities	**(440.506)**	(60.992.439)
Financing activities	**-**	-
RECPAM of cash	**(1.081.683.369)**	(766.198.132)
Cash at year-end	**1.264.093.386**	1.593.341.013
Net decrease	**(329.247.627)**	18.858.875

5. INCOME/LOSS FOR THE REGULAR FISCAL PERIOD

During this regular fiscal period, the Company recorded a loss in the amount of $406.294.185.

6. DIRECTORS' AND SUPERVISORY AUDITORS' COMPENSATION

The members of the Board of Directors and the Supervisory Auditors have communicated, as in prior years, their decision not to receive any compensation for their performance during the year under analysis, in each of their related positions, with the exception of Alberto Arana, who has been assigned fees for his services to the Company during the year.

7. COMPANY'S PROSPECTS AND OBJECTIVES FOR NEXT FISCAL YEAR

Prospects for this year are encouraging, considering the substantial improvement in the results of each project.

Finally, we wish to express our gratitude to our customers, suppliers, advisors and financial entities that have supported us and, particularly, to all our staff for the commitment and cooperation shown.

City of Buenos Aires, February 28, 2024

THE BOARD OF DIRECTORS

According to my report of:
February 28, 2024

Pablo Gustavo Traini
Regular Supervisory Auditor

Tata Consultancy Services Argentina S.A.

Financial statements for regular fiscal period January 01, 2023 and ended December 31, 2023 comparative with the prior year

Stated in constant currency -pesos (Note 2.1)

Legal address: Uspallata 3046, City of Buenos Aires

Main activity: Services in the information technology sector.

Date of registration with the Public Registry of Commerce: November 29, 2001

Registration date of the latest amendment to the bylaws: October 19, 2021

Registration with the Supervisory Board of Companies (I.G.J.): 1702305

Expiration date of the Corporation: November 29, 2100

Parent Company's information: (Note 5):

Name: TCS Iberoamérica S.A.

Legal address: Monte Caseros 2.600, Montevideo, Uruguay

Main activity: Holding Company

Ownership interest: 99.99 percent

Voting stock: 99.99 percent

Capital structure at nominal value (Note 5):

Shares

Quantity	Type, nominal value and No. of votes per share	Subscribed and paid-in	Registered
47,127,769	Non-endorsable, registered, common shares with a nominal value of $1 each, one vote per share	**$ 47,127,769**	**$ 42,127,769**

According to our report of
February 28, 2024

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A T° 1 – F° 68

Leonardo Fraga (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 166 – F ° 183

According to my report of
February 28, 2024

Pablo Gustavo Traini
Regular Supervisory Auditor

Balance sheet

As at December 31, 2023 comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

(Amount in ARS)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and banks	3.1	**1.064.093.386**	503.414.260
Short term investments	3.2	**200.000.000**	1.089.926.753
Accounts receivable	3.3	**591.802.787**	759.558.339
Other receivables	3.4.1	**214.460.609**	388.949.206
Total current assets		**2.070.356.782**	2.741.848.558
Non current assets			
Investments subsidiary		**1.640**	5.107
Other receivables	3.4.2	**93.063.347**	12.214.180
Fixed assets	(Exhibit I)	**58.783.648**	98.582.221
Total non current assets		**151.848.635**	110.801.508
TOTAL ASSETS		**2.222.205.418**	2.852.650.066
LIABILITIES			
Current liabilities			
Trade payables	3.5.1	**59.647.548**	119.370.101
Payroll and social security contributions	3.6	**273.082.126**	298.646.943
Taxes payables	3.7.1	**85.055.009**	43.364.947
Customer advances		**1.431.268**	-
Other liabilities		**557.287**	-
Total current liabilities		**419.773.238**	461.381.991
Non current liabilities			
Trade payables	3.5.2	**1.804.468.775**	1.968.930.006
Taxes payable	3.7.2	**18.294.392**	24.683.263
Allowances	(Exhibit II)	**5.395.716**	17.087.324
Total non-current liabilities		**1.828.158.883**	2.010.700.593
TOTAL LIABILITIES		**2.247.932.121**	2.472.082.584
SHAREHOLDERS' EQUITY (as per related statement)		**(25.726.703)**	380.567.482
Total liabilities and shareholders' equity		**2.222.205.418**	2.852.650.066

The accompanying notes and exhibits are an integral part of these financial statements.

According to our report of
February 28, 2024

According to my report of
February 28, 2024

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A T° 1 – F° 68

Leonardo Fraga (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 166 – F ° 183

Pablo Gustavo Traini
Regular Supervisory Auditor

Statement of Profit or Loss

for the regular fiscal period of 12 months ended December 31, 2023, comparative with the prior year
(in pesos- constant currency (Note 2.1)

(Amount in ARS)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from sales of services and equipment	4.1	**3.224.079.087**	3.872.964.421
Cost of services	(Exhibit IV)	**(2.011.600.358)**	(2.294.363.755)
GROSS PROFIT		**1.212.478.729**	1.578.600.666
Selling expenses	(Exhibit IV)	**(221.900.600)**	(256.090.109)
Administrative expenses	(Exhibit IV)	**(900.544.414)**	(1.037.428.992)
Other operating expenses	(Exhibit IV)	**(98.714.087)**	(229.995.369)
Financial gains/losses, including gain or (loss) on net monetary position - RECPAM (*)		**(401.880.041)**	117.710.993
Other income and (expenses) - net	4.2	**(1.639.504)**	547.542
(LOSS)/ GAIN BEFORE INCOME TAX		**(412.199.884)**	173.344.731
Income tax benefit	8	**5.905.732**	(7.120.572)
NET LOSS/GAIN		**(406.294.185)**	166.224.159

The accompanying notes and exhibits are an integral part of these financial statements.
* Net gain or loss on net monetary position

According to our report of
February 28, 2024

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A T° 1 – F° 68

Leonardo Fraga (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 166 – F ° 183

According to my report of
February 28, 2024

Pablo Gustavo Traini
Regular Supervisory Auditor

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the regular fiscal period of 12 months ended December 31, 2023 comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

(Amount in ARS)

	Shareholders' contributions				Total equity as at	
	Subscribed capital (1)	Capital adjustment	Additional paid-in capital	Retained earnings	December 31, 2023	December 31, 2022
Balances at beginning of year	**47.127.769**	**3.977.283.831**	**5.956.074.460**	**(9.599.918.577)**	**380.567.482**	214.343.323
Net loss/gain	**-**	**-**	**-**	**(406.294.185)**	**(406.294.185)**	166.224.159
Balances at year-end	**47.127.769**	**3.977.283.831**	**5.956.074.460**	**(10.006.212.762)**	**(25.726.703)**	380.567.482

(1) For legal reasons, the Subscribed capital is presented at nominal value.

The accompanying notes and exhibits are an integral part of these financial statements.

According to our report of
February 28, 2024

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A T° 1 – F° 68

Leonardo Fraga (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 166 – F ° 183

According to my report of
February 28, 2024

Pablo Gustavo Traini
Regular Supervisory Auditor

Statement of Cash Flows

for the regular fiscal period of 12 months ended December 31, 2023, comparative with the prior year (in pesos- constant currency (Note 2.1)

(Amount in ARS)

CHANGES IN CASH	Note	For year ended December 31, 2023	For year ended December 31, 2022
Cash at beginning of year		**1.593.341.012**	1.574.482.138
Cash at year-end	2.3.13	**1.264.093.385**	1.593.341.012
Net (decrease)/increase in cash		**(329.247.627)**	18.858.874
CAUSES OF CHANGES IN CASH			
OPERATING ACTIVITIES			
Net loss/gain		**(406.294.185)**	166.224.159
Less: income tax accrued for the year		**(5.905.732)**	7.120.572
Adjustments to achieve net cash flows provided by operating activities:			
Depreciation of fixed assets		**40.242.547**	44.960.270
Net decrease in allowances		**(11.691.608)**	(7.579.783)
RECPAM(*) of cash and non-operating activities		**1.081.683.369**	766.198.132
Changes in operating assets and liabilities:			
Decrease in accounts receivable		**167.755.552**	368.636.101
Decrease (Increase) in other receivables		**93.639.429**	(59.622.979)
Decrease in trade payables		**(224.183.783)**	(372.680.224)
Decrease in payroll and social security contributions		**(25.564.818)**	(39.552.891)
Increase (Decrease) in taxes payable		**41.206.921**	(25.787.054)
Increase (Decrease) in customer advances		**1.431.268**	(1.866.858)
Increase in other liabilities		**557.287**	-
Net cash flows provided by operating activities		**752.876.247**	846.049.445
INVESTING ACTIVITIES			
Acquisition of fixed assets		**(443.973)**	(60.997.281)
Investements in subsidiaries		**3.467**	4.842
Net cash flows used in investing activities		**(440.506)**	(60.992.439)
RECPAM(*) of cash		**(1.081.683.369)**	(766.198.132)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		**(1.081.683.369)**	(766.198.132)
Net decrease/ increase in cash		**(329.247.627)**	18.858.874

The accompanying notes and exhibits are an integral part of these financial statements.
*Gain or loss on net monetary position

According to our report of
February 28, 2024

According to my report of
February 28, 2024

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
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Leonardo Fraga (Partner)
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Pablo Gustavo Traini
Regular Supervisory Auditor

Notes forming part of the Financial Statements

1 - DESCRIPTION OF THE BUSINESS AND FINANCIAL POSITION

1.1 Description of the business

TATA Consultancy Services Argentina S.A. (hereinafter either "TATA Consultancy Services Argentina S.A." or "the Company") was duly organized under the laws of the Republic of Argentina, and its formation is documented by deed dated November 19, 2001.

The Company is mainly engaged in rendering IT and communications services.

Its registered office is located at Uspallata 3046, City of Buenos Aires, within the Technological District of the City of Buenos Aires.

1.2 Financial situation of the Company

As at December 2023 the Company has negative equity but there is no risk of going concern.

The Company has losses this year.

2 - ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with the professional accounting standards in force set forth by the Technical Resolutions issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) and approved by the Professional Council of Economic Sciences of the City of Buenos Aires (CPCECABA), and considering the provisions of the Companies Law and the regulations of the Supervisory Board of Companies (I.G.J.). The most significant accounting standards applied by the Company have been as follows:

2.1 Reporting currency

These financial statements have been prepared in constant currency (Argentine pesos purchasing power at the end of the current reporting period) in accordance with I.G.J. General Resolution 10/2018, effective December 28, 2018, and Resolution 107/2018 issued by the Steering Committee (CD) of the CPCECABA, as amended, which provided for the need to restate the financial statements for fiscal years ended on or after July 1, 2018 in constant currency, in line with Resolution 539/2018 issued on September 29, 2018 by the Governing Board (JG) of the FACPCE. Moreover, JG FACPCE Resolution No. 539

a. identified the existence of an inflationary context as from July 1, 2018, as the accumulated inflation rate estimated by the Internal Wholesale Price Index (IPIM) in the most recent three years had exceeded 100 percent; a necessary condition to restate the financial statement amounts in accordance with the guidelines set by RT 39 of the FACPCE "Professional accounting standards: amendments to RT Nos. 6 and 17. Restatement in constant currency", and

b. approved the general and particular standards to be considered in terms of restatement of financial statements in constant currency in accordance with the adjustment methods set forth by RT 6 "Financial statements in constant currency", including certain optional simplification.

Upon applying RT 6, the monetary restatement of accounting information (non-monetary assets and liabilities, equity items, and revenues and expenses) must be retroactive as if the economy had always been hyperinflationary, using indexation rates derived from a series of indexes resulting from the combination of the Consumer Price Index (IPC) at a general level, published by the National Institute of Statistics and Censuses (INDEC), with base month December 2016 = 100, with the IPIM at a general level, published by the INDEC for prior periods.

In addition, prior fiscal year figures presented for comparative purposes shall be restated for inflation, which does not imply changes in the decisions taken based on the financial information for such fiscal year.

2.2 Criteria for recognition, measurement and presentation of assets, liabilities, shareholders' equity, revenue and cash flows

These financial statements have been prepared in accordance with the presentation criteria set forth by the Technical Resolutions of the FACPCE.

Notes forming part of the Financial Statements

For comparative purposes only, certain reclassifications were made to prior-year information in order to disclose the figures on a consistent basis. The modification of the comparative information does not imply changes in the decisions taken based thereon.

Using the simplification introduced by Resolution 11/2019 issued by the Steering Committee of the CPCECABA, the Company opted not to present the reconciliation required up to that date by accounting standards in force between the income tax charged to P&L and that resulting from applying the the prevailing tax rate to the income or loss for accounting purposes.

2.3 Valuation criteria

The Company has consistently adopted the following recognition and measurement criteria in the preparation of the financial statements:

2.3.1 Revenue recognition

Revenues from the provision of services are recognized as services are provided.

Income derived from the provision of services relating to a project is recognized in the statement of profit or loss in proportion to the percentage of completion of the transaction at year-end. The percentage of completion is valued in accordance with the progress achieved.

Sales of equipment are recognized in the income statement when the significant risks and benefits of ownership of the goods are transferred to the buyer.

Revenue is shown net of discounts.

2.3.2 Short-term investments and investment in subsidiary.

Time deposits: at nominal value plus interest accrued at period-end.

2.3.3 Foreign currency (Exhibit III)

Transactions agreed in foreign currency are converted to Argentine pesos at the exchange rate prevailing to the date of the transaction.

The assets and liabilities stated in foreign currency are converted into Argentine pesos by applying the exchange rates prevailing at year-end.

Exchange gains/losses are recognized in Financial gains/losses (including RECPAM) of the Statement of profit or loss.

2.3.4 Fixed assets

They have been valued at acquisition cost restated under Note 2.1, net of the related accumulated depreciation. The acquisition cost includes all the necessary expenses required to bring the assets to a working condition for their intended use.

Depreciation is calculated by applying the straight line method at annual rates sufficient to extinguish assets value by the end of their estimated useful lives.

The net book value of fixed assets, taken as a homogenous group, does not exceed their estimated recoverable value based on information available at the date of issuance of these financial statements.

2.3.5 Allowances

Deducted from assets:

- For bad debts: it has been set up to reduce the valuation of accounts receivable to their probable recoverable value, based on the analysis of doubtful accounts.

Included in liabilities:

- For contingencies: it has been set up for contingent situations that might result in liabilities for the Company. The related amounts and likelihood of occurrence have been estimated considering expectations of Company's Management and the opinion of legal advisors.

Notes forming part of the Financial Statements

2.3.6 Income tax

The income tax is recognized by applying the deferred tax method. Based on such method, besides the provision for the tax payable for the year, the future tax effect of the tax loss carryforwards, if any, and of the deductible temporary differences derived from the valuation of assets and liabilities for accounting purposes in constant currency and for tax purposes are recognized as deferred tax assets, to the extent of the recoverability thereof through future taxed earnings, and the future tax effects of the temporary differences between the valuation for accounting purposes in constant currency and for tax purposes of assets and liabilities are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are stated at nominal value (not discounted), derived from applying to the recognized temporary differences the income tax rate effective at the date when reversal is expected, and presented in their net amount as non-current assets or liabilities, as applicable.

The annual variation in net deferred tax assets or liabilities is recorded as an income tax expense or benefit, as applicable.

Dated December 29, 2017, the National Executive Power put in force by Decree N° 1112/2017 Law N° 27,430 that established different modifications to the tax system, including among others, the Income Tax, Value Added Tax and Internal Taxes.

Among the most important modifications introduced by the Law are the following: (i) the progressive reduction of the tax rate for Income Tax for certain companies, including the Limited Liabilities companies and Corporations from 35 percent to 30 percent for the fiscal years started on January 1, 2018 and, from 30 percent to 25 percent for fiscal years started January 1st, 2020, (ii) the allocations of dividends and similar profits received by people and undivided successions as profits taxable in Income Tax with a rate of 7 percent and 13 percent for fiscal years started on January 1, 2018 and January 1, 2020 respectively, (iii) the possibility that the people, undivided successions and subjects included in article 49 of Income Tax Law, text ordered in 1997 and its modifications, residents in the country, revalue, for tax purposes, certain goods located or economically used in the country and that are affected to the generation of taxable profits in Income Tax.

Likewise, the mentioned Law 27,430 modified Art 95 of Income Tax Law by adding that the procedure for the inflation tax adjustment would be applicable in the fiscal year in which the percentage of variation of the prices index of the second paragraph of Art 89, accrued in the 36 months previous to the closing of the fiscal year, is over 100 percent with a transition regime for the determination of the accrued indexes since January 1, 2018.

Law 27.430 was then amended by the current Law 27,468 that replaced the IPC (Consumers Price Index) for the IPIM (Wholesale Domestic Prices Index) and modified the transition regime, which will be in force for the first, second and third fiscal year started on January 1, 2018, when the variation of the index calculated from the beginning as of the closing of each of those fiscal years is over 55 percent, 30 percent and 15 percent respectively.

In addition, on December 23, 2019, Executive Order No. 58/2019 partially passed Law No. 27541 on social solidarity, which law modifies the application of inflation adjustment referred to in Chapter VI, Income Tax Act (restated text in accordance with Executive-Order 824/2019), for the first and second fiscal periods commencing as from January 1, 2019, to be computed when the requirements set forth in the last two paragraphs of Section 106, of the aforementioned Act are met; this amendments state that one sixth of the adjustment shall be applied to said fiscal period while the remaining five sixths shall be equally applied to the five following fiscal periods; this goes without prejudice to any outstanding third from previous periods, as stated in Section 194 of the aforementioned Act. Moreover, such Act established the suspension of section 86 provisions, subsections d) and e) of Law No. 27430 until the fiscal periods commencing on January 1, 2021 inclusive, establishing that for such suspension period the tax rate provided in subsections a) and b) of section 73 of the Income Tax Act, restated text in 2019, shall be of 30 percent.

Notes forming part of the Financial Statements

On June 16, 2021, the Argentine Executive Branch passed and publish Law No. 27630, which abolished the generalized reduction of tax rates previously explained and introduced a new scale tax rates system, which shall be valid for the fiscal period commenced as from January 1, 2021, as follows:

Accumulated taxable net profit		$ to be paid	Plus %	Over $ surplus
From $	To $			
$ 0	$ 14.301.209,21	$ 0	25%	$ 0
$ 14.301.209,21	$ 143.012.092,08	$ 3.575.302,3	30%	$ 14.301.209,21
$ 143.012.092,08	En adelante	$ 42.188.567,16	35%	$ 143.012.092,08

The estimated amounts in this scale will be annually adjusted as from January 1, 2023, considering the annual variation of CPI (consumer price index) provided by INDEC (Argentine Statistics Bureau) for October of the year previous to the adjustment regarding the same month on the previous year. Amount determined that way shall be applied for the fiscal period starting after each update.

Moreover, as ordered by Law No. 27630, the rate applicable to dividends over generated income in fiscal periods commenced as from January 1, 2018 was unified in the 7 percent.

2.3.7 Use of estimates

The preparation of these financial statements requires that estimates and assessments be made about the assets and liabilities recorded, the contingent assets and liabilities disclosed to the date of issuance of these financial statements as well as income and expenses recorded during the year.

The Company's management makes estimates to calculate, among others, depreciation of fixed assets, the recoverable value of non-current assets, the income tax benefit and the allowances for contingencies and bad debts. The actual value of future results may differ from the estimates and assessments made to the date of preparation of these financial statements.

2.3.8 Profit and loss accounts

Original values have been restated in year-end currency, except for:

a) Depreciation

Depreciation and amortization expenses were calculated by applying the depreciation and amortization rates to restated amounts determined as indicated in Note 2.3.4.

b) Financial gains/(losses) (including gain or loss on net monetary position - RECPAM).

It is determined based on the difference between the income/loss for the year and the subtotal of the Statement of income accounts restated in constant currency. It includes:

- the gain or loss on net monetary position, and
- financial gains.

2.3.9 Lease agreements in force

The Company classifies its lease agreements into "financial" or "operating" leases in accordance with the provisions of Technical Resolution 18 of FACPCE, and pursuant to the economic substance thereof.

As at December 31, 2023, the Company does not have any financial lease in force. Operating leases costs are accrued over the term of the agreement.

2.3.10 Customer advance

Accounts receivable are stated according to their likelihood of recovery. When there is an intention and possibility of an early negotiation, they are stated at net realization value.

Receivables with related parties that do not accrue any interest are stated at nominal value.

Notes forming part of the Financial Statements

Each time financial statements are prepared, the recoverability of accounts receivable is analyzed by estimating future collections and considering the existence of guarantees with a high likelihood of foreclosure An allowance for bad debts is recognized in the amount deemed non-recoverable; the changes in the allowance are recorded in Financial and holding gains/losses (including gain or loss on net monetary position - RECPAM) of the Statement of profit or loss.

2.3.11 Accounts receivables

Receivables are valued considering their probable destination. When there is the intention and feasibility of negotiating them in advance, they are valued at their net realizable value.

2.3.12 Accounts payable

Payables are stated according to their likelihood of recovery. When there is an intention and possibility of an early settlement, they are stated at settlement value.

The remaining payables are stated at their original value plus interest calculated by applying the effective rate determined upon initial recognition, less payments made.

Payables with related parties that do not accrue any interest are stated at nominal value. Payables in foreign currency are stated in Argentine Pesos at the exchange rate prevailing at year-end.

Loans with related parties that do not accrue interest are valued at their nominal value.

Each time financial statements are prepared, the recoverability of the recorded loan balances is analyzed by estimating future collections and taking into account the existence of guarantees whose probability of execution is high. A provision for bad debts is recognized for the amount that it considers not recoverable; the variation in the forecast is recognized in the line Financial and holding results (including the result from exposure to changes in the purchasing power of the RECPAM currency) of the Income Statement.

2.3.13 Statement of cash flows

The Company presents the statement of cash flows by applying the indirect method. Cash includes cash and banks and cash equivalents. Cash equivalents include short-term and highly liquid investments that can be easily converted into cash known beforehand, and are subject to insignificant exchange rate risks.

All the accounts of this statement are stated in constant currency at the end of the reporting period.

The monetary gain/loss provided by cash and cash equivalents is presented in the statement of cash flows segregated from the cash flows provided by operating, investing and financing activities, as a specific item of the reconciliation between cash and cash equivalents at the beginning and end of the fiscal year.

Balances included in Cash and cash equivalents are as follows:

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
Cash and banks	**1.064.093.386**	503.414.260
Short-term investments	**200.000.000**	1.089.926.753
Total	**1.264.093.386**	1.593.341.013

Notes forming part of the Financial Statements

2.3.14 Shareholders' equity

Shareholders' equity balance adjusted at beginning of year have been adjusted at year-end by applying the indexation rates described in Note 2.1.

The capital was restated in constant currency, as indicated in Note 2.1. The difference between the restated amount and the nominal value is disclosed as "Capital adjustment".

Retained earnings have been restated at year-end, under Note 2.1.

Income for the year was determined based on the difference between the algebraic sum of the equity at the beginning plus the quantitative movements of the equity and the equity at the closing, measured in constant currency as at December 31, 2023.

3 - BREAKDOWN OF THE MAIN BALANCE SHEET ACCOUNTS

3.1 Cash and banks

(Amount in ARS)

		As at December 31, 2023	As at December 31, 2022
Banks in local currency		**395.912.018**	159.473.209
Banks in foreign currency	(Exhibit III)	**668.181.368**	343.941.051
Total		**1.064.093.386**	503.414.260

3.2 Short term investments

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
Time deposit in local currency	**200.000.000**	1.089.926.753
Total	**200.000.000**	1.089.926.753

3.3 Accounts receivable

(Amount in ARS)

		As at December 31, 2023	As at December 31, 2022
Ordinary in local currency		**259.991.770**	351.080.268
Ordinary in foreign currency	(Exhibit III)	**128.926.718**	85.740.265
Other related parties in foreign currency	(Note 6 and Exhibit III)	**60.095.684**	107.399.617
Services to be invoiced in local currency		**123.926.943**	191.159.712
Services to be invoiced in foreign currency	(Exhibit III)	**-**	17.599.209
Other related parties - services to be invoiced in foreign currency	(Note 6 and Exhibit III)	**18.861.672**	6.579.268
Total		**591.802.787**	759.558.339

Notes forming part of the Financial Statements

3.4 Other receivables

(Amount in ARS)

		As at December 31, 2023	As at December 31, 2022
3.4.1 Current			
Other related parties in foreign currency	(Notes 5, 6 and Exhibit III)	**21.784**	36.618
Other related parties in local currency		**3.671**	-
Income tax credit balance		**10.124.260**	25.403.309
Turnover tax credit balance		**5.917.115**	6.258.229
Value added tax credit balance		**14.822.976**	2.626.091
Tax on bank debits and credits - credit balance		**15.564.262**	31.369.960
Prepaid expenses		**97.263**	1.825.275
Prepaid expenses with other related parties	(Note 6)	**5.432.455**	12.901.759
Security deposits in local currency		**369.400**	49.764.259
Advances to directors		**13.842.014**	18.929.991
Advance to suppliers		**59.778.672**	-
Accrued Interest		**84.548.945**	236.630.307
Bank accounts subject to attachment in local currency		**2.394.202**	1.575.804
Sundry		**1.543.590**	1.627.603
Total		**214.460.609**	388.949.205

(Amount in ARS)

		As at December 31, 2023	As at December 31, 2022
3.4.2 Non current			
Income tax credit balance		**-**	1.411.078
Minimum presumed income tax credit balance		**2.889.661**	10.503.160
Prepaid expenses		**-**	299.942
Security deposits in foreign currency	(Exhibit III)	**90.173.686**	-
Total		**93.063.347**	12.214.180

Notes forming part of the Financial Statements

3.5 Accounts payable

(Amount in ARS)

		As at December 31, 2023	As at December 31, 2022
3.5.1 Current			
Suppliers in local currency		**27.264.965**	35.791.933
Suppliers in foreign currency	(Exhibit III)	**7.805.547**	39.498.186
Provision for invoices to be received in local currency		**13.269.388**	40.330.261
Other provisions		**3.026.121**	3.749.722
Other provisions in foreign currency	(Exhibit III)	**2.655.486**	-
Other provisions related parties in foreign currency	(Exhibit III)	**3.470.297**	-
Provision for invoices to be received in foreign currency	(Exhibit III)	**2.155.744**	-
Total		**59.647.548**	119.370.102

(Amount in ARS)

		As at December 31, 2023	As at December 31, 2022
3.5.2 Non current			
Other related parties in local currency	(Note 6)	**519.490.692**	1.072.793.618
Other related parties in foreign currency	(Note 6 and Exhibit III)	**1.269.791.747**	867.966.782
Other related parties-provision for invoices to be received	(Note 6)	**15.186.336**	18.328.759
Other related parties-provision for invoices to be received in foreign currency	(Note 6 and Exhibit III)	**-**	9.840.846
Total		**1.804.468.775**	1.940.760.400

3.6 Payroll and social security liabilities

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
Salaries and wages	**101.532.666**	109.969.343
Social security contributions	**61.503.526**	77.908.883
Provision for vacations	**105.704.488**	102.450.480
Provision for bonuses	**4.341.446**	8.318.237
Total	**273.082.126**	298.646.943

Notes forming part of the Financial Statements

3.7 Taxes payable

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
3.7.1 Current		
Withholdings to be deposited - Turnover tax	**17.206.047**	18.378.672
Withholdings to be deposited	**67.237.917**	8.586.209
Wealth tax	**611.044**	550.183
Value Added Tax	**-**	15.849.883
Total	**85.055.009**	43.364.947

(Amount in ARS)

		As at December 31, 2023	As at December 31, 2022
3.7.2 Non current			
Deferred tax liabilities	(Note 8)	**18.294.392**	24.683.263
Total		**18.294.392**	24.683.263

4 - BREAKDOWN OF THE MAIN STATEMENT OF PROFIT OR LOSS ACCOUNTS

4.1 Revenue from sales of services and equipment

(Amount in ARS)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Consulting and advisory services	**3.230.598.725**	3.889.082.704
Volume discount	**(6.519.638)**	(16.118.282)
Total	**3.224.079.087**	3.872.964.422

4.2 Other income and (expenses) -net

(Amount in ARS)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Reversal of allowances Sundry	**(1.639.504)**	547.542
Total	**(1.639.504)**	547.542

Notes forming part of the Financial Statements

5 - CAPITAL STOCK

As at December 31, 2023, the capital stock of the Company amounted to $ 47,127,769, which was fully subscribed and paid-in.

Ownership interests as at December 31, 2023, and December 31, 2022 were as follows:

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
TCS Iberoamérica S.A.	**99.99**	99.99
TCS Uruguay S.A.	**0.01**	0.01
Total	**100**	100

6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES: PARENT COMPANIES, SUBSIDIARIES AND RELATED COMPANIES (ART. 33, LAW 19550)

Balances and transactions with the parent company and the related companies are as follows:

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
BALANCES		
Accounts receivable		
Tata Consultancy Services Limited	**48.915.159**	99.117.622
Tata Consultancy Services France	**11.898.988**	22.808.664
Tata Consultancy Services Deutschland GmbH	**13.678.524**	4.991.055
Tata America International Corporation	**3.895.990**	-
Tata Consultancy services Chile S.A	**568.751**	-
Total	**78.957.412**	126.917.341
Other receivable		
Tata Consultancy Services Limited	**3.178.749**	-
Tata Consultancy Services de México SA de CV	**2.279.161**	-
Total	**5.457.910**	-
Trade payables		
TCS Solution Center Sucursal Colombia	**412.989.529**	287.377.269
Tata Consultancy Services Limited	**741.452.421**	1.243.184.910
Tata Consultancy Services de México SA de CV	**518.352.256**	387.719.183
TCS Uruguay S.A	**118.440.504**	43.887.526
Tata Consultancy Services do Brasil Ltda.	**132.835**	-
Tata Consultancy Services France	**13.486.184**	-
Tata Sons Private Limited	**3.085.344**	6.760.218
Total	**1.807.939.072**	1.968.929.106

Notes forming part of the Financial Statements

(Amount in ARS)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from sales and services		
Tata Consultancy Services Deutschland GmbH	**44.921.145**	57.806.940
Tata Consultancy Services Limited	**204.646.501**	366.016.337
Tata Consultancy Services France	**38.589.094**	37.896.404
Total	**288.156.739**	461.719.681
Cost of sales and services		
Tata America International Corporation	**(3.880.589)**	-
TCS Uruguay S.A.	**14.190.589**	40.568.534
Tata Consultancy Services Limited	**232.432.686**	428.335.609
Tata Consultancy Services do Brasil Ltda	**57.541**	208.151
Tata Consultancy Services de México SA de CV	**4.735.974**	9.301.883
Tata Consultancy Services France	**3.393.783**	-
Tata Consultancy Services Chile S.A	**(566.503)**	-
Total	**250.363.481**	478.414.177
Brand equity contribution		
Tata Sons Private Limited	**3.793.938**	5.260.229
Total	**3.793.938**	5.260.229

7 - TERMS, INTEREST RATES AND ADJUSTMENT CLAUSES OF RECEIVABLES AND PAYABLES

7.1 Receivables

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
a) **Total amount of receivables overdue**	**90.173.494**	216.984.275
b) **Total amount of receivables to become due**		
Up to 3 months	**719.353.567**	873.702.269
From 3 to 6 months	**90.956.954**	32.927.790
More than twelve months	**2.985.979**	12.214.180
Total receivables	**903.469.994**	1.135.828.514

Receivables do not accrue any interest nor do they have adjustment clauses as at December 31, 2023 and 2022.

7.2 Payables

(Amount in ARS)

	As at December 31, 2023	As at December 31, 2022
a) **Total amount of payables to become due**		
Up to 3 months	**423.258.124**	988.887.796
More than twelve months	**1.823.421.495**	1.441.214.253
Total payables	**2.246.679.619**	2.430.102.049

Payables do not accrue any interest nor do they have adjustment clauses as at December 31, 2023 and 2022.

Notes forming part of the Financial Statements

8 - INCOME TAX AND DEFERRED TAX

Deferred tax assets and liabilities are broken down as follows:

(Amount in ARS)

Deferred tax liabilities		As at December 31, 2023	As at December 31, 2022
Fixed assets		**16.540.669**	15.577.143
Inflation adjustment for tax purposes		**1.753.722**	9.106.120
Total deferred tax liabilities	(Note 3.6.2)	**18.294.391**	24.683.263

For reporting purposes, the breakdown of main deferred tax asset items is as follows:

(Amount in ARS)

Deferred tax assets	As at December 31, 2023	As at December 31, 2022
Tax loss carryforwards	**175.176.320**	157.250.344
Total deferred tax assets	**175.176.320**	157.250.344

Due to the uncertainty regarding the generation of taxable profits in the future before its statute of limitations, the Company has not recognized the deferred tax asset as at December 31 2023.

The detail of historical accumulated tax loss carryforwards in the amount of $ 168.322.076 and the expiration of the limitation period thereof are as follows:

(Amount in ARS)

Expiration	Tax loss carryfoward	Rate	Computable total
2024	82.904.016	30%	24.871.205
2025	58.973.700	30%	17.692.110
2026	26.444.360	30%	7.933.308
2028	415.598.990	30%	124.679.697
	589.921.066		175.176.320

The income tax benefit is as follows:

(Amount in ARS)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Due to variation in deferred tax	**6.388.872**	(7.120.572)
Due to expiration of IGMP credit	**(483.140)**	-
Total income tax	**5.905.732**	(7.120.572)

9 - RECENT EVOLUTION OF THE FINANCIAL-ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

On December 10, 2023, Javier Milei took office as the new president of the Argentine Republic, whose government has ordered a series of economic measures and changes that seek to begin a process of profound deregulation of the Argentine economy. As part of its first measures, the National Executive Branch issued the Decree of Necessity and Urgency (DNU) 70/23 that declared a public emergency in economic, financial, fiscal, administrative, pension, tariff, health and social matters until December 31, 2025 and seeks to repeal numerous laws of state intervention in the economy. Some of the 366 articles included in DNU 70/23 have been momentarily suspended by the Argentine Labor Justice. The overall impact of the DNU measures on the Company's business is uncertain.

Notes forming part of the Financial Statements

The Company's management constantly controls the evolution of the variables that affect their business in order to define their action course and identify the potential impact over their equity position. The Company's financial statements should be read in consideration of these circumstances.

10 – LOSSES IN THIS YEAR AND NEGATIVE EQUITY

As at December 2023 the Company has incurred net losses of 406.294.185 and negative equity of 25.726.703. The Company´s management is evaluating different measures to reverse the situation described and has obtained a letter of financial support from TCS Iberoamerica, which is the main shareholder of TCS Argentina.

11 - SUBSEQUENT EVENTS

No events or transactions have occurred from year-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Company or the results of its operations at year-end.

EXHIBIT I

FIXED ASSETS

For the regular financial year of 12 months ended December 31, 2023 comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

Main account	Original values			Depreciation For the year				Net	
	At beginning year-end	Increases	At year-end	Accumulated at beginning year-end	Rate	Amount (Exhibit IV)	Accumulated at year-end	December 31, 2023	December 31, 2022
Leasehold improvements	714.572.063	-	714.572.063	714.572.063	10	-	714.572.063	-	-
Furniture and fixtures	1.243.585	-	1.243.585	302.075	20	-	302.075	941.510	941.510
Facilities	50.858.816	443.973	51.302.789	50.648.386	10	475.779	51.124.165	178.624	210.4300
Computers	504.603.554	-	504.603.554	407.173.273	25	39.766.768	446.940.041	57.663.513	97.430.281
Software	10.853.382	-	10.853.382	10.853.382	20	-	10.853.382	-	--
Total as at December 31, 2023	1.282.131.400	443.973	1.282.575.373	1.183.549.179		40.242.547	1.223.791.726	58.783.647	-
Total as at December 31, 2022	1.221.134.119	60.997.281	1.282.131.400	1.138.588.909		44.960.270	1.183.549.179	-	98.582.221

Notes forming part of the Financial Statements

EXHIBIT II

ALLOWANCES
For the regular financial year of 12 months ended December 31, 2023
comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

(Amount in ARS)

Items	Balances at beginning of the year	Increases	Uses	(Gain)/loss due to changes in currency purchasing power	Balances at year-end
Included in liabilities:					
Non current					
Allowance for contingencies	**17.087.324**	**-**	**(91.408)**	**(11.600.200)**	**5.395.716**
Total as at December 31, 2023	**17.087.324**	**-**	**(91.408)**	**(11.600.200)**	**5.395.716**
Total as at December 31, 2022	24.667.107	4.424.094	-	(12.003.877)	17.087.324

EXHIBIT III

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

For the regular financial year of 12 months ended December 31, 2023 comparative with the prior year

(Amount in ARS)

	As at December 31, 2023				As at December 31, 2022
	Type and amount of foreign currency		Prevailing exchange rate	Amount in local currency	Amount in local currency
CURRENT ASSETS					
Cash and banks					
Banks	**USD**	**826.957**	**807.99**	**668.181.368**	343.941.051
Accounts receivable					
Ordinary	**USD**	**159.570**	**807.99**	**128.932.311**	85.740.265
Other related parties	**EUR**	**21.932**	**894.94**	**19.628.019**	24.557.277
Other related parties	**USD**	**50.084**	**807.99**	**40.467.690**	82.842.340
Services to be invoiced	**USD**	**15.976**	**807.99**	**12.908.368**	17.599.209
Services to be invoiced	**EUR**	**6.646**	**894.94**	**5.947.687**	-
Services to be invoiced to other related parties	**USD**	**-**	**807.99**	**-**	3.336.826
Services to be invoiced to other related parties	**EUR**	**-**	**894.94**	**-**	3.242.442
Subtotal				**207.884.075**	217.318.359
Other receivable					
Other related parties	**USD**	**27**	**807.99**	**21.784**	36.618
Subtotal				**21.794**	36.618
Total current assets				**876.087.227**	611.060.287
NON CURRENT ASSETS					
Security deposits	**USD**	**111.599**	**807.99**	**90.172.046**	49.764.259
Total non current assets				**90.172.046**	49.764.259
Total assets				**966.259.273**	660.824.546

USD: United States Dollars
EUR: Euros

Notes forming part of the Financial Statements

EXHIBIT III

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

For the regular financial year of 12 months ended December 31, 2023 comparative with the prior year

(Amount in ARS)

	As at December 31, 2023				As at December 31, 2022
	Type and amount of foreign currency		Prevailing exchange rate	Amount in local currency	Amount in local currency
CURRENT LIABILITIES					
Trade payables					
Suppliers	**USD**	**9.660**	**807.99**	**7.805.547**	39.498.186
Provision customer	**INR**	**273.198**	**9.72**	**2.655.486**	-
Provision customer related parties	**USD**	**4.295**	**807.99**	**3.470.297**	-
Provision suplier	**USD**	**2.668**	**807.99**	**2.155.744**	-
Total current liabilities				**16.087.074**	39.498.186
NON CURRENT LIABILITIES					
Trade payables					
Related parties	**USD**	**1.554.839**	**807.99**	**1.256.309.661**	865.040.039
Related parties	**EUR**	**15.065**	**894.94**	**13.482.087**	-
Total non current liabilities				**1.269.791.747**	865.040.039
Total liabilities				**1.285.893.444**	904.538.225

USD: United States Dollars
EUR: Euros
INR: Indian rupee

Notes forming part of the Financial Statements

EXHIBIT IV

INFORMATION REQUIRED BY ART. 64, CLAUSE b) OF LAW 19550

For the regular financial year of 12 months ended December 31, 2023 comparative with the prior fiscal year
(in pesos - constant currency) (Note 2.1)

(Amount in ARS)

Items	Cost of services	Selling expenses	Administrative expenses	Other operating expenses	Total for the fiscal year ended December 31, 2023	Total for the fiscal year ended December 31, 2022
Salaries and wages	**1.549.389.244**	**55.879.220**	**437.394.375**	**56.079.228**	**2.098.742.067**	2.267.201.242
Project expenses	**429.848.455**	-	-	-	**429.848.455**	656.567.245
Rentals and common expenses	-	-	**135.055.203**	-	**135.055.203**	220.615.325
Turnover tax	-	**159.620.015**	-	-	**159.620.015**	180.270.718
Severance payments	-	-	-	**39.660.024**	**39.660.024**	34.011.687
Fees and compensation for services	-	-	**71.351.942**	-	**71.351.942**	67.745.210
Taxes, rates and contributions	-	-	**24.871.072**	-	**24.871.072**	25.883.338
Surveillance	-	-	**74.029.514**	-	**74.029.514**	73.433.152
Bank commissions and expenses	-	-	**25.461.363**	-	**25.461.363**	30.899.831
Internet, communication and mail expenses	-	-	**32.915.375**	-	**32.915.375**	36.049.169
Cleaning expenses	-	-	**28.996.758**	-	**28.996.758**	25.179.647
Fees to directors	-	-	**23.656.901**	-	**23.656.901**	24.758.938
Recruitment and training	-	-	**2.505.247**	-	**2.505.247**	9.379.598
Depreciation of fixed assets (Exhibit I)	**20.239.244**	-	**19.858.966**	-	**40.098.210**	44.960.270
Travel expenses	**1.149.925**	-	**2.952.707**	-	**4.102.632**	4.588.831
Repair and maintenance	-	-	**6.095.495**	-	**6.095.495**	13.602.822
Insurance	-	-	**8.381.993**	-	**8.381.993**	8.966.796
Office expenses	-	-	**2.615.417**	-	**2.615.417**	3.328.225
Sundry	**9.275.976**	-	**3.624.528**	-	**12.900.504**	6.702.755
Marketing expenses	-	**6.401.365**	-	-	**6.401.365**	5.872.145
Labor lawsuits	-	-	-	**2.974.835**	**2.974.835**	55.283.277
Labor lawsuits – Provision	-	-	-	-	-	19.919.673
Mobility expenses	**1.697.514**	-	**777.558**	-	**2.475.072**	2.658.331
Total as at December 31, 2023	**2.011.600.358**	**221.900.600**	**900.544.414**	**98.714.087**	**3.232.759.459**	-
Total as at December 31, 2022	2.294.363.755	256.090.109	1.037.428.992	229.995.369	-	3.817.878.225

INDEPENDENT AUDITORS' REPORT

To the President and Directors of
Tata Consultancy Services Argentina S.A.
Legal address: Uspallata 3046
City of Buenos Aires
Taxpayer Identification Number: 30-70784821-5

Opinion

We have audited the financial statements of **Tata Consultancy Services Argentina S.A.**, which comprise the balance sheet as of December 31, 2023, the income statement, statement of changes in shareholders´ equity and cash flows for the year then ended, and notes to the financial statements set out in notes 1 to 11, which includes a summary of the significant accounting policies, and annexes I to IV.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Tata Consultancy Services Argentina S.A.** as at December 31, 2023, as well as its results, the evolution of its equity and its cash flow corresponding to the year ended on that date, in accordance with Argentine Professional Accounting Standards.

Basis for the opinion

We conducted our audit in accordance with the auditing standards established in Technical Resolution No. 37 of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) adopted by Resolution C.D. No. 46/2021 of the Professional Council of Economic Sciences of the Autonomous City of Buenos Aires (CPCECABA).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report.

We are independent of **Tata Consultancy Services Argentina S.A.** and we have fulfilled the other ethical responsibilities in accordance with the requirements of the Code of Ethics of the Professional Council of Economic Sciences of the Autonomous City of Buenos Aires and Technical Resolution No. 37 of the FACPCE adopted by Resolution C.D. No. 46/2021 of the CPCECABA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis on certain matters disclosed in the financial statements.

Without modifying our opinion, we want to emphasize the information contained in:

As said in Notes 1.2 and 10: the company has losses of 406.294.152 and negative equity. The Company's Management is monitoring the evolution of the business to reverse it and obtained a letter of financial support from its shareholder in order to avoid going concern issues.

Responsibilities of the management of Tata Consultancy Services Argentina S.A in relation to the financial statements

The management of **Tata Consultancy Services Argentina S.A.** is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with Argentine professional accounting standards, and for such internal control that it considers necessary to enable the preparation of financial statements that are free of material misstatements due to fraud or error.

In preparing the financial statements, management is responsible for evaluating the ability of **Tata Consultancy Services Argentina S.A.** to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities in relation to the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with FACPCE Technical Resolution No. 37 adopted by Resolution C.D. No. 46/2021 of the CPCECABA will always detect a material misstatement when it exists. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Technical Resolution No. 37 of the FACPCE adopted by Resolution C.D. No. 46/2021 of the CPCECABA, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

a) We identify and evaluate the risks of material misstatement of the financial statements and perform audit procedures to respond to such risks and obtain sufficient and appropriate evidence to provide a basis for our opinion.

b) We obtain knowledge of the internal control relevant to the audit to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

c) We evaluate whether the accounting policies applied are appropriate, as well as the reasonableness of the accounting estimates and the corresponding information revealed by the management of **Tata Consultancy Services Argentina S.A**.

d) We conclude on the appropriateness of the use by the management of **Tata Consultancy Services Argentina S.A.**, of the going concern accounting principle and, based on the elements of judgment obtained, we conclude on whether or not there is a significant uncertainty related to facts or conditions that may cast doubts about the capacity of **Tata Consultancy Services Argentina S.A.** to continue as a going concern. If we conclude that a significant uncertainty exists, we are required to draw attention in our auditor's report to the information set forth in the financial statements or, if such disclosure is inappropriate, to express a modified opinion. Our conclusions are based on the elements of judgment obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.

e) We evaluate the overall presentation, structure and content of the financial statements, including the information disclosed, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

f) We communicate with the management of **Tata Consultancy Services Argentina S.A.** regarding, among other matters, the overall audit strategy and significant audit findings, as well as any significant deficiencies in internal control identified during the audit.

We also provide the management of **Tata Consultancy Services Argentina S.A.** with a statement that we have complied with applicable ethical requirements related to my independence.

Report on other legal and regulatory requirements

a) the accompanying financial statements arise from the Company´s accounting records, and their transcription into the Journal and Inventory Book is pending;

b) As it appears from the entity's accounting records, the liability accrued as at December 31, 2023 in favor of the Argentine Integrated Pension System in respect of contributions and pension contributions amounted to $48.617.442 and was not due on that date;

c) We have applied the procedures on prevention of money laundering of criminal origin and financing of terrorism for **Tata Consultancy Services Argentina S.A.** provided for in Resolution J.G. 420/11 of the FACPCE, adopted by Resolution C.D. No. 77/2011 of the Professional Council of Economic Sciences of the Autonomous City of Buenos Aires (CPCECABA)

City of Buenos Aires, February 28, 2024

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A T° 1 – F° 68

Leonardo Fraga (Partner)
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 166 – F ° 183

SUPERVISORY AUDITOR'S REPORT

To the Shareholders of
TATA CONSULTANCY SERVICES ARGENTINA S.A.

Uspallata 3647,
City of Buenos Aires
Taxpayer Identification Number: 30-70784821-5

In my capacity as Regular Supervisory Auditor of **TATA CONSULTANCY SERVICES ARGENTINA S.A.**, based on the provisions of subsection 5, section 294 of the Companies Law, I have examined the documents described in paragraph 1. Based on the documents referred to above, my responsibility is to report on such documentation, based on the work mentioned in paragraph 2.

1. DOCUMENTS UNDER EXAMINATION

a) Balance Sheet as at December 31, 2023

b) Statement of profit or loss for the regular fiscal period of 12 months ended December 31, 2023.

c) Statement of changes in shareholders' equity for the regular fiscal period of 12 months ended December 31, 2023.

d) Statement of cash flows for the regular fiscal period of 12 months ended December 31, 2023.

e) Notes 1 to 11 and Exhibits I to IV.

2. SCOPE OF EXAMINATION

My examination was made in compliance with the supervisory auditors' standards in force. Those standards require that the financial statements be examined in conformity with the auditing standards in force, including the verification of the consistency of the documents examined with the information on corporate decisions recorded in the minutes of the Board of Directors' meetings as well as the compliance of such decisions with the law and the bylaws in their formal and documentary aspects. An audit requires that the auditor plans and performs the procedures to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit also includes examining, on a test basis, evidence supporting the disclosures in the financial statements, as well as evaluating the accounting principles used, the significant estimates made by the Board of Directors, and the overall presentation of the financial statements taken as a whole. As it is not the supervisory auditor's responsibility to exercise management control, I have not considered in my examination the business criteria and decisions adopted by the Company to prepare my report.

In addition, I have verified that the Letter to Shareholders for the year ended December 31, 2023 contains the information required by section 66 of the Companies Law and that its figures agree with the Company's accounting records and other relevant documentation.

3. OPINION

Based on the examination conducted, in my opinion, the financial statements described in paragraph 1 present fairly, in all material respects, the financial position of **TATA CONSULTANCY SERVICES ARGENTINA S.A.** as of December 31, 2023, the results of its operations, the changes in shareholders' equity and cash flows for the year then ended, in conformity with professional accounting principles in force.

With regard to the Board of Directors' Letter to Shareholders, I have no comments to make as it relates to my area of responsibility. The assertions on future events stated therein are the Board of Directors' exclusive responsibility.

These accompanying financial statements and the related inventory arise from the accounting records which, in their formal aspects, are kept pursuant to the legislation in force.

City of Buenos Aires, February 28, 2024

Pablo Gustavo Traini
Regular Supervisory Auditor

TATA CONSULTANCY SERVICES DO BRASIL LTDA.

Statement of financial position as at December 31, 2023

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

TO
THE SHAREHOLDERS AND MANAGEMENT OF
TATA CONSULTANCY SERVICES DO BRASIL LTDA.
São Paulo – SP

Opinion

We have audited the accompanying financial statements of Tata Consultancy Services Do Brasil Ltda. ("Company"), which comprise the balance sheet as of December 31, 2023, and the related statements of income statement, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tata Consultancy Services Do Brasil Ltda. as of December 31, 2023 and its operating performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of management and those charged with governance for the financial statements

The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with governance are those individuals responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations;

- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those in-charge with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those in-charge with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

São Paulo, February 28, 2024

Grant Thornton Auditores Independentes Ltda.

Ricardo Akira Matsunaga
Assurance partner

Statement of Financial Position

(In thousands BRL Reais)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	6(a)	**26,137**	44,735
Trade receivables			
Billed	6(b)	**185,006**	172,228
Unbilled		**56,257**	52,400
Other financial assets	6(c)	**1,666**	966
Income tax assets (net)		**20,170**	-
Other assets	8(d)	**18,060**	20,832
Total current assets		**307,296**	291,161
Non-current assets			
Deferred tax assets (net)	12	**18,559**	21,444
Property, plant and equipment	8(a)	**35,687**	33,179
Right-of-use assets	7	**29,004**	37,626
Goodwill	8(b)	**33,106**	33,106
Other intangible assets	8(c)	**-**	2
Other assets	8(d)	**3,739**	1,944
Total non-current assets		**120,095**	127,301
TOTAL ASSETS		**427,391**	418,462
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	6(d)	**11,783**	14,532
Lease liabilities	7	**7,999**	7,250
Other financial liabilities	6(e)	**31,579**	32,377
Unearned and deferred revenue	9	**12,181**	14,434
Employee benefit obligations	13	**52,333**	39,223
Provisions	8(f)	**6,042**	5,114
Income tax liabilities (net)		**-**	3,744
Other liabilities	8(e)	**43,300**	33,587
Total current liabilities		**165,217**	150,261
Non-current liabilities			
Lease liabilities	7	**29,749**	37,696
Total non-current liabilities		**29,749**	37,696
TOTAL LIABILITIES		**194,966**	187,957
Equity			
Share capital	6(j)	**175,802**	175,802
Retained earnings		**56,623**	54,703
TOTAL EQUITY		**232,425**	230,505
TOTAL LIABILITIES AND EQUITY		**427,391**	418,462

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(In thousands BRL Reais)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	9	**1,024,713**	868,120
Operating expenses			
Employee benefits expenses	13	**875,002**	661,728
Depreciation and amortisation expense	7 and 8	**22,742**	18,129
Other operating expenses	10	**100,216**	97,289
TOTAL OPERATING EXPENSES		**997,960**	777,146
OPERATING PROFIT		**26,753**	90,974
Other (expense) / income			
Finance and other income	11(a)	**2,064**	1,454
Finance costs	11(b)	**(4,423)**	(4,702)
Other (losses) (net)	11(c)	**(4,426)**	(563)
OTHER (EXPENSE) (NET)		**(6,785)**	(3,811)
PROFIT BEFORE TAXES		**19,968**	87,162
Income tax expense	12	**10,548**	32,459
PROFIT FOR THE YEAR		**9,420**	54,703
Other comprehensive income, net of taxes		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**9,420**	54,703

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Equity

(In thousands BRL Reais, except share data)

	Number of shares	Share capital	Retained earnings	Total equity
Balance as at January 1, 2022	175,802	175,802	7,669	183,471
Profit for the year	-	-	54,703	54,703
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	54,703	54,703
Dividends	-	-	(7,669)	(7,669)
Balance as at December 31, 2022	175,802	175,802	54,703	230,505
Balance as at January 1, 2023	**175,802**	**175,802**	**54,703**	**230,505**
Profit for the period	**-**	**-**	**9,420**	**9,420**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**9,420**	**9,420**
Dividends	**-**	**-**	**(7,500)**	**(7,500)**
Balance as at December 31, 2023	**175,802**	**175,802**	**56,623**	**232,425**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statemement of Cash Flows

(In thousands BRL Reais)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period/ year		**9,420**	54,703
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation and amortisation expense	7 and 8	**22,742**	18,129
Bad debts and advances writtned off, allowances for doubtful trade receivables and advances (net)		**(19)**	1,246
Income tax expense	12	**10,548**	32,459
Net (gain) / loss on disposal of property, plant and equipment		**11**	17
Operating profit before working capital changes		**42,702**	106,554
Net change in			
Trade receivables			
Billed		**(12,759)**	(63,698)
Unbilled		**(3,857)**	(12,772)
Other financial assets		**(700)**	(418)
Other assets		**978**	(5,398)
Trade payables		**(2,749)**	4,207
Unearned and deferred revenue		**(2,253)**	(6,948)
Other financial liabilities		**(798)**	12,123
Employee Benefit Obligations, Other liabilities and provisions		**23,751**	21,220
Cash generated from operations		**44,315**	54,871
Taxes paid (net of refunds)		**(31,577)**	(25,424)
Net cash provided by operating activities		**12,738**	29,447
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		**(16,383)**	(18,162)
Proceeds from disposal of property, plant and equipment		**-**	8
Net cash provided by / (used in) investing activities		**(16,383)**	(18,154)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid (including tax on dividend)		**(7,500)**	(7,669)
Repayment of lease liabilities		**(7,453)**	(6,945)
Net cash provided by / (used in) financing activities		**(14,953)**	(14,615)
Net change in cash and cash equivalents		**(18,598)**	(3,322)
Cash and cash equivalents at the beginning of the period / year		**44,735**	48,057
Cash and cash equivalents at the end of the period / year	**6(a)**	**26,137**	44,735
Supplementry cash flow information			
Interest paid		**4,423**	4,702
Interest received		**2,064**	1,454

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Do Brasil Ltda. ("the Company") is headquartered in the City of Barueri, State of São Paulo, and is engaged mainly in the provision of information technology services, involving: (a) IT consulting services, such as provision of computer program, software, computer system project and IT technical project development services, information technology-related implementation services, including study, support, infrastructure, research, creation, adaptation, design, preparation, data warehousing, training, data processing, systematization, automated management, database, data retrieval, installation, technical maintenance and support; (b) business process outsourcing (BPO), such as provision of labor in administrative, accounting, payroll, tax department routines, human resource management, financial department routines, controllership and other administrative service and customer service areas; (c) sale of computer programs, software, either materialized or not, recorded computer programs and the assignment and licensing and use of systems.

To provide services to specific customers, the Company has branches in Aracaju/SE, Belo Horizonte/MG, Brasília/DF, Campinas/SP, Corumbá/MS, Itabira/MG, Joinville/SC, Londrina/PR, Macaé/RJ, Mariana/MG, Nova Lima/MG, Parauapebas/PA, Rio de Janeiro/RJ, Santos/SP, São Luis/MA, São Paulo/SP and Vitória/ES.

The Company is incorporated and domiciled in Brazil. The address of its corporate office is Alameda Madeira, 328 - 13° andar - Alphaville Industrial, Barueri - SP, Postal Code 06454-010.

The Executive Committee authorized the issuance of these financial statements at the meeting held on February 28, 2024.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

3. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The Statement of Cash flow have been prepared using indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Brazilian Real (R$). Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of with International Financial Reporting Standards (IFRS) requires management to make estimates and judgment's that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Notes forming part of the Financial Statements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Impairment of goodwill

The Company estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

d. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates and judgements, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value).

f. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. The deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

g. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Financial Statements

h. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which requires an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity

Notes forming part of the Financial Statements

or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

The company has applied IFRIC 23 effective for annual periods beginning on or after January 1, 2019 as below:

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Notes forming part of the Financial Statements

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Balances with banks	**1,126**	4,727
Cash on hand	**-**	8
Bank deposits (original maturity less than three months)	**25,011**	40,000
Total	**26,137**	44,735

b. Trade receivables - Billed

Trade Receivable - Billed consist of the following:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Trade receivables - billed	**185,006**	173,496
Less: Allowance for doubtful trade receivables - billed	**-**	(1,269)
Total	**185,006**	172,228

Trade Receivable - Billed include balances with related parties amounting to 26,824 thousands BRL reais (49,217 thousands BRL reais for 2022). {Refer note 15}

Notes forming part of the Financial Statements

c. Other financial assets

Other financial assets consist of the following:

Other financial assets - Current

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Employee loans and advances	**1,621**	762
Security deposits	**56**	59
Others	**(11)**	146
Total	**1,666**	967

d. Trade Payables

Trade payables consist of the following:

Trade payables – Current

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Trade payables	**4,987**	7,199
Accrued expenses	**6,796**	7,333
Total	**11,783**	14,532

Trade payables include balances with related parties amounting to 3,168 thousands BRL reais (6,335 thousands BRL reais for 2022). {Refer note 15}

e. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Current

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Capital creditors	**299**	481
Liabilities towards customer contracts	**5,033**	3,709
Accrued payroll	**25,410**	27,689
Caution money	**837**	498
Total	**31,579**	32,377

Notes forming part of the Financial Statements

f. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

(In thousands BRL Reais)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**26,137**	**26,137**
Trade receivables		
Billed	**185,006**	**185,006**
Unbilled	**56,257**	**56,257**
Other financial assets	**1,666**	**1,666**
Total	**269,066**	**269,066**
Financial liabilities		
Trade payables	**11,783**	**11,783**
Lease liabilities	**37,749**	**37,749**
Other financial liabilities	**31,579**	**31,579**
Total	**81,111**	**81,111**

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

(In thousands BRL Reais)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	44,735	44,735
Trade receivables		
Billed	172,228	172,228
Unbilled	52,400	52,400
Other financial assets	967	967
Total	270,330	270,330
Financial liabilities		
Trade payables	14,532	14,532
Lease liabilities	44,946	44,946
Other financial liabilities	32,377	32,377
Total	91,855	91,855

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at December 31, 2023 and December 31, 2022 approximate at the fair value due to their nature. Carrying amounts of other financial assets, other financial liabilities and borrowings which are subsequently measured at amortized cost also approximates the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

Notes forming part of the Financial Statements

g. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity. Considering the economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percent against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures for the company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to foreign currency exposure as at December 31, 2023:

(In thousands BRL Reais)

	USD	GBP	EUR	Others*
Net financial assets	27,416	99	2,245	543
Net financial liabilitites	2,483	468	61	161

10 percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease / increase in the Company's profit before taxes by approximately 2,713 thousands BRL reais for the year ended December 31, 2023.

Notes forming part of the Financial Statements

The following table sets forth information relating to foreign currency exposure as at December 31, 2022:

(In thousands BRL Reais)

	USD	GBP	EUR	Others*
Net financial assets	50,903	4,178	1,027	288
Net financial liabilitites	3,005	670	-	216

10 percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately 5,251 thousands BRL reais for the period ended December 31, 2022.

*Others include currencies such as Swiss Franc, Swedish Krona, Uruguayan Peso, Mexican Peso, Peruvian Nuevo Sol, Norwegian Krone, Indian Rupee and Canadian Dollar.

- **Interest rate risk**

The Company's investments are primarily in fixed rate interest-bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and other financial assets. Cash and cash equivalents include an amount of 25,011 thousands BRL reais held with bank in Brasil having high quality credit rating which are individually in excess of 10 percent or more of the Company's total cash and cash equivalents as at December 31, 2023. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 281,783 thousand BRL reais and 291,301 thousand BRL reais as at December 31, 2023 and as at December 31, 2022, respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Tata Consultancy Services Do Brasil Ltda.'s exposure to customers is diversified and single customer contributes to more than 10 percent of outstanding trade receivable and contract assets as at December 31, 2023 and as at December 31, 2022 as follows:

(In thousands BRL Reais)

	As at December 31, 2023		As at December 31, 2022	
	Trade receivables and Contract assets	Percentage	Trade receivables and Contract assets	Percentage
Customer C	**82,251**	**32**	53,407	22
Customer B	**32,480**	**13**	61,939	25

Notes forming part of the Financial Statements

- **Geographic concentration of credit risk**

  Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
	Net %	Net %
Ibero America	**84**	72
America	**13**	25
Others	**3**	3

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended December 31, 2023, and 2022 was null reais and 1,269 thousand BRL reais respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**1,269**	22
Charge to profit and loss account	**(20)**	1,246
Provision written off	**(1,249)**	1
Balance at the end of the year	**-**	1,269

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(In thousands BRL Reais)

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**11,783**	**-**	**-**	**-**	**11,783**
Lease liabilities	**11,568**	**9,838**	**20,871**	**6,786**	**49,063**
Other financial liabilities	**31,579**	**-**	**-**	**-**	**31,579**
Total	**54,930**	**9,838**	**20,871**	**6,786**	**92,425**

Notes forming part of the Financial Statements

(In thousands BRL Reais)

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	14,532	-	-	-	14,532
Lease liabilities	11,917	11,470	26,113	10,913	60,413
Other financial liabilities	32,377	-	-	-	32,377
Total	58,826	11,470	26,113	10,913	107,322

i. **Equity instruments**

The authorized, issued, subscribed and fully paid up share capital consist of the following:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
(a) Authorized		
Equity shares of BRL reais 1 each (175,801,586 shares)	**175,802**	175,802
	175,802	175,802
(b) Issued, Subscribed and Paid up		
Equity shares of BRL reais 1 each (175,801,586 shares)	**175,802**	175,802
Total	**175,802**	175,802

Details of shares held by shareholders in the Company Equity Shares

	As at December 31, 2023	As at December 31, 2022
TCS Iberoamerica Sociedad Anonima (Holding Company)	**175,802**	175,802
TCS Solution Center S.A. *	**-**	-
% Holding in class	**100%**	100%

*TCS Solution Center S.A. holds one share of the Company, amount is zero because of rounding off.

Fully paid equity shares, which have a par value of 175,802 thousands BRL reais (BRL 1 each) carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes forming part of the Financial Statements

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses an incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(In thousands BRL Reais)

	Additions for the year ended December 31, 2023	Net carrying amount as at December 31, 2023
Buildings	**266**	**25,793**
Leasehold Improvements	**-**	**3,212**
Total	**266**	**29,004**

(In thousands BRL Reais)

	Additions for the year ended December 31, 2022	Net carrying amount as at December 31, 2022
Buildings	4,317	32,826
Leasehold Improvements	-	4,800
Total	4,317	37,626

Notes forming part of the Financial Statements

Depreciation on right-of-use asset is as follows:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Buildings	**7,290**	5,880
Leasehold Improvements	**1,589**	1,592
Total	**8,879**	7,472

Interest on lease liabilities is 4,420 thousands BRL reais and 4,702 thousands BRL reais for the year ended on December 31, 2023 and 2022, respectively.

The Company incurred 528 thousand BRL reais and 452 thousand BRL reais for the years ended December 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 12,402 thousand BRL reais and 12,099 thousand BRL reais for the years ended December 2023 and 2022, respectively, including cash outflow for short-term leases and leases of low-value assets.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis with highlighted portion so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Notes forming part of the Financial Statements

Property, plant and equipment consist of the following:

(In thousands BRL Reais)

	Leasehold improvement	Computer equipment	Electrical installations	Furniture and fixtures	Office equipment	Total
Gross block as at January 1, 2023	**7,475**	**45,412**	**2,832**	**2,077**	**3,124**	**60,920**
Purchases	**143**	**14,062**	**-**	**37**	**2,472**	**16,714**
Disposals	**-**	**(20)**	**-**	**-**	**-**	**(20)**
Gross block as at December 31, 2023	**7,618**	**59,454**	**2,832**	**2,114**	**5,596**	**77,614**
Accumulated depreciation as at January 1, 2023	**2,133**	**22,309**	**1,105**	**1,582**	**1,560**	**28,689**
Depreciation for the period	**596**	**11,734**	**307**	**309**	**919**	**13,865**
Disposals	**-**	**(9)**	**-**	**-**	**-**	**(9)**
Accumulated depreciation as at December 31, 2023	**2,729**	**34,034**	**1,412**	**1,891**	**2,479**	**42,545**
Net carrying amount as at December 31, 2023	**4,889**	**25,420**	**1,420**	**223**	**3,117**	**35,069**
Capital work-in-progress						**618**
Total						**35,687**

(In thousands BRL Reais)

	Leasehold improvement	Computer equipment	Electrical installations	Furniture and fixtures	Office equipment	Total
Gross block as at January 1, 2022	7,295	28,744	2,839	1,975	2,802	43,655
Purchases	180	16,705	-	95	322	17,302
Disposals	-	(37)	(7)	7	-	(37)
Gross block as at December 31, 2022	7,475	45,412	2,832	2,077	3,124	60,920
Accumulated depreciation as at January 1, 2022	1,551	13,552	801	1,176	969	18,049
Depreciation for the period	582	8,769	307	403	591	10,653
Disposals	-	(12)	(3)	3	-	(12)
Accumulated depreciation as at December 31, 2022	2,133	22,309	1,105	1,582	1,560	28,690
Net carrying amount as at December 31, 2022	5,341	23,103	1,726	495	1,564	32,230
Capital work-in-progress						949
Total						33,179

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.

Notes forming part of the Financial Statements

Goodwill consist of the following:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Balance at the beginning of the year	**33,106**	33,106
Foreign currency exchange gain / (loss)	**-**	-
Balance at the end of the year	**33,106**	33,106

Tata Consultancy Services Do Brasil Ltda. tests goodwill annually for impairment.

Goodwill of 33,106 thousands BRL Reais as at December 31, 2023 and December 31, 2022 has been allocated to the entity as a CGU. The company estimated the value-in-use of the CGU based on future cash flows using a 3.5 percent annual growth rate for periods subsequent to the forecast period of 10 years and discount rate of 25.24 percent. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario where in the recoverable amount of the CGU is below its carrying amount.

c. Other Intangible assets

Intangible assets purchased including acquired in business combination, are measured at cost as at the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses.

Following table summarizes the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licenses	Lower of license period and 2-5 years

Intangible assets are amortized on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Intangible assets consist of the following:

(In thousands BRL Reais)

	Software licences
Cost as at January 1, 2023	**13**
Additions	**-**
Cost as at December 31, 2023	**13**
Accumulated amortisation as at January 1, 2023	**11**
Amortization for the period	**2**
Accumulated amortisation as at December 31, 2023	**13**
Net carrying amount as at December 31, 2023	**0**

Notes forming part of the Financial Statements

(In thousands BRL Reais)

	Software licences
Cost as at January 1, 2022	13
Additions	-
Cost as at December 31, 2022	13
Accumulated amortisation as at January 1, 2022	8
Amortization for the period	3
Accumulated amortisation as at December 31, 2022	11
Net carrying amount as at December 31, 2022	2

d. Other assets

Other assets consist of the following:

(a) Other assets - Current

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Advances to suppliers	**4**	331
Prepaid expenses	**5,215**	608
Contract assets	**11,986**	19,893
Contract fulfillment costs	**855**	-
Total	**18,060**	20,832

(b) Other assets - Non Current

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	**120**	62
Contract assets	**731**	1,079
Others	**2,888**	803
Total	**3,739**	1,944

Contract fulfilment cost of Nil thousands BRL reais and 197 thousands BRL reais for the year ended December 31, 2023 and 2022, respectively, have been amortized in the profit or loss. Refer note 9 for changes in contract assets.

e. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Indirect tax payable and other statutory liabilities	**43,300**	33,469
Advance received from customers	**-**	118
Total	**43,300**	33,587

Notes forming part of the Financial Statements

f. Provisions

Provisions consist of the following:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Provision towards legal claims	**5,894**	5,114
Provision for forseeable losses	**149**	-
Total	**6,043**	5,114

9. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in

Notes forming part of the Financial Statements

the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. Such costs are amortized over the contractual period or useful life of the license, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as trade receivable - unbilled (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Consultancy Services	**1,024,713**	868,120
Total	**1,024,713**	868,120

Revenue disaggregation by industry vertical is as follows:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Industry Vertical		
Banking, Financial and Insurance	**222,754**	200,630
Manufacturing	**252,865**	240,870
Retail and Consumer Products	**67,380**	60,195
Communication, Media and Technology	**37,546**	33,365
Others	**444,168**	333,060
Total	**1,024,713**	868,120

Notes forming part of the Financial Statements

Revenue disaggregation by geography is as follows:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Geography		
Ibero America	**754,800**	630,193
America	**234,616**	202,782
Europe	**34,965**	34,441
India	**294**	580
Others	**38**	124
Total	**1,024,713**	868,120

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is 332,480 thousands BRL Reais out of which 50.16 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Balance at the beginning of the year	**20,972**	13,777
Invoices raised that were included in the contract assets balance at the beginning of the year	**5,469**	13,914
Increase due to revenue recognised during the year excluding amounts billed during the year	**(13,026)**	(6,666)
Translation exchange difference	**(698)**	(53)
Balance at the end of the year	**12,717**	20,972

Notes forming part of the Financial Statements

Changes in unearned and deferred revenue are as follows:

(In thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Balance at the beginning of the year	**14,434**	21,382
Revenue recongnized that was included in the unearned and deferred revenue balance at the beginning of the period	**(13,908)**	(20,491)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**12,415**	14,204
Translation exchange difference	**(760)**	(661)
Balance at the end of the year	**12,181**	14,434

10. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortization and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts, and other expenses.

Other operating expense

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Fees to external consultants and others	**52,108**	51,779
Facility expenses	**8,524**	6,853
Cost of equipment and software licenses	**(43)**	(30)
Travel expense	**9,096**	6,012
Communication expense	**653**	2,139
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**(19)**	1,246
Other expenses*	**29,897**	29,291
Total	**100,216**	97,289

Other expenses includes mainly project expenses amounting to 13,942 thousands BRL Reais for year ended December 31, 2023 and 14,514 thousands BRL Reais for year ended December 31, 2022.

- **Expenses by function**

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Cost of revenue	**834,275**	638,812
Selling, general and administrative expenses	**163,685**	138,334
Total	**997,960**	777,146

Notes forming part of the Financial Statements

11. OTHER INCOME

a) Finance and other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using effective interest method.

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income on bank deposits	**1,797**	1,259
Others	**267**	195
Total	**2,064**	1,454

b) Finance costs

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest on Lease Liabilities	**4,420**	4,702
Other interest expense	**3**	-
Total	**4,423**	4,702

c) Other Gains / (Losses) (net)

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Net gain / (loss) on disposal of property, plant and eqiupment	**(11)**	(17)
Net foreign exchange gains (losses)	**(4,415)**	(546)
Total	**(4,426)**	(563)

12. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Notes forming part of the Financial Statements

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The income tax expense consists of the following:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Current Tax		
Current tax expense for current year	**7,511**	26,107
Current tax benefit pertaining to prior years	**152**	11
	7,663	26,118
Deferred tax		
Deferred tax expense for current year	**2,819**	6,349
Deferred tax expense / (benefit) pertaining to prior years	**66**	(8)
	2,885	6,341
Total	**10,548**	32,459

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit or loss is as follows:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Profit before taxes	**19,968**	87,162
Federal income tax rate	**34%**	34%
Expected income tax expense	**6,789**	29,635
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax pertaining to prior years	**218**	3
Others (net)	**3,541**	2,821
Total income tax expense	**10,548**	32,459
Effective tax rate	**53%**	37%

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2023 are as follows:

(In thousands BRL Reais)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Goodwill amortization	**(11,256)**	**-**	**(11,256)**
Accumulated losses (refer note a)	**16,616**	**(3,353)**	**13,263**
Lease liabilities (Refer Note 7)	**2,534**	**439**	**2,973**
Others	**13,550**	**29**	**13,579**
Total deferred tax asset / (liabilities)	**21,444**	**(2,885)**	**18,559**

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2022 are as follows:

(In thousands BRL Reais)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Goodwill amortization	(11,256)	-	(11,256)
Accumulated losses (refer note a)	28,082	(11,466)	16,616
Lease liabilities (Refer Note 7)	2,310	224	2,534
Others	8,650	4,900	13,550
Total deferred tax asset / (liabilities)	27,786	(6,342)	21,444

Note

a) As at December 31, 2023, the Company's accumulated tax loss carry forwards is 39,009 thousands BRL reais (48,873 thousands BRL reais as at December 31, 2022). In accordance with the prevailing tax law, tax loss carry forwards may be carried forward indefinitely, but their utilization is limited to 30 percent of future annual taxable income.

Direct tax Contingencies

The Company has ongoing disputes with Tax authorities in Brasil. These mainly include utilization of tax credit by the Company not validated by tax authority. As at December 31, 2023, the Company has contingent liability of 22,006 thousands BRL reais (December 31, 2022: 20,066 thousands BRL reais) in respect of tax demands which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

13. EMPLOYEE BENEFITS

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee costs consist of the following:

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, incentives and allowances	**671,673**	516,360
Contribution to provident and other funds	**140,468**	99,136
Staff welfare expenses	**62,861**	46,232
Total	**875,002**	661,728

Notes forming part of the Financial Statements

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Compensated absences	**52,164**	39,030
Other employee benefit obligations	**169**	193
Total	**52,333**	39,223

14. COMMITMENTS AND CONTINGENCIES

- **Capital Commitments**

  The Company has contractually committed (net of advances) 5,742 thousands BRL reais and 8,171 thousands BRL reais as at December 31 2023 and 2022 respectively, for purchase of property, plant and equipment.

- **Direct tax matters**

  Refer note 12.

- **Indirect tax matters**

  The Company has ongoing disputes with Tax authorities in Brasil. These mainly include utilization of tax credit by the Company not validated by tax authority. As at December 31, 2023, the company has contingent liability of 3,960 thousands BRL reais (December 31, 2022: 3,960 thousands BRL reais) in respect of tax demands which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

- **Other claims**

  As at December 31, 2023, claims aggregating 12,170 thousands BRL reais (December 31, 2022: 1,285 thousands BRL reais) against the Company have not been acknowledged as debts.

15. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries and key managerial personnel. The related party transactions and outstanding balances are with related parties with whom the company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(In Thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations		
Tata Consultancy Services Limited	**227,709**	198,550
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services Sverige AB	**759**	392
Tata Consultancy Services Ireland Limited	**2,383**	1,380
Tata Consultancy Services Deutschland Gmbh	**6,718**	4,541
Tata Consultancy Services France S.A.	**3,721**	2,896
TATA Consultancy Services Italia srl	**682**	1,121
Tata Consultancy Services Netherlands B.V.	**1,388**	1,944
Tata Consultancy Services Sucursal del Peru	**8**	7

Notes forming part of the Financial Statements

Transactions with related parties are as follows:

(In Thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Tata Consultancy Services Switzerland Ltd	**4,526**	6,863
TCS Colombia	**490**	333
Tata Consultancy Services De Mexico S.A.,De C.V.	**608**	403
TCS Canada Inc.	**1,818**	382
Tata Consultancy Services Malaysia Sdn Bhd	**38**	35
Total	**23,139**	20,297
Purchases of goods and services (including reimbursements)		
Tata Consultancy Services Limited	**40,254**	38,602
Subsidiaries of Tata Consultancy Services Limited		
TCS Colombia	**255**	190
Tata Solution Center S.A.	**-**	32
Tata Consultancy Services De Mexico S.A.,De C.V.	**2,394**	2,824
TCS Uruguay S.A.	**546**	2,188
Tata America International Corporation	**(748)**	(560)
TCS Solution Center	**289**	241
Tata Consultancy Services Argentina S.A.	**(1)**	5
TCS Portugal Unipessoal Lda	**13**	-
TCS Deutschland GmbH	**172**	-
TCS France	**105**	-
TCS Italia srl	**30**	-
TCS Netherlands B.V.	**41**	-
TCS Switzerland Ltd.	**38**	-
TCS Sverige AB	**99**	-
Tata Consultancy Services Malaysia Sdn Bhd	**1**	1
Total	**3,234**	4,921
Brand equity contribution		
Tata Sons Private Limited	**1,940**	1,623
Dividend Paid		
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica SA	**7,500**	7,670
Total	**7,500**	7,670

Notes forming part of the Financial Statements

Balances with related parties are as follows:

(In Thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Trade receivables and unbilled receivables and contract assets		
Tata Consultancy Services Limited	**32,480**	61,939
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**60**	75
Tata Consultancy Services Argentina S.A.	**1**	-
Tata Consultancy Services Canada Inc.	**100**	234
Tata Consultancy Services Sucursal del Peru	**1**	-
Tata Consultancy Services Ireland Limited	**126**	387
Tata Consultancy Services De Mexico S.A.,De C.V.	**228**	54
Tata Consultancy Services Deutschland GmbH	**3,027**	340
Tata Consultancy Services France SA	**362**	635
Tata Consultancy Services Malaysia Sdn Bhd	**5**	5
Tata Consultancy Services Netherlands BV	**253**	151
Tata Consultancy Services Switzerland Ltd.	**477**	325
TCS Italia SRL	**78**	92
Tata Consultancy Services Sverige AB	**82**	-
Tata Consultancy Services Portugal Unipessoal Limitada	**8**	-
TCS Colombia	**30**	-
Total	**4,838**	2,298
Loans, other financial assets and other assets		
Tata Consultancy Services Limited	**-**	340
Subsidiaries of Tata Consultancy Services Limited		
TCS Uruguay S. A.	**-**	136
TCS Colombia	**4**	8
Tata Consultancy Services De Mexico S.A.,De C.V.	**-**	8
Total	**4**	152
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited	**1,494**	1,275
Tata Consultancy Services Limited	**12,706**	16,697
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**6**	17
Tata Consultancy Services De Mexico S.A.,De C.V.	**440**	595
TCS Solution Center S.A.	**24**	24
Tata Consultancy Services France SA	**22**	15
Tata Consultancy Services Netherlands BV	**40**	148
Tata Consultancy Services Deutschland GmbH	**32**	-
Tata Consultancy Services Switzerland Ltd.	**314**	688

Notes forming part of the Financial Statements

Balances with related parties are as follows:

(In Thousands BRL Reais)

	As at December 31, 2023	As at December 31, 2022
Tata Consultancy Services Ireland Limited	**36**	18
Tata Consultancy Services Sverige AB	**4**	4
TCS Italia SRL	**46**	-
TCS Uruguay S. A.	**209**	352
Tata Consultancy Services Portugal Unipessoal Limitada	**21**	-
TCS Colombia	**44**	45
Total	**1,238**	1,907

(In thousands BRL Reais)

	Year ended December 31, 2023	Year ended December 31, 2022
Compensation to key management personnel		
Short-term benefits	**4,062**	3,792
Total	**4,062**	3,792

16. SUBSEQUENT EVENTS

There were no subsequent events that need disclosure.

TATA CONSULTANCY SERVICES DE MÉXICO, S.A. DE C.V.

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT THEREON

For the year ended December 31, 2023 and 2022

TATA CONSULTANCY SERVICES DE MÉXICO, S.A. DE C.V.
(Subsidiary of TCS Iberoamérica, SA and TCS Solution Center, S.A.)

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INDEPENDENT AUDITOR'S REPORT

TO THE STOCKHOLDERS OF
TATA CONSULTANCY SERVICES DE MÉXICO, S.A. DE C.V.:

Opinion

We have audited the accompanying financial statements of TATA Consultancy Services de México, S.A. de C.V., (the "Company"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in stockholders' equity and cash flows, for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TATA Consultancy Services de México, S.A. de C.V., as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended, in conformity with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report, and the related "Exhibit". We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mexico in accordance with the Instituto Mexicano de Contadores Públicos A.C.'s Code of Professional Ethics (IMCP Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA and IMCP Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, or otherwise, making the appropriate disclosures.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of TATA Consultancy Services de México, S.A. de C.V., as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SALLES, SAINZ – GRANT THORNTON, S. C.

Mexico City, Mexico
February 23, 2024

C.P.A. Fernando Robles Garibay

EXHIBIT OF THE INDEPENDENT AUDITOR'S REPORT

Additional description of our responsibilities regarding the audit of the financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statements of Financial Position As of December 31, 2023 and 2022

(In millions of Mexican Pesos)

	Note	As of December 31, 2023	As of December 31, 2022
ASSETS:			
Current assets			
Cash and cash equivalents	7 a	**1,133.76**	1,279.26
Trade receivables			
Billed	7 b	**465.46**	591.26
Unbilled	7 d	**114.25**	97.50
Related parties	7 c A	**1,606.09**	1,400.41
Other current financial assets	7 e a	**99.34**	84.23
Advance Income Tax - Current	14	**-**	19.15
Other current assets	9 b	**146.54**	257.50
Total current assets		**3,565.44**	3,729.30
Non-current assets			
Related parties	7 c A	**-**	27.13
Trade receivables Unbilled	7 d	**1.00**	1.81
Other non-current financial assets	7 e b	**10.19**	10.76
Income tax assets (net)	14	**63.27**	24.51
Deferred tax assets	14	**456.43**	392.66
Property, Plant and Equipment	9 a i	**253.02**	291.00
Right of use asset	8	**276.56**	292.97
Other non-current assets	9 b	**17.46**	0.27
Total non-current assets		**1,077.93**	1,041.11
TOTAL ASSETS		**4,643.37**	4,770.41
LIABILITIES AND EQUITY:			
Liabilities:			
Current liabilities			
Trade and other payables	9 c	**305.16**	293.36
Lease liability	8	**65.78**	67.20
Related parties	7 c B	**372.09**	244.79
Provisions		**0.54**	2.95
Other current liabilities	9 d	**488.96**	402.28
Other current financial liabilities	7 f	**4.74**	14.37
Unearned and deferred revenue	9 e	**23.37**	58.87
Employee benefit obligations	12	**615.30**	501.29
Income tax liabilities	14	**359.60**	373.19
Total current liabilities		**2,235.54**	1,958.30
Non-current liabilities:			
Employee benefit obligations	12	**263.99**	192.01
Lease liability	8	**182.50**	232.04
Total non-current liabilities		**446.49**	424.05
TOTAL LIABILITIES		**2,682.03**	2,382.35
Equity			
Share Capital	7 o	**2.61**	2.61
Legal reserves		**0.01**	0.01
Retained earnings		**1,909.08**	2,355.44
Other comprehensive income		**49.64**	30.00
Total Equity		**1,961.34**	2,388.06
TOTAL LIABILITIES AND EQUITY		**4,643.37**	4,770.41

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statements of Profit or Loss and Other Comprehensive Income
For the years ended December 31, 2023 and 2022

(In millions of Mexican Pesos)

	Note	For the years ended December 31, 2023	For the years ended December 31, 2022
Revenue from operations	10	**10,639.80**	9,991.99
Total revenue		**10,639.80**	9,991.99
Operating expenses			
Employee benefits expense	12	**8,653.36**	7,163.28
Other operating expense	11	**1,038.48**	1,072.56
Depreciation and amortisation expense	8 & 9 a	**201.50**	178.60
TOTAL OPERATING EXPENSE		**9,893.34**	8,414.45
Operating Profit		**746.46**	1,577.54
Other expense			
Finance income	13 a	**51.56**	12.37
Finance costs	13 b	**(23.48)**	(285.37)
Other (losses) / gains, net	13 c	**(165.70)**	(80.18)
		(137.62)	(353.18)
PROFIT BEFORE INCOME TAXES		**608.84**	1,224.36
Income tax expense	14	**191.79**	680.70
NET INCOME		**417.05**	543.66
OTHER COMPREHENSIVE INCOME			
Remeasurement in Defined Benefit Obligation	12	**19.64**	11.79
NET AND TOTAL COMPREHENSIVE INCOME		**436.69**	555.45

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

In millions of Mexican Pesos, except share data)

	Number of shares (Fixed and variable)	Equity share capital	Legal reserves	Retained earnings	Other Comprehensive Income	Total equity
Balance as of January 01, 2022	2,614,406	2.61	0.01	1,811.78	18.21	1,832.61
Net income for the year	-	-	-	543.66	-	543.66
Remeasurement in Defined Benefit Obligation	-	-	-	-	11.79	11.79
Total Comprehensive income of the year	-	-	-	543.66	11.79	555.45
Dividend distribution	-	-	-	-	-	-
Balance as of December 31, 2022	2,614,406	2.61	0.01	2,355.44	30.00	555.45

	Number of shares (Fixed and variable)	Equity share capital	Legal reserves	Retained earnings	Other Comprehensive Income	Total equity
Balance as of January 01, 2023	**2,614,406**	**2.61**	**0.01**	**2,355.44**	**30.00**	2,388.06
Net income for the year	-	-	-		-	417.05
Remeasurement in Defined Benefit Obligation	**-**	**-**	**-**	**-**	19.64	19.64
Total Comprehensive income of the year	**-**	**-**	**-**	**417.05**	**19.64**	**436.69**
Dividend distribution	**-**	**-**	**-**	**863.41**	**-**	863.41
Balance as of December 31, 2023	**2,614,406**	**2.61**	**0.01**	**1,909.08**	**49.64**	**1,961.34**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statements of Cash Flows For the years ended December 31, 2023 and 2022

(In millions of Mexican Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	**417.05**	543.66
Adjustments to reconcile net income to net cash provided by operating activities :		
Depreciation and amortisation expense	**201.50**	178.60
Interest income	**(0.65)**	(0.57)
Income tax and Deferred tax expense	**191.79**	680.70
Unrealized exchange loss / (gain)	**72.22**	42.08
Allowances for doubtful trade receivables and bad debts written off	**(0.32)**	0.31
Net change in:		
Trade receivables		
Billed	**126.12**	(144.34)
Unbilled	**(15.94)**	(28.94)
Related parties	**(51.26)**	(108.45)
Other financial assets (current and non-current)	**(14.55)**	89.59
Other assets (current and non-current)	**93.76**	215.49
Trade payables	**11.80**	218.95
Other financial liabilities (current)	**(12.03)**	8.64
Unearned and deferred revenues	**(35.50)**	(8.93)
Other liabilities (current and non-current)	**253.02**	297.73
Cash generated from operations	**1,237.04**	1,984.51
Taxes paid	**(288.76)**	(1,354.48)
Net cash provided by operating activities	**948.26**	630.04
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment, Right to Use Asset	**(69.23)**	(93.67)
Net cash used in investing activities	**(69.23)**	(93.67)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	**(863.41)**	-
Repayment of lease liabilities	**(72.42)**	(68.75)
Net cash used in financing activities	**(935.83)**	(68.75)
Net (decrease) / increase in cash and cash equivalents	**(56.80)**	467.62
Effect of foreign exchange on cash	**(88.70)**	(48.28)
Cash and cash equivalents, beginning of the year	**1,279.26**	859.92
Cash and cash equivalents, end of the year	**1,133.76**	1,279.26

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

1. REPORTING ENTITY

Tata Consultancy Services de México, S.A. de C.V. (the "Company") is a subsidiary de TCS Iberoamérica, SA and is engaged in providing information technology and consultancy services, application development, IT infrastructure management, including services under contracts for software development, implementation and other related services. It was incorporated as a corporation with variable capital, in accordance with Mexican law, on April 9, 2003, with a duration of 99 years and with principal place of business in Avenida Eugenia, No. 197, piso 6-A Colonia Narvarte, Alcaldía Benito Juarez, Mexico City.

Authorisation

On February 23, 2024 Mr. Claudio Yukio Yoshida (Finance Director) and Rajeev Gupta (Country Head, Mexico) authorised the issuance of the accompanying financial statements and related notes thereto.

In accordance with the General Corporations Law and the bylaws of Tata Consultancy Services de México, S.A. de C.V., the stockholders are empowered to modify the financial statements after issuance. The accompanying financial statements will be submitted to the next Stockholders' Meeting for approval.

2. STATEMENT OF COMPLIANCE

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared using indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Mexican Pesos. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

Functional and reporting currency

The aforementioned financial statements are presented in Mexican pesos (reporting currency), which is the same as the local currency and the functional currency.

To determine the functional currency, management assesses the economic environment in which it primarily generates and disburses cash. For this, factors related to sales, costs, sources of financing and cash flows generated by the operation are considered.

As of December 31, 2023 and 2022, the peso/dollar exchange rates were $16.93 and $19.50, respectively. Unless otherwise indicated, all financial information presented in pesos has been rounded to the nearest millions. When referring to "US" or dollars, it refers to amounts expressed in millions of dollars of the United States of America or U.S.D, when referring

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

to "EUR" means millions of Euro, "CAD" means millions Canadian dollar, "BRL" means millions of Brazilian real, "UYU" means millions of Uruguayan Peso, and "COP" means millions of Colombian peso.

Foreign currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in force at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are reported on the statement of comprehensive income.

Prepayments

Mainly include prepayments for the purchase of services that are received after the date of the statement of financial position and in the ordinary course of operations.

Presentation of statement of cash flows

The statements of cash flows of the Company are presented using the indirect method.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised, and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

b. Useful lives of leasehold improvements, furniture and equipment

The Company reviews the carrying amount of equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 14.

d. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

e. Foreign currency

Transactions in foreign currency are translated at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities are at the exchange rate on the balance sheet date. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are reported on the statement of income, on other (losses)/ gains, net.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

f. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

h. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

Statement of comprehensive income presentation

The Company opted for reporting comprehensive income in a single statement that includes all the items that comprise net income or loss and other comprehensive income (OCI), entitled "Statement of Comprehensive Income". Additionally, the "Operating profit" line item is included, which results from subtracting the cost of sales and expenses from total revenues, as this line item is considered to provide a better understanding of the Company's economic and financial performance.

Given that the Company is a service entity, ordinary costs and expenses are presented based on their nature, as the information so reported is clearer.

Capital stock

Common shares are classified in stockholders' equity.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

6. NEWLY ISSUED IFRS NOT YET ADOPTED

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective, other than the amendment to IFRS 16 for COVID-19-Related Rent Concessions where earlier application is permitted.

Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates1
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1] Effective for annual periods beginning on or after January 1, 2024.

[2] Effective for annual periods beginning on or after January 1, 2025.

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.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cashflows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Group does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other income

Financial assets are measured at fair value through other income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Derivative accounting

Instruments not in hedging relationship

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in profit or loss.

Capital stock

Common shares are classified in stockholders' equity.

Impairment of Financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Current account balances with banks	**31.71**	31.45
Bank deposits (original maturity less than three months)	**1,102.05**	1,247.81
Total	**1,133.76**	1,279.26

As of December 31, 2023, and 2022 there is no restricted cash.

In note 7 (g) the Company discloses the sensitivity analysis for financial assets and liabilities.

b. Trade receivables - Billed

Trade receivables -Billed consist of the following:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Trade receivables- Billed	**465.97**	592.08
Less: Allowance for doubtful trade receivables	**(0.51)**	(0.82)
Total	**465.46**	591.26

Movement in the allowance for bad and doubtful debts are as follows:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Balance at the beginning of the year	**0.82**	0.52
Allowance for doubtful receivables	**(0.31)**	0.30
Balance at the end of the year	**0.51**	0.82

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

c. Related Parties

A) Related Parties Assets

Current financial assets

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Financial assets		
Trade receivables		
Billed	**1,158.38**	879.14
Unbilled	**436.87**	438.54
Other current financial assets	**0.01**	0.39
Total Financial assets	**1,595.26**	1,318.07
Other Assets		
Prepaid Expense	**10.83**	8.59
Contract assets	**-**	73.74
Total	**1,606.09**	1,400.41

Non- Current financial assets

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Financial assets		
Loans granted	**-**	14.00
Total Non- Current financial assets	**-**	14.00
Other Assets		
Contract Assets	**-**	13.13
Total	**-**	27.13

B) Related Parties Liabilities

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Financial liabilities		
Trade and other payables	**271.11**	153.38
Other current financial liabilities	**37.73**	25.77
Total Financial liabilities	**308.84**	179.15
Other current liabilities		
Unearned and deferred revenue	**63.25**	65.64
Total other current liabilities	**63.25**	65.64
Total	**372.09**	244.79

For related party refer note no. 17.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

d. Trade receivable - Unbilled

Trade receivable - Unbilled - Current

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Trade receivable - Unbilled	**114.25**	97.50
	114.25	97.50

Trade receivables - Unbilled - Non Current

	As of December 31, 2023	As of December 31, 2022
Trade receivable - Unbilled	**1.00**	1.81
	1.00	1.81

e. Other financial assets

Other financial assets consist of the following:

a) Other current financial assets

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Employee advances	**43.24**	83.55
Foreign currency derivative assets	**54.73**	-
Others	**1.37**	0.67
Total	**99.34**	84.23

b) Other non-current financial assets

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Deposits for premises	**9.74**	10.31
Security deposit	**0.45**	0.45
Total	**10.19**	10.76

f. Other financial liabilities

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Accrued Payroll	**(0.15)**	(0.15)
Foreign currency derivative liability	**0.49**	-
Capital Creditors	**4.19**	13.30
Payable for volume discount	**0.21**	0.93
Security deposits	**-**	0.29
Total	**4.74**	14.37

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

g. Financial instruments by category

The carrying value of financial instruments by category as at December 31, 2023 is as follows:

(In millions of Mexican Pesos)

	Derivative Instruments not in hedging relationships	Amortized cost	Total carrying value
Financial assets			
Cash	-	1,133.76	1,133.76
Trade receivables			
Billed	-	465.46	465.46
Unbilled receivables	-	115.25	115.25
Related parties	-	1,595.26	1,595.26
Other financial assets	54.73	54.80	109.53
Total	54.73	3,364.53	3,419.26
Financial liabilities			
Trade and other payables	-	305.16	305.16
Related parties	-	308.84	308.84
Lease Liability	-	248.28	248.28
Other financial liabilities	0.49	4.25	4.74
Total	0.49	866.53	867.02

The carrying value of financial instruments by category as at December 31, 2022 is as follows:

(In millions of Mexican Pesos)

	Derivative Instruments not in hedging relationships	Amortized cost	Total carrying value
Financial assets			
Cash	-	1,279.26	1,279.26
Trade receivables			
Billed	-	591.26	591.26
Unbilled receivables	-	99.31	99.31
Related parties	-	1,332.07	1,332.07
Other financial assets	-	94.99	94.99
Total	-	3,396.89	3,396.89
Financial liabilities			
Trade and other payables	-	293.36	293.36
Related parties	-	179.15	179.15
Lease Liability	-	299.24	299.24
Other financial liabilities	-	14.37	14.37
Total	-	786.12	786.12

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade and other payables as at December 31, 2023 and December 31, 2022 approximate the fair value. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented.

h. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices, included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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 31 Dec 2023

(In millions of Mexican Pesos)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value of foreign exchange derivative assets	-	54.73	-	54.73
Total	-	54.73	-	54.73
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	0.49	-	0.49
Total	-	0.49	-	0.49

As at 31 Dec 2022

(In millions of Mexican Pesos)

	Level 1	Level 2	Level 3	Total
Financial assets				
Fair value of foreign exchange derivative assets	-	-	-	-
Total	-	-	-	-
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	-	-	-
Total	-	-	-	-

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forwards. As at December 31, 2023 and December 31, 2022, the notional amount of outstanding contracts aggregated to MXN 1,777 million and MXN NIL, respectively and the respective fair value of these contracts have a net gain of MXN 54.2 million and net gain / loss of NIL.

Exchange gain of MXN 123.97 million and exchange gain / loss of MXN NIL on foreign exchange forwards that do not qualify for hedge accounting have been recognised in profit or loss for the period ended December 31, 2023 and 2022, respectively.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

i. Financial risk management

Tata Consultancy Services de México, S.A. de C.V. is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. Tata Consultancy Services de México, S.A. de C.V has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

j. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

k. Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency the Company.

The following analysis has been worked out based on the net exposures for the Company as at the date of statement of financial position which could affect the statement of profit or loss and other income and equity.

The following table sets forth information relating to foreign currency exposure as of December 31, 2023 and December 31, 2022:

2023

(in millions of MXN)

	USD	EUR	GBP	CAD	CHF	COP	ARS	BRL	CLP	PEN	UYU	PHP	KRW	UDF
Net financial assets	**1,736.26**	**31.09**	**14.96**	**13.76**	**0.32**	**6.69**	**0.43**	**1.78**	**1.85**	**1.07**	**-**	**4.07**	**7.65**	**0.38**
Net financial liabilities	**242.21**	**0.58**	**7.27**	**1.52**	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2022

(in millions of MXN)

	USD	EUR	GBP	CAD	CHF	COP	ARS	BRL	CLP	PEN	UYU	PHP	KRW	UDF
Net financial assets	2,558.38	28.04	3.96	24.90	0.46	5.51	1.71	1.97	2.52	0.98	0.26	-	-	-
Net financial liabilities	220.00	0.25	2.89	0.38	0.36	(0.00)	-	-	-	-	-	-	-	-

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services de México, S.A. de C.V would result in decrease / increase in the Company's profit before tax by approximately MXN 156.87 and MXN 240.48 for the year ended December 31, 2023 and December 31, 2022 respectively.

l. Interest rate risk

The Company's investments are primarily in fixed rate bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

m. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets. Cash and cash equivalents include an amount of MXN 1,133.76 and MXN 1,279.26 held with a Mexican bank having high quality credit rating as at 31st December' 2023 and 31st December' 2022. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was MXN 3,419.25 and MXN 3,396.89 as of December 31, 2023 and December 31, 2022, respectively being the total of the carrying amount of cash and cash equivalents, trade receivables and unbilled receivables and other financial assets.

Trade receivables - Billed and Unbilled

The Company's exposure to credit risk with regards to trade receivables and unbilled receivables is influenced mainly by the individual characteristics of each customer in relation to the industry practices and business environment in which they operate. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 272 days for its customers after which they are in default (credit impaired). To manage this risk, the Company has a robust Credit Management process in place. The Company has adopted a policy of dealing only with creditworthy counterparties. The Company's exposure of the counterparties are continuously monitored and necessary changes to the credit terms are made. The carrying amounts of financial assets represent the maximum credit risk exposure.

Tata Consultancy Services de México, S.A. de C.V.'s exposure to customers is diversified and single customer which explains more than 10% of outstanding total trade receivable as at December 31, 2023 and 2022 are as follows:

(In millions of Mexican Pesos)

	As on December 31, 2023		As on December 31, 2022	
	Total Trade receivables and Contract assets	Percentage	Total Trade receivables and Contract assets	Percentage
Customer A	**1,245.54**	**53.23**	**1,180.76**	**53.87**
Customer B	**398.12**	**15.12**	**364.78**	**16.64**

None of the other financial instruments of the Company result in material concentration of credit risk.

Geographic concentration of credit risk

Geographic concentration of trade receivables billed (net of allowances) and trade receivables unbilled is as follows:

(In millions of Mexican Pesos)

	As at December 31, 2023	As at December 31, 2022
	%	%
Americas	**97.23**	96.11

Geographical concentration of trade receivables billed and trade receivables unbilled is allocated based on the location of the customers.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(In millions of Mexican Pesos)

31-Dec-23	Weighted average loss rate	Gross Carrying Amount*	Loss Allowance	Credit impaired
No Due	**0.15%**	**404.06**	**(0.59)**	**No**
1-90	**1.13%**	**58.62**	**(0.66)**	**No**
91-180	**6.92%**	**-**	**-**	**No**
181-272	**26.15%**	**-**	**-**	**No**
>272	**100.00%**	**-**	**-**	**Yes**

*Gross carrying amount excludes inter-company receivables.

n. Liquidity risk

Liquidity risk refers to the risk that Tata Consultancy Services de México, S.A. de C.V. cannot meet its financial obligations. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Tata Consultancy Services de México, S.A. de C.V. consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In millions of Mexican Pesos)

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade and other payables	**305.16**	**-**	**-**	**-**	**305.16**
Related parties	**308.84**	**-**	**-**	**-**	**308.84**
Lease Liability	**85.52**	**72.76**	**125.31**	**20.03**	**303.62**
Other financial liabilities	**4.74**	**-**	**-**	**-**	**4.74**
Total	**704.26**	**72.76**	**125.31**	**20.03**	**922.36**

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade and other payables	293.36	-	-	-	293.36
Related parties	179.15	-	-	-	179.15
Lease Liability	86.22	71.86	167.85	19.20	345.13
Other financial liabilities	14.37	-	-	-	14.37
Total	573.10	71.86	167.85	19.20	832.01

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

o. Stockholders' equity

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
(a) Authorised		
Equity shares of MXN 1 each (2,614,406 shares)	**2.61**	2.61
	2.61	2.61
(b) Issued, Subscribed and Paid up		
Equity shares of MXN 1 each (2,614,406 shares)	**2.61**	2.61
	2.61	2.61

A) Structure of share capital

As of December 31, 2023, share capital fully issued and paid is represented by 50,000 common shares (corresponding to the minimum fixed portion) with a par value of MXN 1 each. The fixed and variable portion is represented by 2,614,406 shares of MXN 1 each.

In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

(In millions of Mexican Pesos)

Other Comprehensive income (OCI)	For the year ended December 31, 2023	For the year ended December 31, 2022
Remeasurement in Defined Benefit Obligation	**19.64**	11.79
Total Other Comprehensive Income	**19.64**	11.79

B) Restriction in stockholders' capital

In accordance with the General Corporations Law, five percent of net income for the year must be appropriated to the statutory reserve, until it reaches one-fifth of share capital. As of December 31, 2023 and 2022, the same has been constituted at MXN 10,000.

Retained earnings and other Stockholder's contributions, on which no income tax has been paid, are subject to income taxes in the event of distribution, at the rate of 30%, payable by the Company; consequently, the stockholders may only receive 70% of such amounts.

Stockholder contributions may be refunded to the stockholders tax-free, to apply that exemption, such contributions must be equal or less of the balance of the Contributed Capital Account (CUCA for its Acronym in Spanish). As of December 31, 2023, and 2022, the CUCA amount is in process of being updated.

C) Dividend

At the General Ordinary Stockholders' Meeting held on June 21, 2023, a cash dividend payment of MXN 343.09 was approved and paid on June 26, 2023. As a consequence of this dividend payment, 5% of withheld income tax was paid in the amount of MXN 17.15 in accordance with local tax regulations for payment of dividends abroad.

At the General Ordinary Stockholders' Meeting held on September 22, 2023, a cash dividend payment of MXN 257.35 was approved and paid on September 25, 2023. As a consequence of this dividend payment, 5% of withheld income tax was paid in the amount of MXN 12.87 in accordance with local tax regulations for payment of dividends abroad.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

At the General Ordinary Stockholders' Meeting held on December 1, 2023, a cash dividend payment of MXN 262.96 was approved and paid on December 19, 2023. As a consequence of this dividend payment, 5% of withheld income tax was paid in the amount of MXN 13.15 in accordance with local tax regulations for payment of dividends abroad.

Distribution of dividends or profits to the shareholders that come from the CUFIN, will not generate income tax to legal entities resident in the country, until the balance of said account is zero. Dividends paid to individuals and legal entities resident abroad, on profits generated from January 1, 2014 and onwards, are subject to a 10% tax, which has the character of final payment.

The dividends paid to TCS Iberoamérica, S.A. and TCS Solution Center, S.A., are taxed at a lower rate than that mentioned above, since it applied the benefits of the agreement between the United Mexican States and the Oriental Republic of Uruguay to avoid double taxation.

As of December 31, 2023, and 2022 the restated balance of the CUFIN account (Net taxable income account or CUFIN for its Acronym in Spanish), is $3,858.72 and $4,092.64 pesos, respectively.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of- use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of- use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

The Company has adopted IFRS 16, effective annual reporting period beginning January 1, 2020 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (January 1, 2019).

The details of the right- of – use asset held by the Company is as follows:

(In millions of Mexican Pesos)

	Additions for the year ended December 31, 2023	Net carrying amount as at December 31, 2023
ROU Leasehold Building	**39.37**	**247.49**
ROU Leasehold Building - Security deposit	**0.36**	**2.43**
ROU Leasehold improvement	**32.01**	**26.64**
Total	**71.74**	**276.56**

(In millions of Mexican Pesos)

	Additions for the year ended December 31, 2022	Net carrying amount as at December 31, 2022
ROU Leasehold Building	88.52	290.15
ROU Leasehold Building - Security deposit	0.96	2.82
Total	89.48	292.97

Depreciation on right – of – use asset is as follows:

(In millions of Mexican Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Depreciation - Leasehold Buildings	**82.02**	75.59
Depreciation - Leasehold Building - Security deposit	**0.75**	0.64
Depreciation - Leasehold improvement - ROU	**5.37**	-
Total	**88.14**	76.23

Interest on lease liabilities is MXN 17.02 and MXN 15.28 for the years ended on December 31, 2023 and 2022, respectively.

The Company incurred MXN 2.86 and MXN 4.65 for the years ended December 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 MXN 91.43 and MXN 88.68 for the years ended December 31, 2023 and 2022, respectively, including cash outflow for short-term leases and leases of low-value assets.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

There are no property leases that contain extension options.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Leasehold improvements, furniture and equipment

Improvements to leased buildings are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The furniture and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the amount susceptible to depreciation, corresponding to the cost of an asset, or another amount that replaces the cost.

Depreciation is recognised in the statement of comprehensive income using the straight-line method according to the estimated useful life of each component of an item of furniture and equipment, since this better reflects the usage pattern expected of the future economic benefits included in the asset. Leased assets are depreciated for the duration of the lease or the useful life of the assets, whichever is lower, unless there is reasonable certainty that the Company will acquire ownership of the leased assets at the end of the lease.

The annual depreciation rates of the assets as follows:	% average rate of depreciation
Improvements to leased buildings, Electrical installations, Plant and Machinery	5 – 10
Office furniture and equipment	20
Computers	25

Subsequent expenditures

Expenditures for repairs and modifications or improvements that prolong the useful life of the assets beyond the originally estimated, which allows the entity to obtain future economic benefits that can be measured reliably, are capitalised as fixed assets.

Impairment of Non-financial assets

i. Tangible assets

Leasehold improvements, furniture and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

Leasehold improvements, furniture and equipment comprise the following:

(In millions of Mexican Pesos)

	Lease Improvements	Transportation equipment	Computer equipment	Furniture and fixtures	Office Equipment	Electrical Installations	Plant and Machinary	Total
Gross block as of January 1, 2023	**128.28**	**0.68**	**299.44**	**41.20**	**95.93**	**77.11**	**17.80**	**660.44**
Purchases	**2.25**	**-**	**54.84**	**5.70**	**8.15**	**2.54**	**0.02**	**73.50**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross block as of December 31, 2023	**130.53**	**0.68**	**354.28**	**46.90**	**104.08**	**79.65**	**17.82**	**733.94**
Accumulated depreciation as of January 1, 2023	**95.74**	**0.68**	**170.12**	**28.48**	**65.06**	**19.96**	**5.60**	**385.64**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	**13.16**	**-**	**65.31**	**7.67**	**14.62**	**10.31**	**2.29**	**113.36**
Accumulated depreciation as of December 31, 2023	**108.90**	**0.68**	**235.43**	**36.15**	**79.68**	**30.27**	**7.89**	**499.00**
Net carrying amount as of December 31, 2023	**21.64**	**-**	**118.85**	**10.74**	**24.41**	**49.37**	**9.93**	**234.94**
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18.08**
Total	**21.64**	**-**	**118.85**	**10.74**	**24.41**	**49.37**	**9.93**	**253.02**

MXN 73.49 has been capitalised and transferred to property, plant and equipment during the year ended December 31, 2023.

(In millions of Mexican Pesos)

	Lease Improvements	Transportation equipment	Computer equipment	Furniture and fixtures	Office Equipment	Electrical Installations	Plant and Machinary	Total
Gross block as of January 1, 2022	122.65	0.68	234.76	40.53	87.42	73.60	17.80	577.45
Purchases	5.63	-	66.15	0.67	8.51	3.50	-	84.46
Disposals	-	-	1.47	-	-	-	-	1.47
Gross block as of December 31, 2022	128.28	0.68	299.44	41.20	95.93	77.11	17.80	660.44
Accumulated depreciation as of January 1, 2022	83.60	0.68	111.68	22.58	51.62	10.63	3.30	284.09
Disposals	-	-	0.66	-	-	-	-	0.66
Depreciation for the year	12.14	-	59.10	5.90	13.45	9.33	2.30	102.21
Accumulated depreciation as of December 31, 2022	95.74	0.68	170.12	28.48	65.06	19.96	5.60	385.64
Net carrying amount as of December 31, 2022	32.55	-	129.32	12.71	30.87	57.15	12.20	274.79
Capital work-in-progress	-	-	-	-	-	-	-	16.21
Total	32.55	-	129.32	12.71	30.87	57.15	12.20	291.00

MXN 84.46 has been capitalised and transferred to property, plant and equipment during the year ended December 31, 2022

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

i. Intangible assets

i. Other intangible assets

Other intangible assets that are acquired by the Company and have defined useful lives are recorded at cost less accumulated amortisation.

ii. Amortisation

The amortisation is calculated on the cost of the asset or other amount that replaces cost, less the residual value.

The amortisation is recognised in the statement of income under the straight-line method based on the estimated useful life of the intangible assets, other than goodwill, from the date they are available for use, this reflects the expected usage pattern of the future economic benefits included in the asset. The estimated useful lives for the current and comparative periods are as shown follow:

- **Software for internal use** **3 years**

The amortisation methods, useful lives and residual values of intangible assets are reviewed at the end of each year and adjusted if necessary.

b. Other assets

Other assets consist of the following:

(In millions of Mexican Pesos)

Other assets - Current	**As of December 31, 2023**	**As of December 31, 2022**
Advance to suppliers	**17.84**	41.54
Value added tax recoverable	**-**	122.61
Contract fulfillment costs - Current*	**1.43**	0.34
Contract assets	**125.90**	92.74
Prepaid expense	**1.06**	(0.43)
Other current assets	**0.31**	0.70
Total	**146.54**	257.50
Other assets - Non current		
Prepaid expenses - Non Current	-	0.17
Contract assets	**17.46**	0.10
Total	**17.46**	0.27

(*) MXN 0.34 has been charged to the Profit and loss during CY 2023 from contract fulfillment cost.

c. Trade and other payables

(In millions of Mexican Pesos)

	As of December 31, 2023	**As of December 31, 2022**
Trade and other payables	**305.16**	293.36
Total	**305.16**	293.36

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

d. Other current liabilities

Other liabilities consist of the following:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Advance received from customers	**(0.05)**	1.06
Indirect tax payable and other statutory liabilities	**489.01**	401.22
Total	**488.96**	402.28

e. Unearned revenue

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Unearned and deferred revenue	**23.38**	58.87
Total	**23.38**	58.87

10. REVENUE FROM OPERATIONS

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

1. Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

2. Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

3. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.

4. Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

5. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

6. The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

   Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of license, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing to customers follow different schedules based upon the nature and type of goods and services being transferred. The billing schedules agreed with customers could include periodic performance based payments and/ or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

Revenue disaggregation by industry vertical is as follows:

(In millions of Mexican Pesos)

Industry Vertical	For the year ended December 31, 2023	For the year ended December 31, 2022
Banking, Financial & Insurance	**5,496.85**	5,018.71
Retail and Consumer Products	**1,472.63**	1,553.16
Manufacturing	**742.66**	668.46
Consumer, Media and Technology	**556.55**	622.44
Others	**2,371.11**	2,129.22
Total	**10,639.80**	9,991.99

Revenue disaggregation by geography is as follows:

(In millions of Mexican Pesos)

Geography	For the year ended December 31, 2023	For the year ended December 31, 2022
America	10,139.52	9,467.83
Europe	231.83	231.55
Others	268.45	292.61
Total	**10,639.80**	9,991.99

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has applied practical expedient of not disclosing the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is MXN 3,869.95 out of which 58.62 % is expected to be recognised as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Activity in contract assets is given as below:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Opening balance	**179.71**	78.41
+ Revenue recognized during the year	**30.41**	155.35
- Invoices raised during the year	**(55.45)**	(51.57)
+/- Translation	**(11.32)**	(2.48)
Closing balance	**143.36**	179.71

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

Activity in contract liabilities is given as below:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Opening balance	**(124.51)**	(144.44)
(-) Revenue recognised that was included in the contract liability balance at the beginning of the period	**117.43**	141.24
+/ (-) Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**(90.12)**	(126.01)
+/- Translation	**10.57**	4.70
Closing balance	**(86.63)**	(124.51)

11. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses and other expenses.

Other operating expense

(in millions of MXN)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Fees to external consultants and others	**764.01**	627.31
Facility expense	**62.42**	56.36
Travel expense	**40.06**	39.90
Communication expense	**50.93**	62.48
Project Expense	**9.23**	8.25
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**(0.32)**	0.31
Expenses for administrative services	**0.29**	0.10
Other expenses	**111.86**	277.85
Total	**1,038.48**	1,072.56

Expenses by function

(in millions of MXN)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of revenues*	**8,557.74**	7,144.42
Selling, general and administrative expenses	**1,335.60**	1,270.02
Total	**9,893.34**	8,414.44

* Includes a gain of MXN 85 Mn. as a consequence of adjustment of VAT liability during the year.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

12. EMPLOYEE BENEFITS

Retirement benefits costs from termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss. Gains and losses for reduction of service are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Employee benefit expense consists of the following:

(In millions of Mexican Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Salaries, incentives and allowances	**7,015.39**	5,905.23
Contribution to provident and other funds	**1,503.03**	1,133.80
Staff welfare expenses	**134.94**	124.25
	8,653.36	7,163.28

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

Employee benefit obligations consists of the following:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Defined benefit obligation	**263.99**	192.01
Employee statutory profit sharing	**149.13**	186.98
Liabilities for social securities contributions	**126.20**	108.51
Liability for long service leave	**327.60**	195.33
Bonus accrual	**12.37**	10.47
Total employee benefit obligations	**879.29**	693.30
Current	**615.30**	501.29
Non-current	**263.99**	192.01
	879.29	693.30

a. Defined contribution plans

The Company manages a plan that covers seniority premiums for all staff working in Mexico, which consists of a single payment of 12 days per year worked based on final salary, not to exceed twice the minimum wage established by law. The related liability and annual cost of benefits is calculated by an independent actuary using the method of projected unit credit.

The plans typically expose the Entity to actuarial risks as investment risk, Interest rate, longevity and salary.

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will in the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference future salaries of plan participants. As such, an increase in the salary of th participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as of December 31, 2023 and 2022 by Independents actuaries, who are members of the Institute of Actuaries of Mexico. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(In millions of Mexican Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Discount rates	**9.40%**	9.40%
Inflation long term rates	**4.64%**	4.64%
Salaries increase rates	**5.20%**	5.20%

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

(In millions of Mexican Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Remeasurement in Defined Benefit Obligation	**19.64**	11.79
Total Other Comprehensive Income	**19.64**	11.79

Activity in the present value of the defined benefit obligation was as follows:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Personnel Transferred	**104.60**	102.84
Current service cost	**174.83**	115.33
Financial cost	**40.21**	22.57
Benefits paid during the year	**(10.83)**	(5.99)
Actuarial obligation (income) / loss	**(49.64)**	(44.01)
Prior Service Cost (Seniority recognition)	**4.82**	1.26
Net liability arising from defined benefit obligation	**263.99**	192.00

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 1.00 basis points higher (lower), the defined benefit obligation would decrease by MXN 34.06 (increase by MXN 41.40).

If the expected salary growth increases (decreases) by 1.00, the defined benefit obligation would increase by MXN 35.11 (decrease by MXN 29.55).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

13. OTHER INCOME

Finance income and cost, and other gains, (losses)

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance cost

Financial costs include interest expenses on loans. The loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in income using the effective interest method.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

a. Finance and other income

(In millions of Mexican Pesos)

	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income on bank deposits	**28.13**	10.04
Sublease Rent - Misc Income	**3.15**	1.17
Interest revenue - Other Deposits	**19.92**	0.57
Interest income on loans	**0.37**	0.59
Total	**51.56**	12.37

b. Finance cost

(In millions of Mexican Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Lease Interest	**17.02**	15.28
Others	**6.46**	270.10
Total	**23.48**	285.37

c. Other (losses)/ gains

(In millions of Mexican Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Net foreign exchange (loss) / gain	**(170.77)**	(84.82)
Others	**5.11**	5.86
Total	**(165.70)**	(80.18)

14. INCOME TAXES (IT)

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

Current income tax ("ISR") is recognised in the results of the year in which is incurred.

2. Deferred tax

Deferred income taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred IT assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax loss carry forward asset, tax credits and deductible temporary differences are recognised to the extent that it is likely that taxable income may be available in the future against which they can be applied. The deferred assets are reviewed as of the reporting date and are reduced to the extent that the realisation of the corresponding tax benefit is no longer probable.

IT Law effective as of January 1, 2014 imposes an IT rate of 30% for 2014 and thereafter.

The income tax expense consists of the following:

(In millions of Mexican Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current income tax expense	**255.55**	701.59
Deferred income tax	**(63.76)**	(20.89)
Total	**191.79**	680.70

Income tax expense attributable to income before income taxes, differed from the amounts computed by applying the Mexican statutory rates of 30% IT to income before income taxes, as a result of the items shown below:

(In millions of Mexican Pesos)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Income before income taxes	**608.84**	1,224.36
Income tax rate	**30%**	30%
Expected income tax expense	**182.65**	367.31
Tax pertaining to prior years [1]		369.45
Non Deductable	**40.81**	59.48
Inflation Adjustment	**(48.65)**	(220.60)
Non-deductible payroll	**24.60**	65.82
Other Non deductible	**(7.62)**	39.24
	191.79	680.70

[1] Direct review provision. As noted in note 14 e), the Company was subject to an audit from the Tax Administration Service ("SAT" or "Tax Authority"). During 2023 the Company finalized a conclusive agreement with the Mexican Tax Authority for the year 2016, on the basis of which, the company paid MXN 31.9 in November 2023 (amounts include surcharges and inflation).

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities, are presented below:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Deferred income asset:		
Advance payments	**82.38**	96.59
Reserves and provisions	**313.54**	236.84
Equipment, net	**66.79**	64.23
IFRS 16	**(6.28)**	(5.00)
Total deferred tax assets	**456.43**	392.66

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

The movements of deferred tax assets for the year are as follows:

(In millions of Mexican Pesos)

	As of December 31, 2023	As of December 31, 2022
Beginning balance	**392.66**	371.77
IT applied to income of the year	**63.76**	20.89
	456.42	392.66

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2023 are as follows:

(In millions of Mexican Pesos)

As on December 31, 2023	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Equipment, net	**64.23**	**2.55**	**-**	**-**	**66.79**
Advance payments	**96.59**	**(14.21)**	**-**	**-**	**82.38**
IFRS 16	**(5.00)**	**(1.28)**	**-**	**-**	**(6.28)**
Reserves and provisions	**236.84**	**76.70**	**-**	**-**	**313.54**
Total deferred tax asset / (liabilities)	**392.66**	**63.76**	**-**	**-**	**456.43**

(In millions of Mexican Pesos)

As on December 31, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Equipment, net	**66.79**	**-**	**66.79**
Advance payments	**82.38**	**-**	**82.38**
IFRS 16	**-**	**6.28**	**(6.28)**
Reserves and provisions	**313.54**	**-**	**313.54**
Total deferred tax asset / (liabilities)	**462.71**	**6.28**	**456.43**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2022 are as follows:

(In millions of Mexican Pesos)

As on December 31, 2022	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Equipment, net	50.19	14.04	-	-	64.22
Advance payments	42.34	54.25	-	-	96.59
IFRS 16	3.56	(8.56)	-	-	(5.00)
Reserves and provisions	275.68	(38.84)	-	-	236.84
Total deferred tax asset / (liabilities)	371.77	20.89	-	-	392.66

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

(In millions of Mexican Pesos)

As on December 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Equipment, net	64.22	-	64.22
Advance payments	96.59	-	96.59
IFRS 16	(5.00)	-	(5.00)
Reserves and provisions	236.84	-	236.84
Total deferred tax asset / (liabilities)	392.66	-	392.66

3. Employee profit sharing (PTU)

For the year ended December 31, 2023 and 2022, the Company generated a tax base for employee profit sharing of MXN 114.67 and MXN 145.25 respectively.

Direct Tax Contingencies

a) In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

b) In accordance with the IT Law, companies carrying out transactions with related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's-length transactions.

Should the tax authorities examine the transactions and reject the related-party prices, they could assess additional taxes plus the related inflation adjustment and interest, in addition to penalties of up to 100% of the omitted taxes.

c) Tax Contingencies for FYE 2013

On September 11, 2019, the Company received a notification from the Tax Authority determining a tax debit for the amount of MXN 838.09 for income tax and value added tax, update surcharge and fines, corresponding to fiscal year 2013, as well as an alleged omission in the provisional income tax payment for certain months corresponding to fiscal years 2014 and 2015.

In the opinion of the internal and external lawyers of the Company approximately a part of this tax debit is unduly determined by the tax authority, among other reasons, because the authority is including the omitted amounts payment of MXN 120 made by the Company on September 2, 2019, correcting its tax situation. Such amount was determined on the conclusive agreement between the Company and the Mexican Tax Authority signed before the Taxpayer Defense Office (PRODECON). In consequence, on September 2, 2019, the Company submitted the complementary tax filings with the corresponding corrections.

On October 24, 2019, an appeal for revocation was filled against said resolution before the Central Administration of the Contentious of Large Taxpayers of the Tax Administration Service.

On December 5, 2019, the Company presented the information requested in the SAT notification.

Currently, the appeal for revocation is under study by the officials of the Central Administration of the Contentious of Large Taxpayers of the Tax Administration Service. In case of obtaining an unfavorable resolution, the Company will file an annulment petition before the Federal Court of Administrative Justice, against the decision of the tax credit.

As a result of management's evaluation, the Company decided to recognize a provision of MXN 244.2 during 2019 and 2020, pertaining to income tax from the observations from the Tax Authority. For the remaining matter of observation from the Tax Authority, the Company has evaluated that the ultimate outcome of the matter cannot be determined presently and, accordingly, no provision for any effects on the Company that may result has been made in the financial statements. The Company has recognized contingent liability of MXN 307.2 (amount including surcharges and inflation).

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

d) Tax Contingencies for FYE 2015

On May 19, 2023, the Tax Authority issued an Assessment on the Company determining a tax liability for the period January 1, 2015 to December 31, 2015 of MXN 549.5 for VAT on export of services. The Company filed an administrative appeal before the Central Administration of the Contentious of Large Taxpayers of the Tax Administration Service on June 30, 2023.

Currently, the appeal for revocation is under study by the officials of the Central Administration of the Contentious of Large Taxpayers of the Tax Administration Service. In case of obtaining an unfavorable resolution, the Company will file an annulment petition before the Federal Court of Administrative Justice, against the decision of the tax credit.

The Company has evaluated that the ultimate outcome of the matter cannot be determined presently and, accordingly, no provision for any effects on the Company that may result has been made in the financial statements. The Company has recognized contingent liability of MXN 825.6 (amount including surcharges and inflation).

e) Tax Audit for FY 2016

As part of the conclusive agreement process, TMCV received on November 16, 2023, SAT Order, mandating a payment of MXN 31.9 for all concepts observed: Income Tax for the year 2016 and VAT. Payment was done, and final signature of conclusive agreement was finalized on January 4, 2024.

f) Tax Audit for FYE 2017

TCS Mexico has received a Tax Audit Notice for the year 2017 on August 12, 2022. As a result of management's evaluation, the Company decided to maintain a total provision of MXN 314.1 in 2023.

15. BUSINESS AND CREDIT CONCENTRATION

For the years ended at December 31, 2023 and 2022, consultancy services rendered to related parties represented 69.79% and 73%, respectively of the Company's total consultancy service revenue.

For the years ended at December 31, 2023 and 2022, purchase of services from a related party represented 9.27% and 8%, respectively of the Company's total operating expenses.

16. CONTINGENCIES AND COMMITMENTS

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognised until realisation is assured.

1. The Company has entered into service agreements with related parties, under which these companies provide technical assistance services necessary for the Company's operations. These agreements are for a period ending on December 2023. Total payments under these agreements, reported under administrative expenses, were MXN 793.36 in 2023 and MXN 667.84 in 2022.
2. The Company is involved in a number of lawsuits and claims arising in the normal course of business. It is expected that the final outcome of these matters will not have significant adverse effects on the Company's financial position and income (loss).
3. Claims aggregating MXN 28.37 and MXN 17.47 as at December 31, 2023 and 2022 respectively against the Company, have not been acknowledged as debts.
4. The Company has contractually committed (net of advances) MXN 12.05 as at December 31, 2023 and MXN 35.91 as at December 31, 2022 for purchase of equipment.
5. The Company has Indirect Taxes contingency of MXN 1,132.83 as at December 31, 2023.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

17. RELATED PARTY DISCLOSURE

The Company does not have business operations with members of management and close relatives outside operations at arm's length and available to the general public and for non-significant amounts.

(In millions of Mexican Pesos)

	For the year ended December 31, 2023				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Revenue from operations	**-**	**-**	**7,001.35**	**424.40**	**7,425.75**
Interest income	**-**	**-**	**-**	**0.37**	**0.37**
Other income	**-**	**-**	**-**	**2.84**	**2.84**
Purchase of services and cost recovery	**-**	**(0.67)**	**523.68**	**273.47**	**796.48**
Brand equity contribution	**8.04**	**-**	**-**	**-**	**8.04**
Dividend paid	**-**	**-**	**-**	**863.41**	**863.41**
Loan recovered	**-**	**-**	**-**	**14.00**	**14.00**
Purchase of Fixed Asset	**-**	**-**	**-**	**8.62**	**8.62**

(In millions of Mexican Pesos)

	For the year ended December 31, 2022				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Revenue from operations	-	-	6,895.29	423.21	7,318.50
Interest income	-	-	-	2.79	2.79
Other income	-	-	-	1.17	1.17
Purchase of services and cost recovery	-	-	459.27	231.36	690.63
Brand equity contribution	6.69	-	-	-	6.69
Dividend paid	-	-	-	-	-

The balances receivable come from consultancy and administrative services rendered to the related parties and will be liquidated within the commercial terms agreed by the Company.

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

(In millions of Mexican Pesos)

	As on December 31, 2023				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables - Billed and Unbilled and Other Receivables (1)	**-**	**-**	**1,474.39**	**120.86**	**1,595.25**
Loans given	**-**	**-**	**-**	**-**	**-**
Other Receivables	**-**	**-**	**9.77**	**1.07**	**10.84**
Total	**-**	**-**	**1,484.16**	**121.93**	**1,606.09**

(In millions of Mexican Pesos)

	As on December 31, 2022				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables - Billed and Unbilled and Other Receivables (1)	-	-	1,180.56	137.14	1,317.70
Loans given	-	-	-	14.00	14.00
Other Receivables	-	-	7.03	1.96	8.99
Total	-	-	1,187.59	153.10	1,340.69

The balances payable come from consultancy and administrative services received from the related parties and will be liquidated within the commercial terms agreed by the Company.

(In millions of Mexican Pesos)

	As on December 31, 2023				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade and other payables (1)	**6.18**	**0.13**	**315.33**	**50.45**	**372.09**
Total	**6.18**	**0.13**	**315.33**	**50.45**	**372.09**

Notes to the Financial Statements for the years ended December 31, 2023 and 2022

(In millions of Mexican Pesos)

	As on December 31, 2022				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade and other payables (1)	5.16	0.44	183.38	55.81	244.79
Total	5.16	0.44	183.38	55.81	244.79

18. SUBSEQUENT EVENTS

Between January 1, 2024 and the date when financial statements were authorised for issue, there are no additional subsequent events that could affect the Company's financial position and/or profit or loss or which require disclosure in the notes to the financial statements.

MGDC S.C.

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

For the year ended December 31, 2023 and 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF
MGDC, S.C.:

Opinion

We have audited the accompanying financial statements of MGDC, S.C., (the "Company"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in the partner's equity and cash flows, for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MGDC, S.C., as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended, in conformity with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report, and the related "Exhibit". We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mexico in accordance with the Instituto Mexicano de Contadores Públicos A.C.'s Code of Professional Ethics (IMCP Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA and IMCP Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, or otherwise, making the appropriate disclosures.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of MGDC, S.C., as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SALLES, SAINZ – GRANT THORNTON, S. C.

Mexico City, Mexico

February 23, 2024

C.P.A. Fernando Robles Garibay

Exhibit of the independent auditor's report

Additional description of our responsibilities regarding the audit of the financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statements of Financial Position

(In millions of Mexican Pesos)

	Note	As of December 31, 2023	As of December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	7a	**61.33**	62.34
Related parties	7b	**8.85**	17.32
Other current financial assets	7c	**1.49**	0.79
Other current assets	9c	**1.23**	59.67
Total current assets		**72.90**	140.12
Non-current assets			
Other non-current financial assets	7c	**0.81**	0.81
Income tax assets (net)		**12.58**	11.86
Deferred tax assets	13	**19.90**	42.12
Leasehold improvements, furniture and equipment	9a	**0.14**	4.06
Total non-current assets		**33.43**	58.85
TOTAL ASSETS		**106.33**	198.97
LIABILITIES AND PARTNERS' EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	9d	**33.19**	29.53
Borrowings		**-**	25.70
Other current financial liabilities		**0.91**	1.82
Employee benefit obligations - Current	14	**4.95**	3.36
Other current liabilities	9e	**4.41**	3.59
Total current liabilities		**43.46**	64.00
Non-current liabilities			
Borrowings		**-**	4.04
Employee benefit obligations-Non Current	14	**5.50**	5.61
Total non-current liabilities		**5.50**	9.65
TOTAL LIABILITIES		**48.96**	73.65
Partners' equity			
Partners' capital	8g	**169.65**	169.65
Other comprehensive income	7g	**(19.19)**	(18.98)
Retained earnings		**(93.09)**	(25.35)
Total equity		**57.37**	125.32
TOTAL LIABILITIES AND EQUITY		**106.33**	198.97

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statements of Profit or Loss and Other Comprehensive Income

(In millions of Mexican Pesos)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenues			
Consultancy services		**146.55**	144.71
Operating expenses			
Employee benefits expense	14	**120.82**	109.29
Operation and other expense	11	**76.92**	41.88
Depreciation and amortisation expense	8, 9 a, 9 b	**1.46**	6.89
TOTAL OPERATING EXPENSES		**199.20**	158.06
OPERATING LOSS		**(52.65)**	(13.35)
Other income / (expense)			
Finance and other income	12 a	**2.00**	1.30
Other gains, (net)	12 c	**5.90**	0.79
Finance costs	12 b	**(0.77)**	11.92
OTHER INCOME / (EXPENSE), NET		**7.13**	14.01
(LOSS) / PROFIT BEFORE INCOME TAXES		**(45.52)**	0.66
Income tax expense	13	**22.22**	(18.71)
(LOSS) / PROFIT FOR THE YEAR		**(67.74)**	19.37
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations	14(c)	**(0.21)**	1.33
Total other comprehensive income, net of taxes		**(0.21)**	1.33
TOTAL COMPREHENSIVE (LOSS) / INCOME		**(67.95)**	20.70

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statements of Changes in Partners' Equity
For the years ended December 31, 2023 and 2022

(In millions of Mexican Pesos)

	Partners' capital	Retained earnings	Other comprehensive income actuarial gain on employee benefits	Total partners' equity
Balance as of January 01, 2022	0.05	(44.72)	(20.31)	(64.98)
Net Income for the year	-	19.37	-	19.37
Capital contribution	169.60	-	-	169.60
Other comprehensive income for the year	-	-	1.33	1.33
Total comprehensive income	-	19.37	1.33	20.70
Balance as of December 31, 2022	169.65	(25.35)	(18.98)	(44.28)
Net Loss for the year	**-**	**(67.74)**	**-**	**(67.74)**
Other comprehensive income for the year	**-**	**-**	**(0.21)**	**(0.21)**
Total comprehensive income	**-**	**(67.74)**	**(0.21)**	**(67.95)**
Balance as of December 31, 2023	**169.65**	**(93.09)**	**(19.19)**	**(112.23)**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In millions of Mexican Pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	**(67.74)**	19.37
Adjustment to reconcile profit or loss to net cash provided by operating activities:		
Depreciation and amortisation expense	**1.46**	6.89
Net gain on disposal of property, plant and equipment	**(6.15)**	-
Current tax expense	**-**	(14.44)
Deferred income tax	**22.22**	(4.27)
Unrealised foreign exchange gain	**2.85**	(0.30)
Net change in:		
Related parties	**8.47**	(11.29)
Other financial assets (current and non-current)	**(0.70)**	5.92
Other assets (current and non-current)	**58.46**	61.50
Trade and other payables	**3.66**	(18.80)
Other liabilities and other financial liabilities (current)	**(0.09)**	(32.11)
Employee benefit obligations	**1.27**	(6.55)
Cash generated from operations	**23.71**	5.92
Taxes paid	**(0.72)**	(149.78)
Net cash flows generated / (used in) operating activities	**22.99**	(143.86)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of leasehold improvements, furniture and equipment and intangible assets	**(0.02)**	-
Proceeds from disposal of property, plant and equipment	**8.60**	-
Net cash generated by investing activities	**8.59**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**-**	(2.43)
Borrowing	**(29.73)**	29.73
Share Capital issued	**-**	169.60
Net cash (used in) / generated by financing activities	**(29.73)**	196.90
Net increase in cash and cash equivalents	**1.84**	53.05
Cash and cash equivalents, beginning of the year	**62.34**	9.11
Exchange difference on translation of foreign currency cash and cash equivalents	**(2.85)**	0.18
Cash and cash equivalents, end of the year	**61.33**	62.34

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. REPORTING ENTITY

MGDC S.C. (the "Company") is a subsidiary of TCS Uruguay S.A. and TATA Consultancy Services Argentina S.A. Its main activity is to provide administrative services mainly to its related parties. It was incorporated as a Civil Society in accordance with Mexican law, on March 16, 2007, with a duration of 99 years, its main business center is located at Camino el ITESO No. 8699, Colonia El Mante, C.P. 45609 in the municipality of Tlaquepaque, Guadalajara, Jalisco.

Authorization

On February 23, 2024 Mr. Claudio Yukio Yoshida (Finance Director) and Rajeev Gupta (Country Head) authorized the issuance of the accompanying financial statements and related notes thereto.

In accordance with the applicable law and the bylaws of MGDC S.C., the partners' are empowered to modify the financial statements after issuance. The accompanying financial statements will be submitted to the next Partners' Meeting for approval.

2. STATEMENT OF COMPLIANCE

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared using indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Mexican Pesos. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

Functional and reporting currency

The aforementioned financial statements are presented in Mexican pesos (reporting currency), which is the same as the local currency and the functional currency.

To determine the functional currency, management assesses the economic environment in which it primarily generates and disburses cash. For this, factors related to sales, costs, sources of financing and cash flows generated by the operation are considered.

As of December 31, 2023 and 2022, the peso/dollar exchange rates were $16.93 and $19.50, respectively. Unless otherwise indicated, all financial information presented in pesos has been rounded to the nearest millions. When referring to "US" or dollars, it refers to amounts expressed in millions of dollars of the United States of America or U.S.D, when referring to "EUR" means millions of Euro, "CAD" means millions Canadian dollar, "BRL" means millions of Brazilian real, "UYU" means millions of Uruguayan Peso, and "COP" means millions of Colombian peso.

Notes forming part of the Financial Statements

Foreign currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in force at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are reported on the statement of comprehensive income.

Prepayments

Mainly include prepayments for the purchase of services that are received after the date of the statement of financial position and in the ordinary course of operations.

Presentation of statement of cash flows

The statements of cash flows of the Company are presented using the indirect method.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Useful lives of leasehold improvements, furniture and equipment

The Company reviews the carrying amount of leasehold improvement, furniture and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c. Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note number 13.

d. Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

e. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

Notes forming part of the Financial Statements

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

Statement of comprehensive income presentation

The Company opted for reporting comprehensive income in a single statement that includes all the items that comprise net income or loss and other comprehensive income (OCI), entitled "Statement of Comprehensive Income". Additionally, the "Operating (loss) profit" line item is included, which results from subtracting the cost of sales and expenses from total revenues, as this line item is considered to provide a better understanding of the Company's economic and financial performance.

Given that the Company is a service entity, ordinary costs and expenses are presented based on their nature, as the information so reported is clearer.

Partners' equity

Partner contributions are classified in partners' equity.

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

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.

Notes forming part of the Financial Statements

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The Group does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cashflows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Group does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

MGDC S.C. considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Notes forming part of the Financial Statements

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a Company of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

a. Cash and cash equivalents

Cash and cash equivalents consists of the following:

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Current account balances with banks	**13.33**	27.34
Bank deposits (original maturity less than three months)	**48.00**	35.00
Total	**61.33**	62.34

As of December 31, 2023 and 2022 there is no restricted cash.
The Company discloses in Note 7 (f) the sensitivity analysis for financial assets and liabilities.

Notes forming part of the Financial Statements

b. Related parties

(a) Trade receivables – Current

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Trade receivables	**8.85**	17.32
Total	**8.85**	17.32

Trade receivables include balances with related parties (Refer note 17).

c. Other financial assets

Other financial assets consist of the following:

Other financial assets - Current

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Employee loans and advances	**1.47**	0.76
Fair value of foreign exchange derivative assets	**0.02**	0.03
Total	**1.49**	0.79

Other financial assets - Non-current

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Deposits for premises	**0.42**	0.42
Other Deposits	**0.39**	0.39
Total	**0.81**	0.81

d. Financial instruments by category

The fair values of the following financial assets and financial liabilities as at December 31, 2023 and December 31, 2022 approximate the carrying amounts due to short term maturities of these instruments:

As of December 31, 2023

(In millions of Mexican pesos)

	Amortised cost	Total carrying value
Financial assets:		
Cash	**61.33**	**61.33**
Trade receivables	**8.85**	**8.85**
Other financial assets	**2.30**	**2.30**
Total	**72.48**	**72.48**
Financial liabilities:		
Trade and other payables	**33.19**	**33.19**
Other financial liabilities	**0.91**	**0.91**
Total	**34.10**	**34.10**

Notes forming part of the Financial Statements

As of December 31, 2022

(In millions of Mexican pesos)

	Amortised cost	Total carrying value
Financial assets:		
Cash	62.34	62.34
Trade receivables	17.32	17.32
Other financial assets	1.60	1.60
Total	81.26	81.26
Financial liabilities:		
Trade and other payables	29.53	29.53
Other financial liabilities	1.82	1.82
Total	31.35	31.35

Carrying amounts of cash, trade receivables and trade payables as at December 31, 2023 and 2022 approximate the fair value. Difference between carrying amounts and fair values of other financial assets, other financial liabilities subsequently measured at amortized cost is not significant in each of the years presented.

e. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

f. Financial risk management

MGDC. S.C. is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The company has a risk management policy which covers risks associated with the financial assets and liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency the Company.

Notes forming part of the Financial Statements

(In millions of Mexican pesos)

2023	USD	EUR
Net financial assets	1 .84	-
Net financial liabilitites	-	-

(In millions of Mexican pesos)

2022	USD	EUR
Net financial assets	25 .48	-
Net financial liabilitites	15 .73	-

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of MGDC, S. C. would result in decrease / increase in the Company's profit before tax by approximately MXN 1.84 for the year ended December 31, 2023 and MXN 9.74 for the year ended December 31, 2022 respectively.

Interest rate risk

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was MXN 67.50 and MXN 81.26 as of December 31, 2023 and December 31, 2022, respectively being the total of the carrying amount of cash and cash equivalents, trade receivables and other financial assets. Cash and cash equivalents are held with bank with high credit ratings. As at December 31, 2023, there were no indications that any defaults will occur on trade receivables or other financial assets.

MGDC S.C's total revenue is inter-company and hence there is no credit risk.

Liquidity risk

Liquidity risk refers to the risk that MGDC S.C. cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

MGDC S.C. consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due. MGDC S.C. does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In millions of Mexican pesos)

December 31, 2023	Due in 1st year	Total
Non-derivative financial liabilities:		
Trade and other payables	33.19	33.19
Other financial liabilities	0.91	0.91
Total	**34.10**	**34.10**

Notes forming part of the Financial Statements

(In millions of Mexican pesos)

December 31, 2022	Due in 1st year	Total
Non-derivative financial liabilities:		
Trade and other payables	29.51	29.51
Other financial liabilities	1.82	1.82
Total	31.33	31.33

Other risk

Financial assets of MXN 61.33 as at December 31,2023 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of MXN 8.85 as at December 31,2023 forms a significant part of the financial assets carried at amortised cost which is valued at cost as the receivables are entirely intercompany receivables.

g. Partners' capital

a) Structure of partners' capital

As of December 31, 2021, partners' capital fully issued and paid is represented by 2 social portions with a value per part equivalent to 49,500 pesos and 500 pesos, each, in total the value of the capital was 50,000 pesos.

In the Extraordinary Partners´ Meeting held on March 23, 2022 was approved to increase the capital of the Company in the amount of $169.60, which was fully issued and paid. As of December 31, 2022, partners´ capital is represented by 2 social portions with a value per part equivalent to 169,649,500 pesos and 500 pesos, each, in total 169,650,000 pesos."

b) Other Comprehensive income (OCI)

At December 31, 2023 and 2022 OCI are comprised as follows:

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Opening balance	**(18.98)**	(20.31)
Remeasurement of defined benefit obligations	**(0.21)**	1.33
Closing balance	**(19.19)**	(18.98)

c) Restriction in Partners' capital

In accordance with the General Corporations Law, five percent of net income for the year must be appropriated to the statutory reserve, until it reaches one-fifth of share capital. As of December 31, 2023 has not been constituted.

Retained earnings and other partner's contributions, on which no income tax has been paid, are subject to income taxes in the event of distribution, at the rate of 30%, payable by the Company; consequently, the stockholders may only receive 70% of such amounts.

Partners contributions may be refunded to the stockholders tax-free, to apply that exemption, such contributions must be equal or less of the balance of the Contributed Capital Account (CUCA for its Acronym in Spanish). As of December 31, 2023, and 2022, the CUCA amount is in process of being updated.

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

Notes forming part of the Financial Statements

d) Dividend

Distribution of dividends or profits to the shareholders that come from the CUFIN, will not generate income tax to legal entities resident in the country, until the said account has exhausted balance. Dividends paid to individuals and legal entities resident abroad, on profits generated from January 1, 2014 and onwards, are subject to a 10% tax, which has the character of final payment.

As of December 31, 2023, and 2022 the restated balance of the CUFIN account (Net taxable income account or CUFIN for its Acronym in Spanish), is $550.50 and $609.20 pesos, respectively.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of- use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Liabilities for financial leases

Lease Liabilities	Currency	Nominal Interest rate	Lease Start date	Lease End date	Years	Nominal value	Book value
Inmobiliaria Graciela SC	MXN	8.08%	1-Jan-20	31-Dec-22	3	2.36	2.28

Notes forming part of the Financial Statements

The details of the right- of – use asset held by the Company is as follows:

(In millions of Mexican pesos)

	Additions for the year ended December 31, 2023	Net carrying amount as at December 31, 2023
Building	-	-
Building - Security deposit	-	-
Total	-	-

(In millions of Mexican pesos)

	Additions for the year ended December 31, 2022	Net carrying amount as at December 31, 2022
Building	0.15	-
Building - Security deposit	-	-
Total	0.15	-

Depreciation on right – of – use asset is as follows:

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Building	-	2.26
Building - Security deposit	-	0.03
Total	-	2.29

Interest on lease liabilities is Nil and MXN 0.09 for the year ended on December 31, 2023 and December 31, 2022.

During the year ended 2023 company has incurred MXN 2.10 expenses relating to short-term leases and leases of low-value assets.

The total cash outflow on leases recognized in the statements of cash flows is MXN 2.10 and MXN 2.52 for December 31, 2023 and December 31, 2022 respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

There are no property leases that contain extension options.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Leasehold improvements, furniture and equipment

Improvements to leased buildings are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The furniture and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the amount susceptible to depreciation, corresponding to the cost of an asset, or another amount that replaces the cost.

Depreciation is recognized in the statement of comprehensive income using the straight-line method according to the estimated useful life of each component of an item of furniture and equipment, since this better reflects the usage pattern expected of the future economic benefits included in the asset. Leased assets are depreciated for the duration of the lease or the useful life of the assets, whichever is lower, unless there is reasonable certainty that the Company will acquire ownership of the leased assets at the end of the lease.

Notes forming part of the Financial Statements

The annual depreciation rates of the assets as follows:

	% average rate of depreciation
Improvements to leased buildings	5 – 10
Office furniture and equipment	20
Computers and equipment	25

Minor repairs and maintenance costs are expensed as incurred.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Subsequent expenditures

Expenditures for repairs and modifications or improvements that prolong the useful life of the assets beyond the originally estimated, which allows the entity to obtain future economic benefits that can be measured reliably, are capitalized as fixed assets.

Impairment of Non-financial assets

Tangible and intangible assets

Leasehold improvements, furniture and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Leasehold improvements, furniture and equipment comprise the following:

(In millions of Mexican pesos)

	Leasehold improvements	Computer equipments	Furniture and office equipment	Total
Gross block as at January 1, 2023	**52.65**	**36.70**	**61.25**	**150.60**
Purchases	**-**	**0.17**	**-**	**0.17**
Disposals	**(52.44)**	**(0.46)**	**(22.88)**	**(75.78)**
Gross block as at December 31, 2023	**0.21**	**36.41**	**38.37**	**74.99**
Accumulated depreciation as at January 1, 2023	**52.51**	**36.61**	**57.58**	**146.70**
Depreciation for the year	**0.13**	**0.11**	**1.23**	**1.47**
Disposals	**(52.43)**	**(0.43)**	**(20.46)**	**(73.32)**
Accumulated depreciation as at December 31, 2023	**0.21**	**36.29**	**38.35**	**74.85**
Net carrying amount as at December 31, 2023	**-**	**0.12**	**0.02**	**0.14**
Capital work-in-progress				**-**
Total				**0.14**

Notes forming part of the Financial Statements

(In millions of Mexican pesos)

	Leasehold improvements	Computer equipments	Furniture and office equipment	Total
Gross block as at January 1, 2022	52.65	36.70	61.25	150.60
Purchases	-	-	-	-
Gross block as at December 31, 2022	52.65	36.70	61.25	150.60
Accumulated depreciation as at January 1, 2022	49.30	36.45	56.34	142.09
Depreciation for the year	3.21	0.16	1.23	4.60
Accumulated depreciation as at December 31, 2022	52.51	36.61	57.58	146.69
Net carrying amount as at December 31, 2022	0.14	0.09	3.68	3.91
Capital work-in-progress				0.15
Total				4.06

*MXN 0.17 has been capitalised and transferred to property, plant and equipment during the year ended December 31, 2023.

Capital work in progress mainly include investments in equipment for the normal operation of MGDC employees, there is no investment in delivery centers.

b. Intangible assets

i. Other intangible assets

Other intangible assets that are acquired by the Company and have defined useful lives are recorded at cost less accumulated amortization.

ii. Amortization

The amortization is calculated on the cost of the asset or other amount that replaces cost, less the residual value.

The amortization is recognized in the statement of comprehensive income under the straight-line method based on the estimated useful life of the intangible assets, other than goodwill, from the date they are available for use, this reflects the expected usage pattern of the future economic benefits included in the asset. The estimated useful lives for the current and comparative periods are as shown follow:

Software for internal use **3 years**

The amortization methods, useful lives and residual values of intangible assets are reviewed at the end of each year and adjusted if necessary.

c. Other assets

Other assets are comprised as follows:

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Advance to suppliers	**0.17**	0.00
Prepaid expenses	**0.06**	0.06
Tax Credit Entitlements*	**79.31**	78.80
Other advances, Gross	**1.00**	0.81
Total	**80.54**	79.67
Allowance for doubtful accounts*	**(79.31)**	(20.00)
Total	**1.23**	59.67

* During 2022 and 2023 the company has recognized an allowance for doubtful accounts until the process of submission of returns to claim creditable VAT is finalized.

Notes forming part of the Financial Statements

d. Trade and other payables

Trade and other payable consist of the following:

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Trade payables	**11.29**	8.56
Accrued expenses	**2.13**	2.65
Others	**19.76**	18.32
Total	**33.19**	29.53

e. Other liabilities

Other liabilities consist of the following:

(In millions of Mexican pesos)

Other liabilities – Current	As of December 31, 2023	As of December 31, 2022
Indirect tax payable and other statutory liabilities	**4.41**	3.59
Total	**4.41**	3.59

10. REVENUE RECOGNITION

The Company earns revenue by providing staffing solutions in the form of manpower services to its customer (being a related party), relating to various fields of operations of the customer.

The Company has a single performance obligation to provide manpower services to its customer. Revenue is recognized upon transfer of services to the customer in an amount that reflects the consideration which the Company expects to receive in exchange for those services based on the expected cost plus margin approach, in accordance with the terms of the underlying arrangement. Billings are made in accordance with the terms of the contract with the related party, which is generally on a monthly basis.

The Company has applied practical expedient to recognize revenue for services in proportion to the amount it has right to invoice the customer in accordance with the terms of the arrangement.

Revenue excludes taxes collected from customers.

All the revenue is derived from the customer in Ibero America.

11. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefit expense, depreciation and amortization and operation and other expense. Employee benefit expenses include employee compensation, allowances, contribution to various funds and staff welfare expenses. Operation and other expense mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses and other expenses.

(In millions of Mexican pesos)

Operation and other expense	Year ended December 31, 2023	Year ended December 31, 2022
Fees to external consultants and others	**2.01**	7.94
Facility expenses	**7.99**	5.06
Other expenses	**66.92**	28.88
Total	**76.92**	41.88

Notes forming part of the Financial Statements

Expenses by function

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Cost of revenue	**0.87**	5.40
Selling, general and administrative expenses	**198.33**	152.66
Total	**199.20**	158.06

12. FINANCIAL INCOME, COST AND OTHER GAINS (NET)

a. Finance and other income

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income on bank deposits	**2.00**	1.27
Others	**-**	0.03
Total	**2.00**	1.30

b. Finance costs

Financial costs include interest expenses on loans. The loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in income using the effective interest method.

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest on lease liabilities	**-**	0.09
Other interest costs	**0.77**	(12.01)
Total	**0.77**	(11.92)

c. Other gains, (net)

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Net gain on disposal of property, plant and equipment	**6.15**	-
Net foreign exchange gain	**(0.93)**	0.66
Others	**0.68**	0.13
Total	**5.90**	0.79

Notes forming part of the Financial Statements

13. INCOME TAXES (IT) AND EMPLOYEE STATUTORY PROFIT SHARING (ESPS)

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current income tax ("ISR") and employee statutory profit sharing (ESPS) are recognized in the results of the year in which is incurred.

Deferred tax

Deferred tax are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax loss carry forward asset, tax credits and deductible temporary differences are recognized to the extent that it is likely that taxable income may be available in the future against which they can be applied. The deferred tax assets are reviewed as of the reporting date and are reduced to the extent that the realization of the corresponding tax benefit is no longer probable.

IT Law effective as of January 1, 2014 imposes an IT rate of 30% for 2014 and thereafter.

The income tax expense consists of the following:

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Current income tax	**-**	(14.44)
Deferred income tax	**22.22**	(4.27)
Total	**22.22**	(18.71)

Income tax expense attributable to income before income taxes, differed from the amounts computed by applying the Mexican statutory rates of 30% IT to income before income taxes, as a result of the items shown below:

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Income before income taxes	**(45.52)**	0.66
Statutory rate	**30%**	30%
Income tax	**(13.66)**	0.20
Tax pertaining to prior years and other	**(17.47)**	(19.84)
No deductibles	**64.98**	8.60
Inflation effects	**(11.63)**	(7.68)
	22.22	(18.71)

Notes forming part of the Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2023 are as follows:

(In millions of Mexican pesos)

2023	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Leasehold improvements, furniture and equipment and intangible assets	**(12.14)**	**(12.57)**	**-**	**-**	**(24.71)**
Receivables, financial assets at amortized cost	**112.09**	**4.05**	**-**	**-**	**116.14**
Transition impact of IFRS 16	**(1.71)**	**-**	**-**	**-**	**(1.71)**
Others	**(56.12)**	**(13.70)**	**-**	**-**	**(69.82)**
Total deferred tax asset / (liabilities)	**42.12**	**(22.22)**	**-**	**-**	**19.90**

(In millions of Mexican pesos)

As at December 31, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Leasehold improvements, furniture and equipment and intangible assets	**-**	**24.71**	**(24.71)**
Receivables, financial assets at amortized cost	**116.14**	**-**	**116.14**
Transition impact of IFRS 16	**-**	**1.71**	**(1.71)**
Others	**-**	**69.82**	**(69.82)**
Total deferred tax asset / (liabilities)	**116.14**	**96.24**	**19.90**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2022 are as follows:

(In millions of Mexican pesos)

2022	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Leasehold improvements, furniture and equipment and intangible assets	(1.96)	(10.18)	-	-	(12.14)
Receivables, financial assets at amortized cost	93.38	18.71	-	-	112.09
Transition impact of IFRS 16	(1.59)	(0.12)	-	-	(1.71)
Others	(51.97)	(4.15)	-	-	(56.12)
Total deferred tax asset / (liabilities)	37.86	4.26	-	-	42.12

Notes forming part of the Financial Statements

(In millions of Mexican pesos)

As at December 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Leasehold improvements, furniture and equipment and intangible assets	-	12.14	(12.14)
Receivables, financial assets at amortized cost	112.09	-	112.09
Transition impact of IFRS 16		1.71	(1.71)
Others		56.12	(56.12)
Total deferred tax asset / (liabilities)	112.09	69.96	42.12

Employee profit sharing (PTU)

For the year ended December 31, 2023 and 2022, the Company generated a tax base for employee profit sharing of MXN Nil and MXN Nil respectively.

Direct Tax Contingencies

a) In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

b) In accordance with the IT Law, companies carrying out transactions with related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's-length transactions.

Should the tax authorities examine the transactions and reject the related-party prices, they could assess additional taxes plus the related inflation adjustment and interest, in addition to penalties of up to 100% of the omitted taxes.

c) There are no tax related contingencies in FYE 2023.

14. EMPLOYEE BENEFITS

Retirement benefits costs from termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss. Gains and losses for reduction of service are accounted for as past service costs.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Notes forming part of the Financial Statements

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Employee benefit expense consists of the following:

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, incentives and allowances	**101.61**	78.37
Social security contributions and payroll rated taxes	**16.63**	29.21
Staff welfare expenses	**2.58**	1.71
	120.82	109.29

Employee benefit obligations consists of the following:

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Employee benefit obligations		
Defined benefit obligation	**5.50**	5.61
Employee statutory profit sharing	**-**	0.47
Liabilities for social securities contributions	**(1.32)**	(1.63)
Liability for long service leave	**4.80**	3.23
Bonus accrual	**1.47**	1.29
Total employee benefit obligations	**10.45**	8.97
Current	**4.95**	3.36
Non-current	**5.50**	5.61
	10.45	8.97

a. Defined contribution plans

The Company manages a plan that covers seniority premiums for all staff working in Mexico, which consists of a single payment of 12 days per year worked based on final salary, not to exceed twice the minimum wage established by law. The related liability and annual cost of benefits is calculated by an independent actuary using the method of projected unit credit.

The plans typically expose the Entity to actuarial risks as investment risk, Interest rate, longevity and salary.

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as of December 31, 2023 and 2022 by Independents actuaries, who are members of the Institute of Actuaries of Mexico. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes forming part of the Financial Statements

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Discount rates	**9.40%**	9.40%
Inflation long term rates	**5.20%**	4.00%
Salaries increase rate	**4.64%**	4.64%

b. **Amounts recognized in comprehensive income in respect of these defined benefit plans are as follows:**

(In millions of Mexican pesos)

	Year ended December 31, 2023	Year ended December 31, 2022
Service Cost	**0.91**	0.82
Personnel transfer	**-**	1.35
Financial cost	**0.51**	0.36
Net cost for the year	**1.42**	2.53

c. **The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:**

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Net liability arising from defined benefit obligation	**5.50**	5.61

Movements in the present value of the defined benefit obligation were as follows:

(In millions of Mexican pesos)

	As of December 31, 2023	As of December 31, 2022
Opening defined benefit obligation	**5.61**	4.41
Current service cost	**0.93**	0.82
Prior Service Cost	**0.04**	-
Personnel transferred	**(1.73)**	1.35
Financial Cost	**0.52**	0.36
Benefits paid during the year	**(0.08)**	-
Remeasurement of defined benefit obligations	**0.21**	(1.33)
Net liability arising from defined benefit obligation	**5.50**	5.61

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 1 basis points higher (lower), the defined benefit obligation would decrease by $ 0.77 (increase by $ 0.94). If the expected salary growth increases (decreases) by 1, the defined benefit obligation would increase by $ 0.85 (decrease by $ 0.71).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes forming part of the Financial Statements

15. BUSINESS AND CREDIT CONCENTRATION

As of December 31, 2023 and 2022, the 100% of revenue provided for the consultancy services were provided to related parties.

16. CONTINGENCIES AND COMMITMENTS

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognized until realization is assured.

a) The Company has entered into service agreements with related parties, under which the Company provides consultancy services and IT support services necessary for these companies operations. Total revenues under these agreements, reported under consultancy services, were MXN 141.56 in 2023 and MXN 144.71 in 2022.

b) As at December 31, 2023, claims aggregating to MXN 2.68 against the Company have not been acknowledged as debts.

c) The Company is involved in a number of lawsuits and claims arising in the normal course of business. It is expected that the final outcome of these matters will not have significant adverse effects on the Company's financial position and income (loss).

d) The Company does not have any contractually committed (net of advances) as at December 31, 2023 and December 31, 2022 for purchase of leasehold improvements, furniture and equipment.

17. RELATED PARTY DISCLOSURE

a. Operations with management and close family

The Company does not have business operations with members of management and close relatives outside operations at arm's length and available to the general public and for non-significant amounts.

b. Transactions with related parties-

(In millions of Mexican pesos)

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Year ended December 31, 2023				
Consultancy services	**-**	**-**	**146.55**	**146.55**
Purchases of services and cost recovery	**-**	**(0.76)**	**-**	**(0.76)**
Loan repaid	**-**	**-**	**29.73**	**29.73**
Interest Expense	**-**	**-**	**0.66**	**0.66**
Sale of Fixed Assets	**-**	**-**	**8.62**	**8.62**

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Year ended December 31, 2022				
Consultancy services	-	-	144.71	144.71
Other income	-	0.09	1.92	2.01
Purchases of services and cost recovery	-	-	1.29	1.29

Notes forming part of the Financial Statements

Balances receivable from related parties -

(In millions of Mexican pesos)

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
As of December 31, 2023				
Trade and othere receivables	**-**	**0.13**	**11.21**	**11.35**
	-	**0.13**	**11.21**	**11.35**

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
As of December 31, 2022				
Trade and othere receivables	-	0.51	19.31	19.82
Total	-	0.51	19.31	19.82

The balances receivable come from consultancy and administrative services rendered to the related parties and will be liquidated within the commercial terms agreed by the Company.

Balances payable to related parties-

(In millions of Mexican pesos)

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
As of December 31, 2023				
Trade and other payables	**-**	**0.45**	**1.55**	**2.00**
Total	**-**	**0.45**	**1.55**	**2.00**

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
As of December 31, 2022				
Trade and other payables	-	0.40	32.65	33.05
Total	-	0.40	32.65	33.05

The balances payable come from consultancy and administrative services received from the related parties and will be liquidated within the commercial terms agreed by the Company.

18. SUBSEQUENT EVENTS

From January 1, 2024, MGDC S.C refocused its activity to render support and advisory services to TMCV. Associates who until that date performed administrative services to its related party Tata Consultancy Services de Mexico S.A de C.V were transferred through an employer substitution process. From the mentioned date, associates who remained at MGDC S.A provide support and advisory services in the following areas: Legal, Finance, Corporate Affairs, Human Resources and Marketing.

TCS INVERSIONES CHILE LIMITADA

(And Independent Auditors' Report)

**Separate Financial Statements
as of December 31, 2023 and 2022
and for the years then ended**

TCS INVERSIONES CHILE LIMITADA

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ThCh$: Amounts expressed in thousands of Chilean pesos
UF : Amounts expressed in inflation-adjusted units

REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders and Directors of
TCS Inversiones Chile Limitada

Opinion

We have audited the accompanying separate financial statements of TCS Inversiones Chile Limitada, which comprise the separate statements of financial position as of December 31, 2023 and 2022 and the related separate statements of comprehensive income, changes in equity and cash flows for the years on these dates and the corresponding notes to the separate financial statements.

In our opinion, the separate financial statements present fairly, in all material aspects, the financial position of TCS Inversiones Chile Limitada as of December 31, 2023 and 2022 and the results of its operations and its cash flows for the years ended on those dates in accordance with International Financial Reporting Standards.

Basis for the opinion

We performed our audits in accordance with Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are described subsequently in the paragraphs under the section "Auditor's Responsibilities for the Audit of the separate Financial Statements" in this report. In accordance with the ethical requirements relevant to our audits of the separate financial statements, we are required to be independent of TCS Inversiones Chile Limitada and to comply with all other ethical responsibilities in accordance with those requirements. We consider that the audit evidence we have obtained is sufficient and appropriate to provide us with a basis for our audit opinion.

Emphasis of matter

The accompanying separate financial statements have been prepared to reflect the individual financial position of TCS Inversiones Chile Limitada before consolidating, on a line-by-line basis, with the financial statements of its subsidiaries. Accordingly, for proper interpretation purposes, these separate financial statements need to be read and analyzed along with the consolidated financial statements of Tata Consultancy Services Limited.

Other Matters

The above translation of the auditors' report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been done solely for the convenience of non-Spanish readers.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the separate financial statements, the management is required to evaluate whether there are facts or circumstances, which considered as a whole, raise substantial doubt about the ability of TCS Inversiones Chile Limitada to continue as a going concern for the foreseeable future.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to provide an auditor's report that includes our opinion. Reasonable assurance is a high, but not absolute, level of assurance and, therefore, does not guarantee that an audit performed in accordance with Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, falsification, intentional omissions, concealment, misrepresentations, or disregard of controls by management. A misstatement is considered material if, individually or in the aggregate, it could influence the judgment of a reasonable user of these financial statements.

As part of an audit performed in accordance with Generally Accepted Auditing Standards in Chile, we:

- We exercise professional judgment and maintain professional skepticism during the entire audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures in response to those risks. Such procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- Obtain an understanding of relevant internal control relevant to an audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of TCS Inversiones Chile Limitada Consequently, we do not express such an opinion.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as the appropriateness of the overall presentation of the financial statements.
- Conclude whether, in our opinion, there are facts or circumstances that, taken as a whole, cast substantial doubt about the ability of TCS Inversiones Chile Limitada to continue as a going concern for a reasonable period.

We are required to communicate to those charged with governance, among other matters, the planned timing and scope of the audit and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during our audit.

Luis Velásquez Molina
Grant Thornton Auditoría y Servicios Limitada.

Santiago, February 28, 2024

Separate Statements of Financial Position As of December 31, 2023 and 2022

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	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	4.a)	**988,187**	1,236,298
Trade and other receivables, current	4.c)	**1,358,291**	740,382
Other current financial assets	4.d)	**12,109**	15,848
Current tax assets		**37,386**	100,801
Other Current Assets		**3,145**	3,020
Total current assets		**2,399,118**	2,096,349
Non-current assets:			
Investments	4.b)	**32,126,571**	32,126,571
Furniture and equipment, net	6.a)	**5,628**	4,508
Deferred tax assets	7.c)	**541,940**	307,178
Total non-current assets		**32,674,139**	32,438,257
TOTAL ASSETS		**35,073,257**	34,534,606
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables	4.e)	**236,483**	92,043
Employee benefit obligation	8.a)	**398,935**	335,910
Income tax liabilities		**102,359**	211,205
Other current financial liabilities	8.a)	**1,403,119**	778,779
Other current liabilities		**69,432**	54,777
Total current liabilities		**2,210,328**	1,472,714
Non-current liabilities:			
Payables due to related entities, non-current	4.f)	**-**	-
Total non-current liabilities		**-**	-
Equity:			
Share capital	4.g)	**15,290,305**	15,290,305
Retained earnings		**17,572,624**	17,771,587
Total equity		**32,862,929**	33,061,892
TOTAL LIABILITIES AND EQUITY		**35,073,257**	34,534,606

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Comprehensive Income, per Nature of Expenses
For the years ended December 31, 2023 and 2022

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	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue		**3,987,705**	3,533,260
TOTAL REVENUE	9	**3,987,705**	3,533,260
Expenses:			
Employee benefits		**2,823,592**	2,926,698
Other operating expenses	10	**758,260**	367,905
Depreciation and amortization expenses	6.a)	**2,869**	3,230
TOTAL EXPENSES	11	**3,584,721**	3,297,833
Total operating profit (loss)		**402,984**	235,427
Other income:			
Finance costs		**-**	(2,590)
Dividends received from subsidiaries	12	**5,088,532**	7,842,313
Foreign currency translation, difference	13	**(47,796)**	234,277
Investment revenue		**40,716**	22,012
TOTAL OTHER INCOME, NET		**5,081,452**	8,096,012
PROFIT BEFORE TAX		**5,484,436**	8,331,439
Income tax expense	7.a)	**(163,009)**	(120,751)
PROFIT FROM CONTINUING OPERATIONS AFTER TAX		**5,321,427**	8,210,688
Other comprehensive income (loss)			
Net gain		**5,321,427**	8,210,688
TOTAL COMPREHENSIVE INCOME		**5,321,427**	8,210,688

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

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2023	Paid-in capital	Retained earnings	Total equity
Opening balance as of January 1, 2023	**15,290,305**	**17,771,587**	**33,061,892**
Comprehensive income:			
Profit for the year	**-**	**5,321,427**	**5,321,427**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income	**-**	**5,321,427**	**5,321,427**
Dividends	**-**	**(5,520,389)**	**(5,520,389)**
Total profit distribution	**-**	**(5,520,389)**	**(5,520,389)**
Total changes in equity	**-**	**198,962**	**198,962**
Closing balance as of December 31, 2023	**15,290,305**	**17,572,624**	**32,862,929**

2022	Paid-in capital	Retained earnings	Total equity
Opening balance as of January 1, 2022	15,290,305	17,404,601	32,694,906
Comprehensive income:			
Profit for the year	-	8,210,688	8,210,688
Other comprehensive income	-	-	-
Total comprehensive income	-	8,210,688	8,210,688
Dividends	-	(7,843,701)	(7,843,701)
Total profit distribution	-	(7,843,701)	(7,843,701)
Total changes in equity	-	366,987	366,987
Closing balance as of December 31, 2022	15,290,305	17,771,587	33,061,892

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Cash Flows, Indirect Method
for the years ended December 31, 2023 and 2022

ThCh$

	As at December 31, 2023	As at December 31, 2022
CLASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Profit for the year	**5,321,427**	8,210,688
Adjustments to reconcile profit for the year:		
Effect of foreign currency translation difference	**47,796**	(234,277)
Depreciation and amortization	**2,869**	3,231
Income tax	**163,009**	120,751
Total cash flows before changes in working capital	**213,674**	(110,296)
(Increase)/decrease in working capital:		
Trade and other receivables	**(617,909)**	379,495
Other financial assets	**3,614**	(17,889)
(Increase)/decrease in working capital:		
Trade payables	**96,644**	307,561
Other current -financial liabilities	**638,994**	310,483
Deferred Income	**-**	-
Employee benefits	**63,025**	7,392
Payables due to related parties, non-current	**-**	45,449
Total net increase in working capital	**184,368**	1,032,491
Income tax paid	**(443,203)**	(208,117)
Net cash from operating activities	**5,276,267**	8,924,766
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Acquisition of furniture and equipment	**(3,989)**	(1,795)
Net cash used in investing activities	**(3,989)**	(1,795)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Loans paid from related companies	**-**	(127,769)
Dividends paid	**(5,520,389)**	(7,843,701)
Net cash used in financing activities	**(5,520,389)**	(7,971,470)
Net increase/(decrease) in cash and cash equivalents	**(248,111)**	951,500
Cash and cash equivalents at January 1	**1,236,298**	284,798
Effects of movements in exchange rate on cash held	**-**	-
Cash and cash equivalents at December 31	**988,187**	1,236,298

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

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Notes to the Separate Financial Statements

1. GENERAL INFORMATION

TCS Inversiones Chile Limitada was incorporated by TCS IberoAmérica S.A. and Gabriel Rozman on December 16, 2002, and is engaged in investments, on its own or on behalf of third parties, in any type of movable and immovable property, tangible or intangible assets, purchase and sale, export, import, manufacturing, production, consignment, lease, trading, representation and distribution of any type of physical and intangible assets; rendering of all types of advisory and consultancy services, and services associated with computer, IT and general communication; and the representation, concession and operation of the franchise of any type of companies, brands and/or products associated with the above-mentioned operations.

On October 26, 2005, the articles of incorporation were amended via public deed, increasing the Company's capital through an amount contributed by the partner TCS IberoAmérica S.A.

On December 28, 2006, Tata Solution Center S.A. (a subsidiary of Tata Consultancy Services Chile S.A.), was incorporated in Ecuador and commenced its operations on June 1, 2007. It is mainly engaged in providing IT services, software development and maintenance, and administrative and operating processes (BPO) primarily to financial institutions.

On December 29, 2006, Tata Consultancy Services BPO Chile S.A. (formerly - Tata Consultancy Services (TCS) Chile Limitada) acquired 100% of shares of its subsidiary Tata Consultancy Services BPO Chile S.A. (formerly - Comicrom S.A.). Consequently, such subsidiary was dissolved by operation of law.

At Extraordinary Shareholders' Meeting held on July 30, 2010, the shareholders agreed on the merger through incorporation of Tata Consultancy Services BPO Chile S.A. to Tata Consultancy Services Chile S.A., and accordingly, at such meeting the company's name was changed from Tata Consultancy Services BPO Chile S.A. to Tata Consultancy Services Chile S.A.

On April 26, 2017, Mr. Gabriel Rozman sells, assigns and transfers to TCS Uruguay S.A. the entirety of his ownership interest in the Company, which represents 0.000004% of the Company's capital.

In Chile, it established its operations in 2003, and currently has 9 employees who perform support and advisory functions in the areas of finance, legal, marketing, and sales for the subsidiaries in the Latin American region.

2. BASIS OF PRESENTATION OF THE SEPARATE FINANCIAL STATEMENTS

a) Use of estimates and judgments

The preparation of these separate financial statements in conformity with the recognition and measurement principles under IFRS, requires that Management performs estimates and judgments which have an impact on the reported balances of assets and liabilities, the disclosures of contingent liabilities at the reporting date, and the balance of income and expenses for the reporting periods.

The underlying estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised and any future periods affected.

The key source of estimation uncertainty at the reporting date, which may result in a material adjustment to the carrying amounts of assets and liabilities within the subsequent financial year, relates to the impairment of goodwill, useful lives of items of furniture and equipment, valuation of deferred tax assets, provisions and contingent liabilities, as detailed below. The main key sources of estimation uncertainty related to revenue recognition, employee benefits, and fair value measurement of financial instruments, have been assessed based on the applicable policies.

Useful lives of items of furniture and equipment.

The Company reviews the carrying amount of items of furniture and equipment at the end of each reporting period. This reassessment may result in changes to the depreciation expense for future periods.

Measurement of deferred tax assets.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions shall be reviewed at the end of each reporting period

Notes to the Separate Financial Statements

and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in the financial statements. Contingent assets are not recognized or disclosed in the financial statements.

Fair value measurement of financial instruments.

When the Company is not able to measure the fair value of financial assets and financial liabilities in the statement of financial position based on quoted prices in active markets, the fair value is measured using valuation techniques which include the discounted cash flow model. Inputs to these models are obtained from observable markets where possible, otherwise a degree of judgment is required to establish fair values. The judgments include considering inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions with respect to these factors could affect the reported fair value of financial instruments. The policy has been explained in further detail in Note 4 (h).

b) Statement of compliance

These separate financial statements of TCS Inversiones Chile LTDA. (hereinafter the "Company"), for the year ended December 31, 2023 and 2022, are presented in Chilean pesos and have been prepared in accordance with IAS 27, "Separate Financial Statements" included in International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (hereinafter the "IASB"), applying the exception described in paragraph 4 of IFRS 10, Consolidated Financial Statements. Likewise, these financial statements are exempt from disclosure provisions contained in IFRS 12.

The information contained in these separate financial statements is the responsibility of the Company's Management which expressly states it has applied all the principles and criteria included in IAS 27 and IFRS; the separate financial statements have been approved by the Administration on February 28, 2024.

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

c) Comparative information

The separate statements of financial position at 31 December 2023 and the separate statements of comprehensive income, changes in equity and cash flows for the year then ended have been prepared in accordance with International Financial Reporting Standards, on a basis consistent with the criteria used at 31 December 2022.

d) Historical cost basis

The separate financial statements have been prepared on the historical cost basis. Generally, the historical cost is based on the fair value of the consideration paid in exchange for goods and services. The fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For purposes of measurement and/or disclosure in these separate financial statements, fair value is determined as described above, except for the determination of value in use under IAS 36, which has been measured at market value.

e) Period covered

These separate financial statements of TCS Inversiones Chile LTDA. were prepared as of December 31, 2023, and 2022 and for the years then ended.

f) Currency

The functional currency of TCS Inversiones Chile Ltda. is the Chilean peso.

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Notes to the Separate Financial Statements

g) Basis of translation

Balances of assets and liabilities in UF (inflation-adjusted units), U.S. dollars and other foreign currencies have been translated to Chilean pesos at the exchange rates in force at the closing date of the separate financial statements. At the reporting date, the effective exchange rates are detailed as follows:

In Chilean pesos (Ch$)

	As at December 31, 2023	As at December 31, 2022
U.S. Dollar	**877.12**	855.56
Inflation-adjusted units (UF)	**36,789.36**	35,110.98

Foreign currency translation differences and adjustments are debited or credited to profit or loss, as applicable, in accordance with IFRS.

h) Classification of balances (current and non-current)

In the accompanying statement of financial position, balances are classified according to their maturities, i.e. as current those with maturities of 12 months or less and non-current those with maturities exceeding 12 months.

i) Statement of cash flows

For the preparation of the statement of cash flows, the Company uses the following definitions:

Cash and cash equivalents relates to cash on hand, cash in bank current accounts, time deposit and highly-liquid fixed income mutual fund deposits held in financial entities with original maturities of up to three months and insignificant risk of loss of value.

The statement of cash flows considers the following account categories:

(a) Operating activities

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

(b) Investing activities

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

(c) Financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The entity has consistently applied the following accounting policies to all periods presented in these separate financial statements.

The accounting policies set out below have been used in the preparation of these separate financial statements. As required by IFRS 1, these policies have been defined considering the IFRS effective as of December 31, 2023.

a) Provisions and contingent liabilities

A provision is a liability of uncertain timing or amount. Provisions are recognized in the balance sheet when the following requirements are met in a copulative manner:

- The Company has a present legal or constructive obligation as a result of a past event.
- It is probable that at the reporting date an outflow of economic benefits will be required to settle the obligation.
- The obligation can be estimated reliably.

A contingent asset or liability is an obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Notes to the Separate Financial Statements

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

b) Offsetting of balances and transactions

Generally, in the separate financial statements there is no offsetting of assets or liabilities or revenue and expenses, except for those cases where offsetting is required or permitted by any standard and such presentation is the reflection of the substance of the transaction.

Revenues and expenses generated by transactions which contractually or mandatorily because of the enactment of a law include the possibility of offsetting, are those for which the Company intends either to settle the obligations on a net basis, or to realize the asset and settle the liability simultaneously.

c) Classification of balances (current and non-current)

In the accompanying statement of financial position, balances are classified according to their maturities, i.e. as current those with maturities of 12 months or less and non-current those with maturities exceeding 12 months.

d) New accounting pronouncements

The following accounting pronouncements are mandatory as of January 1, 2023:

New IFRS	Mandatory Application Date
IFRS 17 Insurance Contracts	Annual periods beginning on or after January 1, 2023. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before that date.
Amendments to IFRS.	Mandatory Application Date.
Initial application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17).	Annual periods beginning on or after January 1, 2023.
Accounting Policy Disclosures (Amendments to IAS 1 and Practice Statement 2 Making Materiality Judgements).	Annual periods beginning on or after January 1, 2023.
Definition of Accounting Estimate (Amendments to IAS 8).	Annual periods beginning on or after January 1, 2023.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).	Annual periods beginning on or after January 1, 2023.
International Tax Reform Model Rules of the Second Pillar (Amendments to IAS 12).	Annual periods beginning on or after January 1, 2023.

Accounting pronouncements not yet in force

The following accounting pronouncements issued are applicable for annual periods beginning after January 1, 2024, and have not been applied in the preparation of these separate financial statements. The entity intends to adopt the accounting pronouncements applicable to them on their respective dates of application and not in advance.

Amendments to IFRS	Mandatory Application Date
Classification of Liabilities as Current or Non-current (Amendments to IAS 1).	Annual periods beginning on or after January 1, 2024. Early adoption is permitted.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10, IFRS 11 and IAS 28).	Effective date deferred indefinitely.
Lease Liabilities in a Leaseback Sale (Amendments to IFRS 16).	Annual periods beginning on or after January 1, 2024. Early adoption is permitted.
Non-current Liabilities with Covenants (Amendments to IAS 1).	Annual periods beginning on or after January 1, 2024.

Notes to the Separate Financial Statements

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).	Annual periods beginning on or after January 1, 2024 (with early application permitted) and the amendments to IFRS 7 when applying the amendments to IAS 7.
Lack of Convertibility (Amendment to IAS 21).	Annual periods beginning on or after January 1, 2025. Early adoption is permitted.

These not yet effective issued accounting pronouncements are not expected to have a significant impact on the separate 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.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cashflows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Group does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES, AND EQUITY INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or reduce the fair value of financial assets or financial liabilities in the initial recognition.

Notes to the Separate Financial Statements

Financial assets

Cash and cash equivalents

The Company classifies as cash and cash equivalents all highly-liquid financial instruments, which are readily convertible into known amounts of cash subject to an insignificant risk of changes in value, with maturities of three months or less from the date of acquisition. Cash and cash equivalents comprise cash in banks not restricted for withdrawal and use.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if those financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income.

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has adopted the irrevocable option of presenting the subsequent changes in the fair values of capital investments not held for trading in other comprehensive income.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or assumption of financial liabilities at fair value through profit or loss are immediately recognized in the interim condensed statement of profit or loss.

Financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest method.

Equity securities

Equity securities are contracts which establish a residual interest on the Company's assets after deducting all its liabilities. Equity securities issued by the Company are recognized at the amount of the income received net of direct cost of issue.

Impairment of financial assets (not measured at fair value)

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired. IFRS 9 requires that expected credit losses are measured through a loss allowance. The Company recognizes lifetime expected credit losses for all its contract assets and/or trade receivables that do not contain a significant financing component. To determine the allowance for doubtful accounts, the Company has used a practical expedient for the calculation of the allowance for expected credit losses of trade receivables using an allowance matrix. The allowance matrix considers the historical credit loss experience and is adjusted for prospective information. The allowance for expected credit losses is based on the maturity of accounts receivable past due and the rates used in the allowance matrix. For the remaining financial assets, expected credit losses are measured at an amount equal to 12-month expected credit losses or an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

a) Cash and cash equivalents

As of December 31, 2023 and 2022, this caption is composed of the following:

ThCh$

	As at December 31, 2023	As at December 31, 2022
Cash in banks	**238,187**	164,257
Deposits-Foreign banks	**750,000**	1,072,041
Total	**988,187**	1,236,298

Notes to the Separate Financial Statements

As of December 31, 2023 and 2022, cash in banks is as follows:

ThCh$

Bank	Currency	As at December 31, 2023	As at December 31, 2022
Banco Santander	Chilean pesos	**91,812**	38,445
Banco Santander	U.S. Dollar	**146,375**	125,812
Total		**238,187**	164,257

Cash and cash equivalents have no availability restrictions.

The Company has made no investing or financing transactions that do not require the use of cash and cash equivalents.

Deposits-Foreign banks

As of December 31, 2023, cash in time deposits is as follows:

Bank Name / Counterparty Name	Placement date	Maturity date	Currency	Total Days	Closing Amount
Banco Santander	26-Dec-2023	06-Feb-2024	**CLP**	**42**	**520,000**
Banco Santander	26-Dec-2023	24-Jan-2024	**CLP**	**29**	**150,000**
Banco Santander	26-Dec-2023	16-Jan-2024	**USD**	**21**	**80,000**
					750,000

As of December 31, 2022, cash in time deposits is as follows:

Bank Name / Counterparty Name	Placement date	Maturity date	Currency	Total Days	Closing Amount
Banco Santander	22-Dec-22	06-Jan-23	USD	15	1,072,041

b) Investments

Investments in subsidiaries held at cost

For the preparation of the separate financial statements the Company has used the exemption described in paragraph 4 of IFRS 10, which allows not using the equity method of accounting to recognize investments in subsidiaries in which the entity has control and significant influence provided that certain conditions are met. The Company meets each and every of such conditions as of December 31, 2023, and 2022. The Company's shareholders have authorized the preparation of the separate financial statement because the Company's financial information is included in the consolidated financial statements of its ultimate Parent, Tata Consultancy Services Limited (India), which have been prepared and presented in accordance with IFRS as issued by the IASB, and can be found at the web site: https://www.tcs.com/investor-relations.

Investments in subsidiaries are recognized at cost and relate to:

Taxpayer ID No.	Company	Country	Ownership interest		Carrying amount of the investment	
			As at December 31, 2023 %	As at December 31, 2022 %	As at December 31, 2023 ThCh$	As at December 31, 2022 ThCh$
Foreign	Tata Solution Center S.A.	Ecuador	**1.0000**	1.0000	**55,916**	55,916
76.385.060-9	Tata Consultancy Services Chile	Chile	**99.9998**	99.9998	**32,070,655**	32,070,655
Total					**32,126,571**	32,126,571

Notes to the Separate Financial Statements

The Company determines whether it is necessary to recognize an impairment loss in the subsidiaries. The Company determines at each reporting date whether there is objective evidence that the investment in the subsidiary is impaired; if this is the case, the Company calculates the impairment amount as the difference between the higher of the value in use and fair value of the subsidiary and the acquisition cost and recognizes the amount in the statement of profit or loss.

Changes in investments in subsidiaries held at cost by the Company are as follows:

ThCh$

Taxpayer ID No.	Company	Country	Carrying amount of the investments	Additions	Disposals	Carrying amount of the investments as of December 31, 2023
76.385.060-9	Tata Consultancy Services Chile S.A. (Ex BPO)	Chile	**32,070,655**	**-**	**-**	**32,070,655**
Foreign	Tata Solution Center S.A.	Ecuador	**55,916**	**-**	**-**	**55,916**
Total			**32,126,571**	**-**	**-**	**32,126,571**

ThCh$

Taxpayer ID No.	Company	Country	Carrying amount of the investments	Additions	Disposals	Carrying amount of the investments as of December 31, 2022
76.385.060-9	Tata Consultancy Services Chile S.A. (Ex BPO)	Chile	32,070,655	-	-	32,070,655
Foreign	Tata Solution Center S.A.	Ecuador	55,916	-	-	55,916
Total			32,126,571	-	-	32,126,571

Management has performed impairment testing and estimates that there is no risk of loss in the value of the assets recorded on December 31, 2023, and 2022.

As of December 31, 2023, and 2022, goodwill amounting to ThCh$17,720,950 which is recorded in Tata Consultancy Services Chile S.A.'s ledgers and recognized through the investment in this company, has been allocated to the cash-generating unit Tata Consultancy Services Chile S.A. The Company makes an estimate of the value in use of the Tata Consultancy Services Chile S.A. cash-generating unit based on future cash flows using an annual growth rate of 3% after a forecast of five years considering a discount rate of 8,21%. A sensitivity analysis of changes in measurement parameters (operating margin, discount rate and average long-term growth rate) based on assumptions fairly probable has identified no probable scenario where recoverable amounts of the cash-generating unit may decrease to less than the carrying amount.

As of December 31, 2023 and 2022, the financial information contained in the financial statements of the companies over which the Company has control is detailed as follows:

ThCh$

Taxpayer ID No.	Company	Country	Ownership Interest Direct	Indirect	Assets	At 31.12.2023 Liabilities	Equity	Profit or loss
76.385.060-9	Tata Consultancy Services Chile S.A.	Chile	**99.9998**	**0.0002**	**51,452,418**	**10,304,021**	**41,148,397**	**5,971,340**
Foreign	Tata Solution Center S.A.	Ecuador	**1**	**99**	**25,806,042**	**12,797,552**	**13,008,490**	**4,602,244**
Foreign	Tata Consultancy Services Sucursal del Perú	Perú	**-**	**100.000**	**11,087,589**	**7,203,177**	**3,884,412**	**558,775**

Notes to the Separate Financial Statements

ThCh$

Taxpayer ID No.	Company	Country	Ownership Interest Direct	Indirect	Assets	At 31.12.2022 Liabilities	Equity	Profit or loss
76.385.060-9	Tata Consultancy Services Chile S.A.	Chile	99.9998	0.0002	49,288,127	9,048,926	40,239,200	7,580,828
Foreign	Tata Solution Center S.A.	Ecuador	1	99	23,052,138	12,260,651	10,791,487	4,469,691
Foreign	Tata Consultancy Services Sucursal del Perú	Perú	-	100.000	12,212,779	9,063,830	3,148,949	841,596

c) Trade and other receivables, current

(a) Trade receivables are detailed as follows:

ThCh$

	As at December 31, 2023	As at December 31, 2022
Receivables due from related parties	**1,358,291**	740,382
Total	**1,358,291**	740,382

The fair value of trade receivables corresponds to the same business amounts net of the related allowance for doubtful accounts.

(b) Trade receivables past due, unpaid but not impaired are detailed as follows:

ThCh$

	As at December 31, 2023	As at December 31, 2022
Up to 30 days	**1,358,291**	740,382
Total	**1,358,291**	740,382

(c) Other financial assets

As of December 31, 2023, and 2022, other current financial assets are as follows:

ThCh$

	As at December 31, 2023	As at December 31, 2022
Advances to employees	**11,296**	14,697
Interest Accrued on investments	**813**	1,151
Total	**12,109**	15,848

(d) Trade payables

Trade and other payables are recognized at their nominal amount, since their average payment term is short and there is no significant difference when compared to their fair value.

As of December 31, 2023, and 2022, trade and other payables are detailed as follows:

ThCh$

	As at December 31, 2023	As at December 31, 2022
Trade payables	**45,861**	86,678
Accounts payable due to related parties	**190,622**	5,365
Total	**236,483**	92,043

Notes to the Separate Financial Statements

(e) Equity disclosures

(a) Subscribed, fully-paid capital and number of shares

As of December 31, 2023 and 2022, the Company's share capital is composed of the following:

ThCh$

Series	Subscribed capital	Paid-in capital
Single	**15,290,305**	**15,290,305**

Capital management is intended to maximize the value for the shareholders, safeguard business continuity, and support the Company's growth. The Company determines capital requirements based on annual operating plans, long-term investment plans and other strategic investment plans. Financing requirements are met through capital and cash flows from operating activities generated. The Company is not subject to any capital requirement imposed externally.

(f) Financial assets and financial liabilities

As of December 31, 2023, the carrying amount of financial instruments by category is as follows:

ThCh$

2023	Amortized cost	Total carrying amount
Financial assets		
Cash and cash equivalents	**988,187**	**988,187**
Trade and other receivables	**1,358,291**	**1,358,291**
Other financial assets	**12,109**	**12,109**
Total	**2,358,587**	**2,358,587**
Financial liabilities		
Trade payables	**236,483**	**236,483**
Total	**236,483**	**236,483**

As of December 31, 2022, the carrying amount of financial instruments by category is detailed as follows:

ThCh$

2022	Amortized cost	Total carrying amount
Financial assets		
Cash and cash equivalents	1,236,298	1,236,298
Trade and other receivables	740,382	740,382
Other financial assets	15,848	15,848
Total	1,992,528	1,992,528
Financial liabilities		
Trade payables	92,043	92,043
Total	92,043	92,043

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables (prior year: unbilled revenue), and trade payables as of December 31, 2023 and 2022, approximate their fair value. The difference between carrying amounts and fair values of bank deposits, cash in banks, other financial assets, other financial liabilities and subsequent loans measured at amortized cost is not significant for each period presented.

Notes to the Separate Financial Statements

Fair value hierarchy

Fair value hierarchy is based on valuation techniques used to measure the fair value of observable and unobservable inputs, and includes the following three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values are determined totally or in part using a valuation model based on assumptions that are not supported by market transaction prices currently observable in the same instrument or based on available market data.

(g) Financial risk management

The Company is mainly exposed to variations in foreign exchange rates, credit, liquidity and interest rate risks that may negatively affect the fair value of its financial instruments. The Company has a risk management policy that covers the risks associated with financial assets and financial liabilities. The risk management policy is approved by the Board of Directors. The approach applied by the risk management committee is to assess the unforeseeability of the financial environment and mitigate the potential negative effects on the Company's financial performance.

(a) Market risk

The Company is exposed to market risk related to the risk of fluctuations in the fair value or future cash flows from a financial instrument because of changes in market prices. Such changes in the value of financial instruments may arise from movements in foreign currency exchange rates, interest rate, credit, liquidity and other changes in the market. The exposure to market risk relates mainly to the currency risk.

(b) Currency risk

The fluctuation of foreign currency exchange rate differences may have a potential effect in the statement of profit or loss and other comprehensive income, where any transaction refers to one or more currencies when assets / liabilities are denominated in a currency that is different from the entity's functional currency.

Considering the economic environment of the country in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in such country. The risks mainly relate to the fluctuations in U.S. dollar against the Company's functional currency.

The exchange rate sensitivity is calculated by adding the net exposure to currency risk and a simultaneous change of parallel exchange rates of all currencies by 10% compared to the Company's functional currency.

The analysis below has been prepared based on the Company's net exposure at the reporting date that may affect the statements of profit or loss and other comprehensive income and equity.

As of December 31, 2023, the information related to the exposure to the currency risk is detailed as follows:

ThCh$

2023	USD	UF
Net financial assets	1,487,107	-
Net financial liabilities	235,664	907,676

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$ 343,768 for the year ended December 31, 2023.

Notes to the Separate Financial Statements

As of December 31, 2022, the information related to the exposure to currency risk is as follows:

ThCh$

2022	USD	UF
Net financial assets	858,636	-
Net financial liabilities	77,174	762,223

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$ 19,239 for the year ended December 31, 2022.

(c) Interest rate risk

The Company is not exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual terms or obligations. Credit risk includes the direct risk of default and impairment of credit quality, as well as the concentration of risks. Credit risk is controlled by the analysis of credit limits and the credit capability of customers on an ongoing basis that have been obtained the credit after receiving the authorizations required.

Financial instruments subject to concentrations of credit risk include mainly trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. As of December 31, 2023, cash and cash equivalents include ThCh$988,187 held in a bank located in Chile with a high quality credit rating exceeding individually 10% or more of the Company's total cash and cash equivalents as of December 31, 2023. None of the Company's other financial instruments result in a significant concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. As of December 31, 2023, and 2022, the maximum credit exposure amounted to ThCh$2,358,587 and ThCh$1,992,528, respectively, which corresponds to total carrying amount of cash in banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments.

Trade receivables and contract assets

The exposure to credit risk with respect to trade receivables and contract assets is mainly influenced by individual features of each customer in connection with the practices in the industry and the economic environment in which they operate. The entity limits its exposure to credit risk of trade receivables by establishing a maximum payment period of 272 days for its customers. Subsequent to this, the customers are at default (impaired loan). To manage this risk, the Company has a strong credit management process. The Company has adopted a policy to engage operations only with solvent counterparties. The counterparties' exposure is monitored on a regular basis, and changes to the credit conditions are made as required. The carrying amount of financial assets represents the maximum credit exposure. The Company has derecognized no customer balances, and only a few balances have impaired at the reporting date.

As of December 31, 2023, and 2022, the Company's exposure to customer is diversified; however, certain customers concentrate more than 10% of trade receivables and unbilled revenue:

Credit risk	As of December 31, 2023		As of December 31, 2022	
	Total receivables and provisions for revenue		Total receivables and provisions for revenue	
	ThCh$	%	ThCh$	%
Customer A	**827,145**	**61**	424,531	57
Customer B	**145,421**	**11**	97,260	13

Notes to the Separate Financial Statements

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. Liquidity risk management is intended to maintain sufficient liquidity and ensure that funds are available for use as per the requirements.

On a regular basis, the Company generated sufficient cash flows from operations to meet its financial obligations as they mature.

ThCh$

As of December 31, 2023	Expired in 1st year	Expired in 2nd year	Expired between the 3rd and 5th year	Expired in 5th year	Total
Non-derivative financial liabilities					
Trade payables	**236,483**	**-**	**-**	**-**	**236,483**
Payables due to related parties, non-current	**-**	**-**	**-**	**-**	**-**
Total	**236,483**	**-**	**-**	**-**	**236,483**

As of December 31, 2022	Expired in 1st year	Expired in 2nd year	Expired between the 3rd and 5th year	Expired in 5th year	Total
Non-derivative financial liabilities					
Trade payables	92,043	-	-	-	92,043
Payables due to related parties, non-current	-	-	-	-	-
Total	**92,043**	-	-	-	92,043

5. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances and transactions with related parties

(a) Receivables

ThCh$

Tax ID	Company	Relationship	Current	
			As at December 31, 2023	As at December 31, 2022
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	**87,468**	44,251
Foreign	TCS Solution Center S.A.	Common shareholders	**36,920**	24,728
Foreign	Tata Consultancy Services de Mexico S.A. de CV	Common shareholders	**827,145**	424,531
Foreign	TCS Colombia S.A.	Common shareholders	**118,032**	66,314
Foreign	Tata Consultancy Services Sucursal del Perú	Branch	**53,932**	32,033
Foreign	TCS Uruguay S.A.	Common shareholders	**145,422**	96,963
Foreign	TATA Solution Center S.A.	Subsidiary	**71,394**	44,005
Foreign	Tata Consultancy Services Limited	Parent	**17,560**	7,557
Total			**1,357,872**	740,382

Notes to the Separate Financial Statements

(b) Payables

ThCh$

Tax ID	Company	Relationship	As at December 31, 2023	As at December 31, 2022
76.385.060-9	Tata Consultancy Services Limited	Parent	**190,622**	5,365
Total			**190,622**	5,365

(c) Interest payable

ThCh$

Tax ID	Company	Relationship	As at December 31, 2023	As at December 31, 2022
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	**-**	(57)
Total			**-**	(57)

Transactions between the Company and its related parties correspond to customary operations in terms of their objective and conditions.

Balances receivable and payable are mainly expressed in U.S. dollars and for interest-bearing loans of an approximate annual average rate ranging from 4% to 6% not associated with a repayment schedule, the classification is based on the expected collection period of such accounts receivable.

b) Significant transactions and their effect on profit or loss

ThCh $

Company	Relationship	Transaction description	For the year ended December 31, 2023		For the year ended December 31, 2022	
			Amount	Credit/(Debit) to profit or loss	Amount	Credit/(Debit) to profit or loss
TATASOLUTION CENTER SA	Common shareholders	Revenue	**218,009**	**218,009**	235,926	235,926
TATASOLUTION CENTER SA	Common shareholders	Dividends received	**26,400**	**261,400**	41,700	41,700
Tata Consultancy Services Chile S.A.	Subsidiary	Revenue	**271,894**	**271,894**	223,116	223,116
Tata Consultancy Services Chile S.A.	Subsidiary	Repayment of financing	**-**	**-**	127,768	-
Tata Consultancy Services Chile S.A.	Subsidiary	Interest Expense	**-**	**-**	2,590	2,590
Tata Consultancy Services Chile S.A.	Subsidiary	Dividends received	**5,062,132**	**5,062,132**	7,800,614	7,800,614
TCS Iberoamerica S.A.	Parent	Dividends paid	**5,520,389**		7,843,702	
Tata Consultancy Services Sucursal del Perú	Branch	Revenue	**161,677**	**161,677**	161,020	161,020
Tata Consultancy Services Mexico S.A.	Common shareholders	Revenue	**2,478,387**	**2,478,387**	2,076,377	2,076,377
Tata Consultancy Services Colombia S.A.	Common shareholders	Revenue	**344,540**	**344,540**	381,803	381,803
TCS Solution Center S.A. (Uruguay)	Common shareholders	Revenue	**110,938**	**110,938**	124,322	124,322
TCS Uruguay S.A.	Common shareholders	Revenue	**402,261**	**402,261**	330,696	330,696
TCS Uruguay S.A.	Common shareholders	Profit distribution	**0.22**	**0.22**	1	1
Tata Consultancy Services Limited	Parent	Expense reimbursement	**263,583**	**(263,583)**	106,319	(106,319)

6. NON-FINANCIAL ASSETS AND LIABILITIES

a) Furniture and equipment

On the date of transition to International Financial Reporting Standards, the Company elected to define deemed cost as the alternative for maintaining the assets measured at their acquisition cost adjusted and discounted for accumulated depreciation, where applicable, under Chilean standards applied until the date of adoption of IFRS.

Notes to the Separate Financial Statements

The cost of items of furniture and equipment comprises their acquisition cost plus any other costs directly attributable to bringing the assets to a working condition for their intended use as foreseen by Management and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located. Financial cost is capitalized in accordance with IAS 23.

Repair, preservation and maintenance expenses are expensed in profit or loss in the period in which they are incurred. Note that certain items of furniture and equipment of TCS Inversiones Chile LTDA. require regular reviews. In this sense, the items that are replaced are recognized separately from the rest of the asset and with a disaggregation level which allows their amortization in the period between the present and next repair.

Expansion, modernization and improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life, are capitalized as an increase in the value of the assets.

The gain or loss from selling or retirement of an asset is calculated as the difference between the price obtained from the sale and the carrying amount in the accounting records with a debit or credit to profit or loss for the period.

Depreciation Items of furniture and equipment are depreciated using the straight-line method by distributing the acquisition cost of the assets less their estimated residual value over the estimated useful lives of assets.

The residual value and useful life of items of furniture and equipment are reviewed on an annual basis, and depreciation starts when assets are brought to working condition for their intended use.

The main items of property, plant and and their related useful lives are shown below:

	Useful life (years)
Furniture	5
Machinery and computer equipment	4
Electrical and air conditioning equipment	10
Storage facilities	10

Depreciation

TCS Inversiones Chile Ltda., at least annually, assesses the existence of a possible impairment of assets in furniture and equipment. Any reversal of the impairment loss is recognized in profit or loss, where applicable.

Impairment

Furniture and equipment with a limited useful life are assessed to recover them as long as there is any indication that their carrying amount may not be recoverable. Should such indication exist, the recoverable amount (i.e. the higher of its fair value less costs to sell and its value in use) is determined based on an individual asset, unless such asset generates no cash inflows that are largely independent from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is lower than its carrying amount, then the asset's carrying amount (or CGU) is reduced to its recoverable amount. Impairment losses are recognized in profit or loss.

(a) Detail

The detail by class of furniture and equipment at each year-end, net and gross, is as follows:

ThCh$

Classes of furniture and equipment, net	**As at December 31, 2023**	**As at December 31, 2022**
IT equipment	**5,025**	3,674
Office equipment	**603**	834
Total furniture and equipment, net	**5,628**	4,508

Notes to the Separate Financial Statements

Classes of furniture and equipment, gross	As at December 31, 2023	As at December 31, 2022
IT equipment	11,478	8,009
Office equipment	6,620	6,100
Total furniture and equipment, gross	18,098	14,109

Accumulated depreciation by class of furniture and equipment at each year-end is as follows:

ThCh$

Types of accumulated depreciation and impairment of furniture and equipment	As at December 31, 2023	As at December 31, 2022
IT equipment	6,452	4,335
Office equipment	6,018	5,266
Total accumulated depreciation and impairment of furniture and equipment	12,470	9,601

(b) Movements

Accounting movements in net furniture and equipment for the years ended December 31, 2023 and 2022 are as follows:

ThCh$

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance as of January 1, 2023 (net of accumulated depreciation)	3,675	833	4,508
Acquisitions	5,482	520	6,002
Sales and disposals	-	-	-
Depreciation expense	(2,118)	(751)	(2,869)
Other increases/(decreases)	(2,012)	-	(2,012)
Total net property, plant and equipments as of December 31, 2023	5,027	602	5,628

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance as of January 1, 2022 (net of accumulted depreciation)	4,008	2,053	6,061
Acquisitions	1,795	-	1,795
Sales and disposals	(118)	-	(118)
Depreciation expense	(2,010)	(1,220)	(3,230)
Other increases/(decreases)	-	-	-
Total net property, plant and equipments as of December 31, 2022	3,675	833	4,508

The total depreciation expense for 2023 and 2022 amounts to ThCh$2,689 and ThCh$3,230, respectively, and is classified within the caption Depreciation expense in the separate statements of comprehensive income per nature.

Notes to the Separate Financial Statements

Accounting movements in the cost of gross furniture and equipment, for the years ended December 31, 2023, and 2022 are as follows:

ThCh$

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance as of January 1, 2023 (gross)	**8,009**	**6,100**	**14,109**
Acquisitions	**5,482**	**520**	**6,002**
Other increases/(decreases)	**(2012)**	**-**	**(2012)**
Total gross property, plant and equipments as of December 31, 2023	**11,479**	**6,620**	**18,098**

ThCh$

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance as of January 1, 2022 (gross)	7,324	6,100	13,424
Acquisitions	1,795	-	1,795
Other increases/(decreases)	(1,110)	-	(1,110)
Total gross property, plant and equipments as of December 31, 2022	8,009	6,100	14,109

ThCh$

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance of accumulated depreciation as of January 1, 2023	**(4,335)**	**(5,266)**	**(9,601)**
Acquisitions	**-**	**-**	**-**
Sales and disposals	**-**	**-**	**-**
Depreciation expense	**(2,118)**	**(751)**	**(2,869)**
Other increases/(decreases)	**-**	**-**	**-**
Total accumulated depreciation as of December 31, 2023	**(6,453)**	**(6,017)**	**(12,470)**

ThCh$

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance of accumulated depreciation as of January 1, 2022	(3,317)	(4,046)	(7,363)
Acquisitions	-	-	-
Sales and disposals	-	-	-
Depreciation expense	(2,033)	(1,220)	(3,253)
Other increases/(decreases)	1,015	-	1,015
Total accumulated depreciation as of December 31, 2022	(4,335)	(5,266)	(9,601)

Notes to the Separate Financial Statements

7. INCOME TAX AND DEFERRED TAXES

Income tax expense comprises the current income tax expense and net variation in the deferred income tax asset or liability during the year. Current taxes and deferred taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly recognized in equity, in which case they are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

Current income tax is based on the tax profit for the year, and is calculated using the tax rates enacted at the reporting date.

Prepaid taxes and current income tax provisions are recognized in the statement of financial position upon offsetting such prepaid taxes and income tax provisions generated from the same tax jurisdiction and where the relevant tax payment unit is aimed at settling the asset and liability on a net tax basis.

Deferred income taxes

The Company recognizes deferred income taxes using the statement of position method. Deferred taxes are obtained from temporary differences between the tax base of assets and liabilities, and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantially enacted tax rates or rates expected to be applied on taxable income in the years the Company expects to receive them or the temporary differences are settled. Deferred tax assets and liabilities are offset when they relate to the income taxes collected by the same tax authority and the relevant company intends to settle its assets and liabilities on a net tax basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and discounted to the extent that it is not probable that sufficient taxable profit will be available to allow the use of a portion or all that deferred tax asset.

a) Income tax recognized in profit or loss for the year

ThCh$

Income tax expense	As at December 31, 2023	As at December 31, 2022
Income tax from prior periods	**(8,677)**	(5,157)
Other current tax income/(expenses)	**(395,957)**	(215,375)
Current tax expense	**(404,634)**	(220,532)
Deferred tax income/(expense) related to the generation and reversal of temporary differences for current tax	**241,625**	99,781
Income tax expense, net	**(163,009)**	(120,751)

b) Reconciliation of accounting profit or loss to taxable profit or loss

ThCh$

Income tax expense	As at December 31, 2023	As at December 31, 2022
Net gain	**5,484,436**	8,331,439
Effective tax rate	**27.0%**	27.0%
Tax expense using the legal rate	**(1,480,798)**	(2,249,489)
Adjustment of income tax recorded in prior periods	**6,864**	13,900
Non-taxable income	**(8,678)**	(5,157)
Other adjustments to net taxable income	**1,366,776**	2,106,166
Tax expense using the effective rate	**(47,173)**	13,829
Total	**(163,009)**	(120,751)

Notes to the Separate Financial Statements

On September 29, 2014, Law No. 20.780 was enacted in Chile, establishing a permanent change in the corporate income tax rate of 21% starting from 2014, up to a 27% starting from 2019.

On January 27, 2016, the Act that simplifies the tax reform was passed, which is intended to simplify the income tax system in force from 2017; make adjustments to the value-added tax; as well as to the anticircumvention rules. Concerning tax system, the proposed amendment considers that Shareholders' corporations (openly and closely held), as in the case of the Company should always be taxed according to the partially-integrated system. Later, this system will be the general taxation regime for companies beginning from the commercial year 2017.

c) Deferred taxes

As of December 31, 2023, and 2022, the detail of accumulated balances of deferred tax assets and liabilities is as follows:

ThCh$

Recognized deferred tax assets related to:	As at December 31, 2023	As at December 31, 2022
Accrued vacations	**107,633**	97,639
Other	**434,307**	209,539
Total deferred taxes	**541,940**	307,178

d) Movement in deferred taxes

As of December 31, 2023 and 2022, the detail of movements in deferred tax assets and liabilities is as follows:

ThCh$

Movements	Balance as of January 1, 2023	Effects recognized in profit or loss	Balance as of December 31, 2023
Recognized deferred tax assets, related to:			
Accrued vacations	**207,397**	**99,781**	**307,178**
Others	**135,171**	**99,591**	**234,762**
Total Deferred tax assets	**342,568**	**199,372**	**541,940**

Movements	Balance as of January 1, 2022	Effects recognized in profit or loss	Balance as of December 31, 2022
Recognized deferred tax assets, related to:			
Accrued vacations	88,621	9,017	97,639
Others	118,776	90,763	209,539
Total Deferred tax assets	207,397	99,780	307,178

Notes to the Separate Financial Statements

8. EMPLOYEE BENEFITS AND OTHER CURRENT FINANCIAL LIABILITIES

a) Obligations for employee benefits and Other current financial liabilities

As of December 31, 2023 and 2022, this caption is detailed as follows:

ThCh$

	As at December 31, 2023	As at December 31, 2022
Provision performance awards	**1,403,119**	778,836
Accrued vacations	**398,642**	335,355
Provision for bonuses (Gems)	**293**	555
Total	**1,802,054**	1,114,746

b) Movements in employee benefits

ThCh$

	Accrued vacations	Provision performance awards	Other	Total
Opening balance	**335,355**	**778,836**	**555**	**1,114,746**
Movements in provision:				
Additional obligations	**244,717**	**1,668,443**	**5,027**	**1,914,187**
Obligations used	**(181,430)**	**(1,044,160)**	**(5,289)**	**(1,230,879)**
Total movements in provisions	**63,287**	**624,283**	**(262)**	**687,308**
Balances as of December 31, 2023	**398,642**	**1,403,119**	**293**	**1,802,054**

	Accrued vacations	Provision performance awards	Other	Total
Opening balance	328,225	438,095	294	766,614
Movements in provision:				
Additional obligations	154,197	1,223,856	6,209	1,384,262
Obligations used	(147,067)	(883,115)	(5,948)	(1,036,130)
Total movements in provisions	7,130	340,741	261	348,132
Balances as of December 31, 2022	335,355	778,836	555	1,114,746

9. OPERATING PROFIT

The Company obtains revenue from providing personnel solutions associated with loan staff to its customers (which are related parties), associated with different customers' operating areas.

The Company has a single performance obligation which is providing labour services to its customers. Revenue is recognized when services are provided to customers for an amount that reflects the consideration the Company expects to receive in exchange for such services, using the expected cost plus a margin approach, in accordance with the terms of the underlying agreement. Invoices are issued according to contractual terms entered into with the related party, which are usually monthly.

The Company has applied the practical expedient for recognizing service revenue in proportion to the amount it is entitled to invoice to customers in accordance with the terms of the agreement.

Notes to the Separate Financial Statements

Revenue excludes taxes collected from customers.

All revenue is obtained from customers located in Latin America.

ThCh$

	Accumulated	
	As at December 31, 2023	As at December 31, 2022
Consulting services and administrative support	**3,987,705**	3,533,260
Total Revenue	**3,987,705**	3,533,260

10. OTHER OPERATING EXPENSES

As of December 31, 2023, and 2022, other operating expenses are as follows:

ThCh$

	For the year ended December 31, 2023	For the year ended December 31, 2022
Data circuits (communications)	**9,963**	9,530
Installations	**8,783**	5,712
Travel expenses	**248,426**	257,551
Expenses for consulting	**27,069**	27,232
Other expenses	**464,019**	67,880
Total	**758,260**	367,905

11. EXPENSES BY FUNCTION

As of December 31, 2023 and 2022, expenses by function are detailed as follows:

ThCh$

	For the year ended December 31, 2023	For the year ended December 31, 2022
Employee benefits	**(2,823,592)**	(2,926,698)
Other operating expenses	**(758,260)**	(367,905)
Depreciation and amortization expenses	**(2,869)**	(3,230)
Total	**(3,584,721)**	(3,297,833)

12. DIVIDENDS RECEIVED FROM SUBSIDIARIES

As of December 31, 2023, and 2022, dividends received from the subsidiary Tata Solution Center S.A. (Ecuador) & TCS BPO are detailed as follows:

ThCh$

	For the year ended December 31, 2023	For the year ended December 31, 2022
Dividends received	**5,088,532**	7,842,313
Total	**5,088,532**	7,842,313

Notes to the Separate Financial Statements

13. FOREIGN CURRENCY TRANSLATION DIFFERENCES

ThCh$

	For the year ended December 31, 2023	For the year ended December 31, 2022
Receivables due from/Payables due to related entities	**(157,587)**	(30,487)
Other	**109,791**	264,764
Total	**47,796**	234,277

14. LAWSUITS AND CONTINGENCIES

As of December 31, 2023, and 2022, the Company is not aware of any contingency or commitment that could affect the interpretation and the accompanying separate financial statements.

15. SUBSEQUENT EVENTS

Between January 1, 2024 and the date these financial statements have been authorized for issuance, there are no additional subsequent events that could significantly affect the Company's financial position and/or profit or loss or which may require disclosures in the notes to the financial statements.

TATA CONSULTANCY SERVICES CHILE S.A.

(And Independent Auditors' Report)

Separate Financial Statements
as of December 31, 2023 and 2022
and for the years then ended

TATA CONSULTANCY SERVICES CHILE S.A.

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ThCh$: Amounts expressed in thousands of Chilean pesos
UF : Amounts expressed in inflation-adjusted units

REPORT OF THE INDEPENDENT AUDITORS

**TO THE SHAREHOLDERS AND DIRECTORS OF
TATA CONSULTANCY SERVICES CHILE S.A.**

Opinion

We have audited the accompanying separate financial statements of TATA Consultancy Services Chile S.A., which comprise the separate statements of financial position as of December 31, 2023 and 2022 and the related separate statements of comprehensive income, changes in equity and cash flows for the years on these dates and the corresponding notes to the separate financial statements.

In our opinion, the separate financial statements present fairly, in all material aspects, the financial position of TATA Consultancy Services Chile S.A. as of December 31, 2023 and 2022 and the results of its operations and its cash flows for the years ended on those dates in accordance with International Financial Reporting Standards.

Basis for the Opinion

We performed our audits in accordance with Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are described subsequently in the paragraphs under the section "Auditor's Responsibilities for the Audit of the separate Financial Statements" in this report. In accordance with the ethical requirements relevant to our audits of the separate financial statements, we are required to be independent of TATA Consultancy Services Chile S.A. and to comply with all other ethical responsibilities in accordance with those requirements. We consider that the audit evidence we have obtained is sufficient and appropriate to provide us with a basis for our audit opinion.

Emphasis of Matter

The accompanying separate financial statements have been prepared to reflect the individual financial position of Tata Consultancy Services Chile S.A. before consolidating, on a line-by-line basis, with the financial statements of its subsidiaries. Accordingly, for proper interpretation purposes, these separate financial statements need to be read and analyzed along with the consolidated financial statements of Tata Consultancy Services Limited.

Other Matters

The above translation of the auditors' report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been done solely for the convenience of non-Spanish readers.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the separate financial statements, the management is required to evaluate whether there are facts or circumstances, which considered as a whole, raise substantial doubt about the ability of TATA Consultancy Services Chile S.A. to continue as a going concern for the foreseeable future.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to provide an auditor's report that includes our opinion. Reasonable assurance is a high, but not absolute, level of assurance and, therefore, does not guarantee that an audit performed in accordance with Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, falsification, intentional omissions, concealment, misrepresentations, or disregard of controls by management. A misstatement is considered material if, individually or in the aggregate, it could influence the judgment of a reasonable user of these financial statements.

As part of an audit performed in accordance with Generally Accepted Auditing Standards in Chile, we:

- We exercise professional judgment and maintain professional skepticism during the entire audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures in response to those risks. Such procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- Obtain an understanding of relevant internal control relevant to an audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of TATA Consultancy Services Chile S.A. Consequently, we do not express such an opinion.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as the appropriateness of the overall presentation of the financial statements.
- Conclude whether, in our opinion, there are facts or circumstances that, taken as a whole, cast substantial doubt about the ability of TATA Consultancy Services Chile S.A. to continue as a going concern for a reasonable period.

We are required to communicate to those charged with governance, among other matters, the planned timing and scope of the audit and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during our audit.

Luis Velásquez Molina
Grant Thornton Auditoría y Servicios Limitada.

Santiago, February 28, 2024

Separate Statements of Financial Position As of December 31, 2023 and 2022

ThCh$

ASSETS	Note	As of December 31, 2023	As of December 31, 2022
Current assets:			
Cash and cash equivalents	4.a)	**3,921,135**	5,452,792
Trade receivables:			
Billed	4.c)	**7,092,116**	6,691,343
Unbilled	4.c)	**4,551,595**	1,283,198
Other current financial assets	4.d)	**241,147**	634,035
Income tax assets, net	6.a)	**300,941**	-
Other current assets	7.d)	**1,372,302**	794,847
Total current assets		**17,479,236**	14,856,215
Non-current assets:			
Non-current income tax assets, net	6.b)	**58,765**	1,070,431
Investments	4.b)	**10,705,046**	10,680,565
Goodwill	7.b)	**17,720.950**	17,720,950
Furniture and equipment, net	7.a)	**1,808,551**	1,915,795
Right-of-use assets	8	**2,448,785**	1,743,411
Other non-current assets	7.c)	**58,358**	36,897
Deferred tax assets	9.c)	**1,172,727**	1,263,862
Total non-current assets		**33,973,182**	34,431,911
Total assets		**51,452,418**	49,288,126
LIABILITIES AND EQUITY			
Current liabilities:			
Trade payables	4.E	**2,350,259**	1,510,656
Current lease liabilities	8	**900,184**	664,075
Other financial liabilities	4.F	**352,334**	361,789
Unearned and deferred revenue	11	**294,654**	977,445
Employee benefit obligations	10	**2,873,415**	2,640,072
Income tax Liabilities	6	**-**	693,843
Other non-financial liabilities	4.G	**1,813,061**	945,015
Total current liabilities		**8,583,907**	7,792,895
Non-current liabilities			
Non-current lease liabilities	8	**1,720,042**	1,256,031
Unearned and deferred revenue		**73**	-
Total non-current liabilities		**1,720,115**	1,256,031
Total liabilities		**10,304,022**	9,048,926
EQUITY:			
Share Capital	4.H	**16,997,134**	16,997,134
Retained earnings		**24,151,262**	23,242,066
Total equity		**41,148,396**	40,239,200
TOTAL LIABILITIES AND EQUITY		**51,452,418**	49,288,126

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Comprehensive Income, per Nature of Expenses
For the years ended December 31, 2023 and 2022

ThCh$

	Nota	Acumulated for the period from January 01 to December 31	
		2023	2022
REVENUE	13	**54,202,928**	47,693,968
Total revenue		**54,202,928**	47,693,968
EXPENSES			
Salaries and employee benefits		**38,772,182**	34,604,713
Other operating expenses	15	**10,154,584**	7,489,633
Depreciation and amortization expenses		**1,582,695**	1,369,746
Total expenses	16	**50,509,461**	43,464,092
TOTAL OPERATING PROFIT		**3,693,468**	4,229,876
OTHER INCOME:			
Finance and other income	14	**3,254,960**	4,341,922
Foreign currency translation, difference	17	**23,197**	(55,259)
Other non-operating expenses, net		**(193,447)**	(149,732)
Total other income, net		**3,084,710**	4,136,931
Profit before tax		**6,778,177**	8,366,807
INCOME TAX BENEFIT (EXPENSES)	9.a)	**(830,683)**	(785,345)
Profit from continuing operations after tax		**5,947,494**	7,581,462
Profit for the period		**5,947,494**	7,581,462
OTHER COMPREHENSIVE INCOME (LOSS)			
Profit for the period		**5,947,494**	7,581,462
Other comprehensive income (loss)		**23,846**	(634)
TOTAL COMPREHENSIVE INCOME		**5,971,340**	7,580,828

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

ThCh$

2023	Nota	Number of shares	Share capital	Retained earnings	Total equity
Opening balance as of January 1, 2023		**431,926**	**16,997,134**	**23,242,066**	**40,239,200**
Adjusted opening balances as of January 1, 2023		**431,926**	**16,997,134**	**23,242,066**	**40,239,200**
Comprehensive income					
Profit for the year		**-**	**-**	**5,947,494**	**5,947,494**
Other comprehensive income/(loss)	4.b)	**-**	**-**	**23,846**	**23,846**
Total comprehensive income		**-**	**-**	**5,971,340**	**5,971,340**
Dividends distributed to the shareholders	12	**-**	**-**	**(5,062,144)**	**(5,062,144)**
Changes in equity		**-**	**-**	**909,196**	**909,196**
Closing balance as of December 31, 2023		**431,926**	**16,997,134**	**24,151,262**	**41,148,396**

ThCh$

2022	Nota	Number of shares	Share capital	Retained earnings	Total equity
Opening balance as of January 1, 2022		431,926	16,997,134	23,461,870	40,459,004
Adjusted opening balances as of January 1, 2022		431,926	16,997,134	23,461,870	40,459,004
Comprehensive income					
Profit for the year		-	-	7,581,462	7,581,462
Other comprehensive income/(loss)	4.b)	-	-	(634)	(634)
Total comprehensive income		-	-	7,580,828	7,580,828
Dividends distributed to the shareholders	12	-	-	(7,800,632)	(7,800,632)
Changes in equity		-	-	(219,804)	(219,804)
Closing balance as of December 31, 2022		431,926	16,997,134	23,242,066	40,239,200

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Cash Flows, Indirect Method
for the years ended December 31, 2023 and 2022

ThCh$

	Nota	For the period from January 1 to December 31	
		2023	**2022**
CLASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Profit for the year		**5,947,494**	7,581,462
Adjustments to reconcile profit for the year: Other Comprehensive income (loss)		**23,846**	(634)
Income tax	9.a)	**830,683**	785,345
Depreciation and amortization		**1,582,695**	1,369,746
Effect of foreign currency translation difference		**(23,197)**	55,259
Total cash flows before changes in working capital		**2,414,027**	2,209,716
(INCREASE)/DECREASE IN WORKING: CAPITAL:			
Trade receivables			
Billed		**(400,773)**	(1,469,239)
Unbilled		**(3,268,397)**	860,231
Other financial assets		**368,407**	4,559
Other assets		**(598,913)**	(115,010)
Trade payables		**851,845**	363,931
Other current financial liabilities		**(9,455)**	149,000
Deferred income		**(682,720)**	630,897
Provision for employee benefits		**233,342**	473,260
Other current liabilities		**868,046**	102,795
Lease liabilities		**1,564,240**	-
Total net increase in working capital		**(1,074,377)**	1,000,423
Interest Paid		**10,953**	35,212
Income tax paid		**(722,665)**	(797,488)
Net cash from operating activities		**6,575,433**	10,029,324
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investment in Equity shares		**-**	(37,878)
Acquisition of furniture and equipment		**(2,180,825)**	(1,354,074)
Net cash used in investing activities		**(2,180,825)**	(1,391,952)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Cash receipts for loans granted to related parties		**-**	123,965
Dividend payment		**(5,062,144)**	(7,800,632)
Payment of lease liabilities		**(864,122)**	(849,997)
Net cash used in financing activities		**(5,962,266)**	(8,526,664)
Net increase/(decrease) in cash and cash equivalents		**(1,531,657)**	110,709
Cash and cash equivalents at January 1		**5,452,792**	5,342,083
Cash and cash equivalents at December 31		**3,921,135**	5,452,792

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

CONTENTS

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

1. OVERVIEW OF THE COMPANY

On October 18, 2005, Tata Consultancy Services (TCS) Chile Limitada was incorporated via public deed.

On December 1, 2006, the shareholders agreed to incorporate the Company as a closely-held shareholders' corporation in conformity with Articles No. 96 and 97 of Law No. 18.046 (the Public Company Act). The Company is referred to as Tata Consultancy Services BPO Chile S.A.

On December 28, 2006, Tatasolution Center S.A. (a subsidiary of Tata Consultancy Services Chile S.A.), was incorporated in Ecuador and commenced its operations on June 1, 2007. It is mainly engaged in providing IT services, software development and maintenance, and administrative and operating processes (BPO) primarily to financial institutions.

On December 29, 2006, Tata Consultancy Services BPO Chile S.A. (formerly - Tata Consultancy Services (TCS) Chile Limitada) acquired 100% of shares of its subsidiary Tata Consultancy Services BPO Chile S.A. (formerly - Comicrom S.A.). Consequently, such subsidiary was dissolved by operation of law.

On February 15, 2010, the foreign subsidiary "Tata Consultancy Services Sucursal Perú" was incorporated via public deed.

At Extraordinary Shareholders' Meeting held on July 30, 2010, the shareholders agreed on the merger through absorption of Tata Consultancy Services BPO Chile S.A. by Tata Consultancy Services Chile S.A., and accordingly, at such meeting the Company's name was changed from Tata Consultancy Services BPO Chile S.A. to Tata Consultancy Services Chile S.A.

In Chile, the Company began operations in 2003 and currently has 1,223 employees in offices located in Santiago (Head office), Valparaíso, Concepción and Buin, having operations throughout Chile through its Technical Service and Regional Exchange areas to provide services to more than 100 customers from several industries, e.g. Bank and Financial Services, Retail, Insurance, Telecommunications, Manufacturing, Governance, Mining and Transportation.

These separate financial statements have to be read and analyzed in conjunction with the consolidated financial statements of Tata Consultancy Services Limited.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared using indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Chilean pesos (Thch$). Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

BASIS OF PRESENTATION OF THE SEPARATE FINANCIAL STATEMENTS

a) Use of estimates and judgments

The preparation of these separate financial statements in conformity with the recognition and measurement principles under IFRS, requires that Management make estimates and judgments which have an impact on the reported balances of assets and liabilities, the disclosures of contingent liabilities at the reporting date, and the balance of income and expenses for the reporting periods.

The underlying estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised and any future periods affected.

The key source of estimation uncertainty at the reporting date, which may result in a material adjustment to the carrying amounts of assets and liabilities within the subsequent financial year, relates to the impairment of goodwill, useful lives of items of furniture and equipment, valuation of deferred tax assets, provisions and contingent liabilities, as detailed below. The main key sources of estimation uncertainty related to revenue recognition, employee benefits, and fair value measurement of financial instruments, have been assessed based on the applicable policies.

Revenue recognition

- The Company's contracts with customers may include multiple goods or services promised to customers. The Company assesses the goods / services promised in a contract and identifies distinct performance obligations in it. The identification of a different performance obligation implies judgment to determine the deliverables involved and the customer's ability to benefit from the good or service, independently of such deliverables.
- In addition, the Company is required to apply judgment to determine the transaction price of the contract. The transaction price could be a fixed amount of customer consideration, or a variable consideration including elements such as volume discounts, service level credits, performance bonuses, price concessions, and incentives. In addition, the transaction price is adjusted for the effects of the time value of money if the contract contains a significant financing component. Any consideration payable to the customer is adjusted at the transaction price, unless it relates to a payment for a different good or service of the customer. The estimated amount of the variable consideration is adjusted in the transaction price only to the extent that it is highly probable that there will be no significant reversal of the retained earnings recognized, and it is reassessed at each reporting period. The Group allocates the elements of variable considerations to all performance obligations of the contract, unless there is observable evidence that such elements relate to one or more different performance obligations.
- The Company applies judgment to determine the appropriate stand-alone selling price for a performance obligation. Regularly, the Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of the separate goods or service promised in the contract. When the stand-alone selling price is not observable, the Company uses the expected cost plus a margin approach to allocate the transaction price to each separate performance obligation.
- The Company applies judgment to determine whether a performance obligation is satisfied at a point in time or over time. It takes into account indicators such as the manner in which the customer consumes the benefits as services are rendered or who controls the asset as it is created, or whether the Company has an enforceable right to payment for performance completed through the present date and the alternative use of such product or service, the transfer of significant risks and rewards to the customer, the acceptance of delivery by the customer, etc.
- Revenue from fixed-price contracts is recognized using the percentage of completion method. The Company applies judgment to estimate the future cost until completion of the contracts and it uses judgment to determine the progress towards complete satisfaction of the performance obligation.
- The costs incurred in complying with the contracts are generally recorded as expenses incurred, except for certain software license costs which comply with capitalization criteria. Such costs are amortized over the lower of the contract term or the license useful life. The assessment of this criterion requires judgment, particularly when considering whether the costs create or enhance resources that will be used in satisfying performance obligations, and whether such costs are expected to be recovered.

Impairment of goodwill

The Company estimates the value in use of cash generating units (CGU) based on future cash flows after taking into account current economic conditions and trends, estimated future operating profit or loss, growth rate, and estimated

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

future economic and regulatory conditions. The Company estimates cash flows using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of principal based on the historic market performance of comparable companies.

Useful lives of items of furniture and equipment

The Company reviews the carrying amount of items of furniture and equipment at the end of each reporting period. This reassessment may result in changes to the depreciation expense for future periods.

Measurement of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in the financial statements. Contingent assets are not recognized or disclosed in the financial statements.

Fair value measurement of financial instruments

When the Company is not able to measure the fair value of financial assets and financial liabilities in the statement of financial position based on quoted prices in active markets, the fair value is measured using valuation techniques which include the discounted cash flow model. Inputs to these models are obtained from observable markets where possible, otherwise a degree of judgment is required to establish fair values. The judgments include considering inputs such as liquidity risk, credit risk and volatility.

Changes in the assumptions with respect to these factors could affect the reported fair value of financial instruments. The policy has been explained in further detail in Note 4.

Leases

The Company assesses whether an agreement is classified as a lease as per the requirements of IFRS 16. Identifying a lease requires significant judgment. The Company uses significant judgment to assess the lease term (including early renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

In general, the discount rate is based on the specific incremental interest rate for the lease under assessment or a lease portfolio with similar characteristics.

b) Statement of compliance

These separate financial statements of Tata Consultancy Services Chile S.A. (hereinafter the "Company"), for the year ended December 31, 2023 and 2022, are presented in Chilean pesos and have been prepared in accordance with IAS 27, "Separate Financial Statements" included in International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (hereinafter the "IASB"), applying the exception described in paragraph 4 of IFRS 10, Consolidated Financial Statements. Likewise, these financial statements are exempt from disclosure provisions contained in IFRS 12.

The information contained in the separate financial statements is the responsibility of the Company's Management which expressly states it has applied all the principles and criteria included in IAS 27 and IFRS; the separate financial statements have been approved by the Board of Directors February 28, 2024.

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

c) Historical cost basis

The separate financial statements have been prepared on the historical cost basis. Generally, the historical cost is based on the fair value of the consideration paid in exchange for goods and services. The fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For purposes of measurement and/or disclosure in these separate financial statements, fair value is determined as described above, except for the determination of value in use under IAS 36, which has been measured at market value.

d) Separate financial statements

(a) Separate statements of financial position

In the separate statements of financial position of Tata Consultancy Services Chile S.A., balances are classified on the basis of their maturities; i.e., as current when they have maturities of 12 months or less, and non-current when the maturity exceeds 12 months. If any obligations exist which maturity is less than 12 months, but according to the Company, its long-term refinancing is secured through credit contracts available unconditionally with long-term maturities, they are classified as long-term liabilities.

(b) Separate statements of comprehensive income

Tata Consultancy Services Chile S.A. has opted to present its statements of income classified by nature.

(c) Separate statements of cash flows

Tata Consultancy Services Chile S.A. has opted to present its statements of cash flows using the indirect method.

e) Reporting period

These separate financial statements of Tata Consultancy Services Chile S.A. were prepared as of December 31, 2023 and 2022 and for the years then ended.

f) Currency

The functional currency of Tata Consultancy Services Chile S.A. is the Chilean peso.

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

g) Basis of translation

Balances of assets and liabilities in UF (inflation-adjusted units), U.S. dollars and other foreign currencies have been translated to Chilean pesos at the exchange rates in force at the closing date of the separate financial statements. At the reporting date, the effective exchange rates are detailed as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
US Dollar	**877,12**	855,56
Inflation- adjusted units (UF)	**36,789.36**	35,110.98

Foreign currency translation differences and adjustments are debited or credited to profit or loss, as applicable, in accordance with IFRS. The exchange rates used by the Company at the reporting date do not significantly differ from those currently in force.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

h) Classification of balances (current and non-current)

In the accompanying statement of financial position, balances are classified according to their maturities, i.e. as current those with maturities of 12 months or less and non-current those with maturities exceeding 12 months.

i) Statement of cash flows

For the preparation of the statement of cash flows, the Company uses the following definitions:

Cash and cash equivalents relates to cash on hand, cash in bank current accounts, time deposit and highly-liquid fixed income mutual fund deposits held in financial entities with original maturities of up to three months and insignificant risk of loss of value.

The statement of cash flows considers the following account categories:

(a) Operating activities

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

(b) Investing activities

Investing activities are the acquisition and disposal of longterm assets and other investments not included in cash and cash equivalents.

(c) Financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The entity has consistently applied the following accounting policies to all periods presented in these separate financial statements.

The accounting policies set out below have been used in the preparation of these separate financial statements. As required by IFRS 1, these policies have been defined considering the IFRS effective as of December 31, 2023.

a) Provisions and contingent liabilities

A provision is a liability of uncertain timing or amount. Provisions are recognized in the balance sheet when the following requirements are met in a copulative manner:

- The Company has a present legal or constructive obligation as a result of a past event.
- It is probable that at the reporting date an outflow of economic benefits will be required to settle the obligation.
- The obligation can be estimated reliably.

A contingent asset or liability is an obligation that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

b) Employee benefits

The Company recognizes accrued vacation expenses using the accrual method. Such benefit is applicable to all personnel and relates to a fixed amount according to each employee's contract, which is recorded at its nominal value.

c) Offsetting of balances and transactions

Generally, in the separate financial statements there is no offsetting of assets or liabilities or revenue and expenses, except for those cases where offsetting is required or permitted by any standard and such presentation is the reflection of the substance of the transaction.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Revenues and expenses generated by transactions which contractually or mandatorily because of the enactment of a law include the possibility of offsetting, are those for which the Company intends either to settle the obligations on a net basis, or to realize the asset and settle the liability simultaneously.

d) New accounting pronouncements

The following accounting pronouncements are mandatory as of January 1, 2023:

New IFRS	**Mandatory Application Date**
IFRS 17 Insurance Contracts.	Annual periods beginning on or after January 1, 2023. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before that date.
Amendments to IFRS.	**Mandatory Application Date.**
Initial application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17).	Annual periods beginning on or after January 1, 2023.
Accounting Policy Disclosures (Amendments to IAS 1 and Practice Statement 2 Making Materiality Judgements).	Annual periods beginning on or after January 1, 2023.
Definition of Accounting Estimate (Amendments to IAS 8).	Annual periods beginning on or after January 1, 2023.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).	Annual periods beginning on or after January 1, 2023.
International Tax Reform Model Rules of the Second Pillar (Amendments to IAS 12).	Annual periods beginning on or after January 1, 2023.

Accounting pronouncements not yet in force

The following accounting pronouncements issued are applicable for annual periods beginning after January 1, 2023, and have not been applied in the preparation of these separate financial statements. The entity intends to adopt the accounting pronouncements applicable to them on their respective dates of application and not in advance.

Amendments to IFRS	**Mandatory Application Date**
Classification of Liabilities as Current or Non-current (Amendments to IAS 1).	Annual periods beginning on or after January 1, 2024. Early adoption is permitted.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10, IFRS 11 and IAS 28).	Effective date deferred indefinitely.
Lease Liabilities in a Leaseback Sale (Amendments to IFRS 16).	Annual periods beginning on or after January 1, 2024. Early adoption is permitted.
Non-current Liabilities with Covenants (Amendments to IAS 1).	Annual periods beginning on or after January 1, 2024.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).	Annual periods beginning on or after January 1, 2024 (with early application permitted) and the amendments to IFRS 7 when applying the amendments to IAS 7.
Lack of Convertibility (Amendment to IAS 21).	Annual periods beginning on or after January 1, 2025. Early adoption is permitted.

These not yet effective issued accounting pronouncements are not expected to have a significant impact on the separate financial statements.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

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.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cashflows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Group does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES, AND EQUITY INSTRUMENTS

Financial assets

Cash and cash equivalents

The Company classifies as cash and cash equivalents all highly-liquid financial instruments, which are readily convertible into known amounts of cash subject to an insignificant risk of changes in value, with maturities of three months or less from the date of acquisition. Cash and cash equivalents comprise cash in banks not restricted for withdrawal and use.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if those financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has adopted the irrevocable option of presenting the subsequent changes in the fair values of capital investments not held for trading in other comprehensive income.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or assumption of financial liabilities at fair value through profit or loss are immediately recognized in the interim condensed statement of profit or loss.

Financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest method.

Equity securities

Equity securities are contracts which establish a residual interest on the Company's assets after deducting all its liabilities. Equity securities issued by the Company are recognized at the amount of the income received net of direct cost of issue.

Impairment of financial assets (not measured at fair value)

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired. IFRS 9 requires that expected credit losses are measured through a loss allowance. The Company recognizes lifetime expected credit losses for all its contract assets and/or trade receivables that do not contain a significant financing component. To determine the allowance for doubtful accounts, the Company has used a practical expedient for the calculation of the allowance for expected credit losses of trade receivables using an allowance matrix. The allowance matrix considers the historical credit loss experience and is adjusted for prospective information. The allowance for expected credit losses is based on the maturity of accounts receivable past due and the rates used in the allowance matrix. For the remaining financial assets, expected credit losses are measured at an amount equal to 12-month expected credit losses or an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

a) Cash and cash equivalents

As of December 31, 2023 and 2022, this caption is composed of the following:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Cash on hand	**1,430**	1,530
Time deposits	**3,640,000**	4,529,244
Cash in banks	**279,705**	922,018
Total	**3,921,135**	5,452,792

As of December 31, 2023 and 2022, cash in banks is as follows:

ThCh$

Bank	Type of currency	As of December 31, 2023	As of December 31, 2022
Banco Santander	Chilean pesos	**113,816**	702,930
Banco Santander	U.S dollar	**145,920**	210,237
Banco Scotiabank Chile (ex BBVA)	Chilean pesos	**19,969**	8,851
Total		**279,705**	922,018

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Cash and cash equivalents have no availability restrictions.

The Company has made no investing or financing transactions that do not require the use of cash and cash equivalents.

Deposits

As of December 31, 2023 and 2022, cash in deposits is as follows:

Bank Name / Counterparty Name	Placement date	Maturity date	Currency	Total Days	Closing Amount
Scotiabank	**26-Dec-2023**	**16-Jan-2024**	**CLP**	**21**	**1,440,000**
Scotiabank	**29-Dec-2023**	**16-Jan-2024**	**CLP**	**18**	**300,000**
Scotiabank	**29-Dec-2023**	**16-Jan-2024**	**CLP**	**10**	**900,000**
Santander Bank	**25-Dec-2023**	**08-Jan-2024**	**CLP**	**13**	**1,000,000**
					3,640,000

Bank Name / Counterparty Name	Placement date	Maturity date	Currency	Total Days	Closing Amount
Banco Santander	28-Dec-22	4-Jan-23	CLP	7	2,100,000
Scotiabank	13-Dec-22	12-Jan-23	CLP	30	888,000
Scotiabank	29-Dec-22	23-Jan-23	CLP	25	65,000
Banco Santander	23-Dec-22	9-Jan-23	USD	17	926,244
Scotiabank	22-Dec-22	23-Jan-23	CLP	32	370,000
Scotiabank	27-Dec-22	26-Jan-23	CLP	30	180,000
					4,529,244

b) Investments

Investment in equity shares at fair value through other comprehensive income.

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

For the investment in equity shares, the company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income which would otherwise be measured at fair value through profit or loss.

Investment in equity shares recognized at fair value through other comprehensive income is:

ThCh$

Name	As of December 31, 2023	As of December 31, 2022
Fully paid Equity shares	**37,877**	38,511
Less: Changes in fair value of Investment	**24,481**	(634)
Investment in Equity shares	**62,358**	37,877

Investments in subsidiaries held at cost

For the preparation of the separate financial statements the Company has used the exemption described in paragraph 4 of IFRS 10, which allows not using the equity method of accounting to recognize investments in subsidiaries in which the entity has control and significant influence provided that certain conditions are met. The Company meets each and every of such conditions as of December 31, 2023 and 2022. The Company's shareholders have authorized the preparation of the separate financial statement because the Company's financial information is included in the consolidated financial statements of its ultimate Parent, Tata Consultancy Services Limited (India), which have been prepared and presented in accordance with IFRS as issued by the IASB, and can be found at the web site: https://www.tcs.com/investor-relations.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Investments in subsidiaries are recognized at cost and relate to:

Subsidiary	Country	Shares	Address
Tata Solution Center S.A.	Ecuador	99.00	Francisco Salazar N°10-6 Quito
Tata Consultancy Services Sucursal del Perú	Perú	100.00	Av. Nicolas Ayllon 2941, 3er Piso, El Agustino, Lima10 - Perú

The Company determines whether it is necessary to recognize an impairment loss in the subsidiaries. The Company determines at each reporting date whether there is objective evidence that the investment in the subsidiary is impaired; if this is the case, the Company calculates the impairment amount as the difference between the higher of the value in use and fair value of the subsidiary and the acquisition cost and recognizes the amount in the statement of profit or loss.

This caption includes investments in subsidiaries held at cost by the Company. The detail is as follows:

Taxpayer ID	Company's Name	Country	2023	2022	2023	2022
			Ownership interest	Ownership interest	Carrying amount	Carrying amount
			%	%	ThCh$	ThCh$
Foreign	Tata Solution Center S.A.	Ecuador	**99.0000**	99.0000	**5,535,701**	5,535,701
Foreign	Tata Consultanc Services Sucursal del Perú	Perú	**100.0000**	100.0000	**5,106,987**	5,106,987
	Total				**10,642,688**	10,642,688
	Total Investment				**10,705,046**	10,680,565

Balances of assets and liabilities in U.S. dollars and Peruvian nuevo sol are translated into Chilian pesos at the exchange rates in force at the closing date U.S. dollar 2023 (877.12) and 2022 (851.789), Peruvian Nuevo sol 2023 (236.97) and 2022 (213.56).

Changes in investments in subsidiaries held at cost by the Company are as follows:

2023 ThCh$

Taxpayer ID	Company's Name	Country	Carrying amounts of the investment as of 01.01.2023	Acquisitions	Disposals	Carrying amounts of the investment as of 31.12.2023
Foreign	Tata Solution Center S.A.	Ecuador	**5,535,701**	**-**	**-**	**5,535,701**
Foreign	Tata Consultancy Services Sucursal del Perú	Perú	**5,106,988**	**-**	**-**	**5,106,987**
	Total		**10,642,688**	**-**	**-**	**10,642,688**

2022 ThCh$

Taxpayer ID	Company's Name	Country	Carrying amounts of the investment as of 01.01.2022	Acquisitions	Disposals	Carrying amounts of the investment as of 31.12.2022
Foreign	Tata Solution Center S.A.	Ecuador	5,535,701	-	-	5,535,701
Foreign	Tata Consultancy Services Sucursal del Perú	Perú	5,106,987	-	-	5,106,987
	Total		10,642,688	-	-	10,642,688

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

As of December 31, 2023, and 2022, the financial information contained in the financial statements of the companies over which the Company has control is detailed as follows:

At 31.12.2023 ThCh$

Taxpayer	Company's name	Country	Assets	Liabilities	Equity	Profit or loss
Foreign	Tata Solution Center S.A.	Ecuador	**25,806,042**	**12,797,552**	**13,008,490**	**4,602,244**
Foreign	Tata Consultancy Services Sucursal del Perú	Perú	**11,087,589**	**7,203,177**	**3,884,412**	**558,775**

At 31.12.2022 ThCh$

Taxpayer	Company's name	Country	Assets	Liabilities	Equity	Profit or loss
Foreign	Tata Solution Center S.A.	Ecuador	23,004,661	12,236,230	10,768,431	4,460,742
Foreign	Tata Consultancy Services Sucursal del Perú	Perú	12,213,003	9,064,054	3,148,949	841,649

c) Trade and other receivables, current

(a) Trade receivables are detailed as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Trade receivables – Billed	**6,384,531**	6,119,608
Receivables due from related parties – Billed	**707,585**	571,735
Total	**7,092,116**	6,691,343

The fair value of trade receivables corresponds to the same business amounts net of the related allowance for doubtful accounts.

(b) Trade receivables past due, unpaid but not impaired are detailed as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Up to 30 days	**6,987,643**	6,583,891
31 to 60 days	**66,440**	104,479
61 to 180 days	**24,096**	5,012
Over 180 days	**21,727**	5,751
Impairment	**(7,790)**	(7,790)
Total	**7,092,116**	6,691,342

(c) Unbilled trade receivables are detailed as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Trade receivables – Unbilled	**4,265,434**	1,220,993
Trade receivables from related parties – Unbilled	**286,161**	62,205
Total	**4,551,595**	1,283,198

Fair value of unbilled trade receivables corresponds to the same business amounts net of the related allowance for doubtful accounts.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

d) Other financial assets

(a) As of December 31, 2023, and 2022, other current financial assets are as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Accrued interest on loans to related parties	**207,606**	603,654
Cash advances and loans to employees	**29,189**	28,774
Other financial assets	**4,351**	1,612
Other financial assets from related parties	**-**	(5)
Total	**241,147**	634,035

e) Trade payables

As of December 31, 2023, and 2022, trade and other payables are detailed as follows:

ThCh$

Current	As of December 31, 2023	As of December 31, 2022
Trade payables	**870,154**	532,204
Payables due to related parties	**1,480,105**	976,749
Other payables	**-**	1,703
Total	**2,350,259**	1,510,656

f) Other financial liabilities

As of December 31, 2023, and 2022, other current non-financial liabilities are detailed as follows:

ThCh$

Current	As of December 31, 2023	As of December 31, 2022
Liabilities for contracts with related Parties	**13,479**	12,653
Other employee benefits	**234,333**	243,619
Other financial liabilities	**104,522**	105,517
Total	**352,334**	361,789

g) Other non-financial liabilities

As of December 31, 2023, and 2022, other current non-financial liabilities are detailed as follows:

ThCh$

Current	As of December 31, 2023	As of December 31, 2022
Employee with holdings	**689,838**	650,687
Payroll tax with holdings	**84,697**	77,986
VAT fiscal debit, net	**1,013,639**	194,730
Other payables	**24,887**	21,612
Total	**1,813,061**	945,015

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

h) Equity disclosures

Subscribed, fully paid capital and number of shares.

As of December 31, 2023, and 2022, the Company's share capital is composed of the following:

Number of shares

ThCh$

Series	No. Subscribed	No. Of paid shares	No. Of shares with voting rights
Single	**431,926**	**431,926**	**431,926**

Capital

ThCh$

Series	Subscribed capital	Share capital
Single	16,997,134	16,997,134

Capital management is intended to maximize the value for the shareholders, safeguard business continuity, and support the Company's growth. The Company determines capital requirements based on annual operating plans, long-term investment plans and other strategic investment plans. Financing requirements are met through capital and cash flows from operating activities generated. The Company is not subject to any capital requirement imposed externally.

i) Financial assets and financial liabilities

As of December 31, 2023, the carrying amount of financial instruments by category is as follows:

ThCh$

2023	Amortized cost	Total carrying amount
Financial assets		
Cash and cash equivalents	**3,921,135**	**3,921,135**
Trade receivables:		
Billed	**7,092,116**	**7,092,116**
Unbilled	**4,551,595**	**5,811,750**
Other current & non-current financial assets	**241,147**	**241,147**
Total	**15,805,993**	**15,805,993**
Financial liabilities:		
Trade payables	**2,350,259**	**2,350,259**
Other financial liabilities	**352,334**	**352,334**
Total	**2,702,593**	**2,702,593**

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

As of December 31, 2022, the carrying amount of financial instruments by category is detailed as follows:

ThCh$

2022	Amortized cost	Total carrying amount
Financial assets		
Cash and cash equivalents	5,452,792	5,452,792
Trade receivables:		
Billed	6,691,343	6,691,343
Unbilled	1,283,198	1,283,198
Other current & non-current financial assets	634,035	634,035
Total	14,061,368	14,061,368
Financial liabilities:		
Trade payables	1,510,656	1,510,656
Other financial liabilities	361,789	361,789
Total	1,872,445	1,872,445

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables (prior year: unbilled revenue), and trade payables as of December 31, 2023, and 2022, approximate their fair value. The difference between carrying amounts and fair values of bank deposits, cash in banks, other financial assets, other financial liabilities and subsequent loans measured at amortized cost is not significant for each period presented.

Fair value hierarchy

Fair value hierarchy is based on valuation techniques used to measure the fair value of observable and unobservable inputs, and includes the following three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair values are determined totally or in part using a valuation model based on assumptions that are not supported by market transaction prices currently observable in the same instrument or based on available market data.

j) Financial risk management

The Company is mainly exposed to variations in foreign exchange rates, credit, liquidity and interest rate risks that may negatively affect the fair value of its financial instruments. The Company has a risk management policy that covers the risks associated with financial assets and financial liabilities. The risk management policy is approved by the Board of Directors. The approach applied by the risk management committee is to assess the unforeseeability of the financial environment and mitigate the potential negative effects on the Company's financial performance.

(a) Market risk

The Company is exposed to market risk related to the risk of fluctuations in the fair value or future cash flows from a financial instrument because of changes in market prices. Such changes in the value of financial instruments may arise from movements in foreign currency exchange rates, interest rate, credit, liquidity and other changes in the market. The exposure to market risk relates mainly to the currency risk.

(b) Currency risk

The fluctuation of foreign currency exchange rate differences may have a potential effect in the statement of profit or loss and other comprehensive income, where any transaction refers to one or more currencies when assets / liabilities are denominated in a currency that is different from the entity's functional currency.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Considering the economic environment of the country in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in such country. The risks mainly relate to the fluctuations in U.S. dollar against the Company's functional currency.

The exchange rate sensitivity is calculated by adding the net exposure to currency risk and a simultaneous change of parallel exchange rates of all currencies by 10% compared to the Company's functional currency.

The analysis below has been prepared based on the Company's net exposure at the reporting date that may affect the statement of profit or loss and other comprehensive income.

As of December 31, 2023, the information related to the exposure to the currency risk is detailed as follows:

ThCh$

2023	USD	MXN	UF	EUR	COP	INR
Financial assets, net	**1,295,783**	**216,875**	**46,933**	**-**	**-**	**-**
Financial liabilities, net	**1,248,298**	**-**	**296,781**	**-**	**-**	**-**

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$ 14,512 for the year ended December 31, 2023.

As of December 31, 2022, the information related to the exposure to the currency risk is detailed as follows:

ThCh$

2022	USD	MXN	UF	EUR	COP	PEN
Financial assets, net	1,572,872	33,975	253,111	-	747	-
Financial liabilities, net	963,581	-	199,211	-	-	-

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$ 697,14 for the year ended December 31, 2022.

(c) Interest rate risk

The Company is not exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual terms or obligations. Credit risk includes the direct risk of default and impairment of credit quality, as well as the concentration of risks. Credit risk is controlled by the analysis of credit limits and the credit capability of customers on an ongoing basis that have been obtained the credit after receiving the authorizations required.

Financial instruments subject to concentrations of credit risk include mainly trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. As of December 31, 2023, cash and cash equivalents include ThCh$3,921,135 held in a bank located in Chile with a high quality credit rating exceeding individually 10% or more of the Company's total cash and cash equivalents. None of the Company's other financial instruments result in a significant concentration of credit risk.

Exposure to liquidity risk

The carrying amount of financial assets represents the maximum credit exposure. As of December 31, 2023 and 2022, the maximum credit exposure amounted to ThCh$ 17,128,505 and ThCh$ 14,758,343, respectively, which corresponds to total carrying amount of cash in banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments.

Trade receivables and contract assets

The exposure to credit risk with respect to trade receivables and contract assets is mainly influenced by individual features of each customer in connection with the practices in the industry and the economic environment in which

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

they operate. The entity limits its exposure to credit risk of trade receivables by establishing a maximum payment period of 272 days for its customers. Subsequent to this, the customers are at default (impaired loan). To manage this risk, the Company has a strong credit management process. The Company has adopted a policy to engage operations only with solvent counterparties. The counterparties' exposure is monitored on a regular basis, and changes to the credit conditions are made as required. The carrying amount of financial assets represents the maximum credit exposure. The Company has derecognized no customer balances, and only a few balances have impaired at the reporting date.

As of December 31, 2023 and 2022, the Company's exposure to customer is diversified; however, certain customers concentrate more than 10% of trade receivables and unbilled revenue:

ThCh$

	As of December 31, 2023		As of December 31, 2022	
	Total receivables and provisions for revenue	%	Total receivables and provisions for revenue	%
Customer A	**2,391,073**	**19**	1,128,048	13
Customer B	**1,513,068**	**13**	982,853	11

Geographical concentration of credit risk.

The geographical concentration of trade receivables (gross and net of provisions) and unbilled revenue are detailed as follows:

Geographic concentration of credit	2023 %	2022 %
Ibero-america	**94**	93
Other	**6**	7

Geographical concentration of trade receivables and unbilled revenue are assigned by the customer location.

The Company uses a provision matrix to measure the expected credit loss from receivables from customers. The expected credit loss is based on credit maturity dates and is detailed as follows:

ThCh$

12.31.2023	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit-impaired
No due	**0%**	**5,598**	**(1)**	**No**
1-90	**0%**	**793**	**(1)**	**No**
91-180	**1%**	**-**	**-**	**No**
181—272	**86%**	**-**	**-**	**No**
>273	**100%**	**-**	**-**	**Yes**

ThCh$

12.31.2022	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit-impaired
No due	0%	5,649	(1)	No
1-90	0%	478	(1)	No
91-180	1%	-	-	No
181—272	28%	-	-	No
>273	100%	-	-	Yes

The gross carrying amount excludes intercompany receivables.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. Liquidity risk management is intended to maintain sufficient liquidity and ensure that funds are available for use as per the requirements.

On a regular basis, the Company generated sufficient cash flows from operations to meet its financial obligations as they mature.

The Company addresses no significant liquidity risk related to its lease liabilities, because current assets are sufficient to comply with obligations related to lease liabilities when they mature.

The detail of the contractual maturities of significant financial liabilities is included in the tables below:

ThCh$

2023	Expired in 1st year	Expired in 2nd year	Expired in 3rd and 5th year M&	Expired more than 5th year	Total
Non-derivative financial liabilities:					
Trade payables	**2,350,259**	**-**	**-**	**-**	**2,350,259**
Lease liabilities	**900,184**	**-**	**1,720,042**	**-**	**2,620,226**
Other financial liabilities	**352,334**	**-**	**-**	**-**	**352,334**
Total	**3,602,777**	**-**	**1,720,042**	**-**	**5,322,819**

ThCh$

2022	Expired in 1st year	Expired in 2nd year	Expired in 3rd and 5th year M&	Expired more than 5th year	Total
Non-derivative financial liabilities:					
Trade payables	1,510,656	-	-	-	1,510,656
Lease liabilities	664,075	1,256,031	-	-	1,920,106
Other financial liabilities	361,789	-	-	-	361,789
Total	2,536,519	-	-	-	3,792,551

5. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances and transactions with related parties

(a) Trade receivables – Billed

Current

ThCh$

Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022
Foreign	Tata Consultancy Services de Mexico S.A. de CV	Common shareholder	**127,686**	(1,557)
Foreign	TCS Solution Center Sucursal Colombia	Common shareholder	**-**	687
Foreign	Tata Consultancy Services Limited (India)	Ultimate Parent	**579,899**	572,605
	Total		**707,585**	571,735

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

(b) Payables

Current ThCh$

Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**764,634**	499,914
77.879.360-1	TCS Inversiones Chile Ltda.	Common shareholder	**87,468**	44,251
Foreign	Tata Consultancy Services de México S.A.	Common shareholder	**107,796**	180,049
Foreign	MGDC S.A.	Common shareholder	**-**	2,616
Foreign	Tata Consultancy Services Sucursal del Perú	Branch	**144,809**	88,686
Foreign	TCS Colombia S.A	Common shareholder	**10,615**	3,920
Foreign	Tata Sons Private Limited.	Common shareholder	**355,348**	152,595
Foreign	TCS Solution Center S.A.	Common shareholder	**9,435**	4,717
	Total		**1,480,105**	976,749

(c) Trade receivables – Unbilled

Current ThCh$

Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**197,875**	28,230
Foreign	Tata Consultancy Services de México S.A.	Common shareholder	**88,287**	33,975
	Total		**286,161**	62,205

(d) Unearned trade receivables

Current ThCh$

Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**193,966**	67,407
	Total		**193,966**	67,407

(e) Interest receivable

ThCh$

			Current		Non Current	
Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
77.879.360-1	TCS Inversiones Chile Ltda.	Parent	**-**	(57)	**-**	-
Foreign	Tata Consultancy Services Sucursal del Perú	Branch	**207,606**	603,711	**-**	-
	Total		**207,606**	603,654	**-**	-

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

(f) Other current assets

Current ThCh$

Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**46,677**	36,358
Foreign	Tata Consultancy Services de Mexixo S.A.	Common Shareholder	**1,205**	9,670
Foreign	TCS Columbia S.A	Common Shareholder	**-**	922
	Total		**47,882**	46,950

(g) Other current financial assets

Current ThCh$

Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**(5)**	(5)
	Total		**(5)**	(5)

(h) Other current financial liabilities

Current ThCh$

Taxpayer ID	Company	Relationship	As of December 31, 2023	As of December 31, 2022
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**13,479**	12,653
	Total		**13,479**	12,653

Transactions among the Company and its related parties correspond to customary operations in terms of their objective and conditions.

Balances receivable and payable are mainly expressed in U.S. dollars and for interest-bearing loans of an approximate annual average rate ranging from 4% to 6% not associated with a repayment schedule, the classification is based on the expected collection period of such accounts receivable.

For 2023, current receivables mainly relate to trade receivables of ThCh$7,092,116 (services rendered), other current financial assets of ThCh$241,147 (loans and interests) while for 2022 this item mainly relates to trade receivables of ThCh$6,691,342 (services rendered), other current financial assets of ThCh$634,035 (loans and interests).

Non-current receivables relate to other non-current financial assets of ThCh$ 0 and ThCh$ 0 for 2023 and 2022, respectively (loans and interests).

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Intercompany payables mainly relate to trade payables of ThCh$1,480,105 and ThCh$976,749 for 2023 and 2022, respectively (services rendered).

ThCh$

Company	Relationship	Transaction description	As of December 31, 2023		As of December 31, 2022	
			Amount	Credit/(debit) to profit or loss	Amount	Credit/(debit) to profit or loss
Tata Consultancy Services Limited	Ultimate Parent	Purchase of services	**963,198**	**(963,198)**	754,594	(754,594)
		Expense reimbursement	**129,099**	**(129,099)**	208,431	(208,431)
		Overhead services	**1,226,271**	**(1,226,271)**	756,080	(756,080)
		Revenue from operations	**2,539,116**	**2,539,116**	3,623,860	3,623,860
TCS Inversiones Chile Ltda.	Parent	Loan repayment	**-**	**-**	123,964	123,964
		Interest income	**-**	**-**	2,590	2,590
		Overhead services	**281,964**	**(281,964)**	223,107	(223,107)
		Dividends paid	**5,062,132**		7,800,614	-
TCS Iberoamerica S.A.		Dividends paid	**12**		18	-
Tata Consultancy Services Sucursal del Perú	Sucursal	Interest Accrued	**-**		265,197	(265,197)
		Purchase of services	**346,713**	**(346,713)**	-	-
Tata Sons Private Limited	Common shareholders	Use of brand	**202,752**	**(202,752)**	241,223	(241,223)
TCS Colombia S.A	Common shareholders	Expense reimbursement	**-**	**-**	110	110
		Revenue from operations	**-**	**-**	192,084	192,084
		Purchase of services	**35,831**	**(35,831)**	27,267	(27,267)
Tata Consultancy Services de México S.A. de CV	Common shareholders	Revenue from operations	**803,512**	**803,512**	349,042	349,042
		Expense reimbursement	**2,245**	**(2,245)**	-	-
		Purchase of services	**604,025**	**(604,025)**	367,694	(367,694)
Tata Solution Center S.A.	Subsidiary	Dividends Income	**2,613,600**	**2,613,600**	4,128,251	4,128,251
TCS Solution Center S.A.	Common shareholders	Purchase of services	**56,609**	**(56,609)**	55,560	(55,560)
TCS Uruguay S.A.	Common shareholders	Purchase of services	**9,855**	**(9,855)**	-	-

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

6. INCOME TAX ASSETS (NET)

a) As of December 31, 2023, and 2022, current tax assets are as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Monthly provisional income tax payments	**1,196,172**	1,050,031
Credit from profits of Perú and other credit	**57,772**	311,901
Credit from dividends of Ecuador	**940,896**	1,582,496
Provision for income tax	**(1,893,899)**	(2,944,428)
Total	**300,941**	-

b) As of December 31, 2023 and 2022, non-current tax assets are as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Remaining balance from prior year	**1,070,431**	366,344
Refund Advance tax	**(662,464)**	-
Provision for income tax	**(349,202)**	704,087
Total	**58,765**	1,070,431

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

7. NON-FINANCIAL ASSETS AND LIABILITIES

a) Furniture and equipment

The cost of items of furniture and equipment comprises their acquisition cost plus any other costs directly attributable to bringing the assets to a working condition for their intended use as foreseen by Management and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located. Financial cost is capitalized in accordance with IAS 23.

Repair, preservation and maintenance expenses are expensed in profit or loss in the period in which they are incurred. Note that certain items of furniture and equipment of Tata Consultancy Services Chile S.A. require regular reviews. In this sense, the items that are replaced are recognized separately from the rest of the asset and with a disaggregation level which allows their amortization in the period between the present and next repair.

Expansion, modernization and improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life, are capitalized as an increase in the value of the assets.

The gain or loss from selling or retirement of an asset is calculated as the difference between the price obtained from the sale and the carrying amount in the accounting records with a debit or credit to profit or loss for the period.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Depreciation

Items of furniture and equipment are depreciated using the straight-line method by distributing the acquisition cost of the assets less their estimated residual value over the estimated useful lives of assets.

The residual value and useful life of items of furniture and equipment are reviewed on an annual basis, and depreciation starts when assets are brought to working condition for their intended use.

The main items of property, plant and their related useful lives are shown below:

	Financial useful life (years)
Furniture and supplies	5
Computers and Equipment	4
Electrical and air conditioning equipment	10
Archive installations	10

Land is recognized separately from the buildings or facilities that may stand on them, it has an indefinite life and, accordingly, it is not depreciated.

Tata Consultancy Services Chile S.A., at least annually, assesses the existence of a possible impairment of assets in furniture and equipment. Any reversal of the impairment loss is recognized in profit or loss, where applicable.

Impairment

Furniture and equipment with a limited useful life are assessed to recover them as long as there is any indication that their carrying amount may not be recoverable. Should such indication exist, the recoverable amount (i.e. the higher of its fair value less costs to sell and its value in use) is determined based on an individual asset, unless such asset generates no cash inflows that are largely independent from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is lower than its carrying amount, then the asset's carrying amount (or CGU) is reduced to its recoverable amount. Impairment losses are recognized in profit or loss.

(a) Detail

The detail by class of furniture and equipment at each year-end, net and gross, is as follows:

ThCh$

Classes of furniture and equipment, net	As of December 31, 2023	As of December 31, 2022
IT equipment	**1,005,110**	1,015,294
Office equipment	**295,775**	121,929
Assets under construction	**14,157**	221,468
Furniture and fixtures	**157,671**	139,838
Machinery	**13,666**	25,729
Electrical installations	**48,713**	41,540
Leasehold improvements	**273,458**	349,997
Total furniture and equipment, net	**1,808,551**	1,915,795

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

ThCh$

Classes of furniture and equipment, gross	As of December 31, 2023	As of December 31, 2022
IT equipment	**8,311,325**	7,860,183
Office equipment	**1,153,182**	922,595
Assets under construction	**14,157**	221,468
Furniture and fixtures	**841,757**	771,056
Machinery	**2,051,753**	2,051,753
Electrical installations	**225,392**	211,112
Leasehold improvements	**1,357,963**	1,300,777
Total furniture and equipment, gross	**13,955,527**	13,338,944

ThCh$

Types of accumulated depreciation and impairment of furniture and equipment	As of December 31, 2023	As of December 31, 2022
IT equipment	**(7,306,214)**	(6,844,889)
Office equipment	**(857,407)**	(800,666)
Furniture and fixtures	**(684,085)**	(631,218)
Machinery	**(2,038,087)**	(2,026,024)
Electrical installations	**(176,679)**	(169,572)
Leasehold improvements	**(1,084,505)**	(950,780)
Total accumulated depreciation and impairment of furniture and equipment	**(12,146,976)**	(11,423,149)

(b) Movements

Accounting movements in net furniture and equipment for the years ended December 31, 2023, and 2022 are as follows:

ThCh$

	IT Equipment	Office equipment	Assets under construction	Furniture and fixtures	Machinery	Electrical installations	Improvements in leased property	Property, plant and equipment, net
Opening balance as of January 1, 2023 (net of accumulated depreciation)	1,015,292	121,930	221,468	139,837	25,729	41,542	349,996	1,915,795
Acquisitions	368,095	142,612	-	61,977	-	14,278	57,187	616,584
Sales and disposals	-	-	-	-	-	-	-	-
Capitalized assets	83,048	87,974	(207,311)	8,725	-	-	27,564	-
Depreciation expense	(461,325)	(56,741)	-	(52,867)	(12,063)	(7,107)	(133,725)	(723,828)
Other increases/(decreases)	-	-	-	-	-	-	-	-
Net property, plant and equipment as of December 31, 2023	1,005,110	295,775	14,158	157,672	13,666	48,713	273,459	1,808,551
Total net property, plant and equipments as of December 31, 2023	1,005,110	295,775	14,158	157,672	13,666	48,713	273,459	1,808,551

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

ThCh$

	IT Equipment	Office equipment	Assets under construction	Furniture and fixtures	Machinery	Electrical installations	Improvements in leased property	Property, plant and equipment, net
Opening balance as of January 1, 2022 (net of accumulated depreciation)	492,833	107,619	4,229	118,999	43,365	39,251	302,309	1,108,604
Acquisitions	870,628	55,095	217,239	63,336	-	8,211	139,565	1,354,074
Sales and disposals	-	-	-	-	-	-	-	-
Depreciation expense	(343,307)	(39,452)	-	(40,847)	(17,636)	(5,895)	(90,022)	(537,159)
Other increases/(decreases)	(4,862)	(1,332)	-	(1,651)	-	(25)	(1,856)	(9,726)
Net property, plant and equipment as of December 31, 2022	1,015,292	121,930	221,468	139,837	25,729	41,542	349,996	1,915,795
Total net property, plant and equipments as of December 31, 2022	1,015,292	121,930	221,468	139,837	25,729	41,542	349,996	1,915,795

The total depreciation expense for 2023 and 2022 amounts to ThCh$1,582,695 and ThCh$1,369,746, respectively, and is classified within the caption Depreciation expense in the separate statements of comprehensive income per nature.

Accounting movements in gross furniture and equipment for the years ended December 31, 2023 and 2022 are as follows:

ThCh$

	IT Equipment	Office equipment	Assets under construction	Furniture and fixtures	Machinery	Electrical installations	Improvements in leased property	Property, plant and equipment, net
Opening balance as of January 1, 2023	**7,860,183**	**922,595**	**221,468**	**771,056**	**2,051,753**	**211,112**	**1,300,777**	**13,338,944**
Acquisitions	**458,053**	**230,587**	**-**	**70,701**	**-**	**14,278**	**57,187**	**830,806**
Sales and disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other increases/(decreases)	**(6,914)**	**-**	**(207,310)**	**-**	**-**	**-**	**-**	**(214,224)**
Total of gross property, plant and equipments as of December 31, 2023	**8,311,323**	**1,153,182**	**14,158**	**841,757**	**2,051,753**	**225,390**	**1,357,964**	**13,955,527**

ThCh$

	IT Equipment	Office equipment	Assets under construction	Furniture and fixtures	Machinery	Electrical installations	Improvements in leased property	Property, plant and equipment, net
Opening balance as of January 1, 2022	6,989,555	867,500	4,229	707,720	2,051,753	202,903	1,161,210	11,984,870
Acquisitions	870,628	55,095	217,239	63,336	-	8,209	139,567	1,354,074
Sales and disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Other increases/(decreases)	-	-	-	-	-	-	-	-
Total of gross property, plant and equipments as of December 31, 2022	7,860,183	922,595	221,468	771,056	2,051,753	211,112	1,300,777	13,338,944

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Accounting movements in accumulated depreciation of furniture and equipment for the years ended December 31, 2023 and 2022 are as follows:

ThCh$

	IT Equipment	Office equipment	Furniture and fixture	Machinery	Electrical installations	Leasehold improvements	Property, plant and equipment, net
Opening balance as of January 1, 2023 (accumulated depreciation)	**6,844,890**	**800,665**	**631,219**	**2,026,024**	**169,573**	**950,780**	**114,423,150**
Acquisitions	-	-	-	-	-	-	-
Sales and disposals	-	-	-	-	-	-	-
Depreciation expense	**461,323**	**56,741**	**52,867**	**12,063**	**7,107**	**133,724**	**723,825**
Other increases/(decreases)	-	-	-	-	-	-	-
Net property, plant and equipment as of December 31, 2023	-	-	-	-	-	-	-
Total net property, plant and equipments as of December 31, 2023	**7,306,323**	**857,407**	**684,085**	**2,038,087**	**176,678**	**1,084,504**	**12,146,973**

ThCh$

	IT Equipment	Office equipment	Furniture and fixture	Machinery	Electrical installations	Leasehold improvements	Property, plant and equipment, net
Opening balance as of January 1, 2022 (accumulated depreciation)	6,496,721	759,881	588,721	2,008,388	163,653	858,902	10,876,265
Acquisitions	-	-	-	-	-	-	-
Sales and disposals	-	-	-	-	-	-	-
Depreciation expense	343,307	39,452	40,847	17,636	5,895	90,022	537,159
Other increases/(decreases)	4,862	1,332	1,651	-	25	1,856	9,726
Net property, plant and equipment as of December 31, 2022	-	-	-	-	-	-	-
Total net property, plant and equipments as of December 31, 2022	6,844,890	800,665	631,219	2,026,024	169,573	950,780	11,423,150

(c) Additional information

(i) Insurance

The Company has entered into insurance policies to cover the possible risks to which the different elements of furniture and equipment may be exposed to, as well as possible claims that might be presented due to the exertion of its activity; these policies sufficiently cover the risks to which they are exposed to.

(ii) Depreciation cost

The depreciation of assets is calculated using the straight-line method during their economic useful life.

Such useful life has been determined based on the expected natural impairment, technical or business obsolescence from changes and/or improvements in production and changes in the market demands of products obtained from operations of such assets.

(iii) Operating leases

TCS records properties and equipment leased under operating lease agreements. Most lease agreements include renewal and escalation clauses. Rental expenses from operating leases amounted to MCh$ 16 and MCh$ 25 in fiscal years 2023 and 2022, respectively.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Below there is a summary of future minimum lease rental commitments for operating leases:

2023

Supplier	Concept	UF value annual	Beginning date	Completion date	Concept
Sociedad Lautario Rios e hijos Ltda.	Leasehold of Valparaiso's branch	**480**	**12-02-2023**	**30-11-2023**	There was not a renewal of the contract

2022

Supplier	Concept	UF value annual	Beginning date	Completion date	Concept
Sociedad Lautario Rios e hijos Ltda.	Leasehold of Valparaiso's branch	480	12.02.2022	12.02.2023	Automatically renewable for a 1 year period.

Future commitments are as follows:

ThCh$

Leasehold of properties	As of December 31, 2023	As of December 31, 2022
Up to a year	**17,640**	15,797
Between a year and five years	**-**	-
More tan five years	**-**	-
Total	**17,640**	15,797

b) Goodwill

Goodwill represents the positive difference between the acquisition cost and the fair value of the identifiable assets acquired, liabilities and contingent liabilities of the acquiree. Goodwill is initially measured at cost and subsequently measured at cost less impairment losses, if any. Goodwill is reviewed annually for the existence of any impairment indications or more frequently if events or changes in circumstances exist indicating that the carrying amount may be impaired.

Impairment

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Relates to goodwill generated as a result of the acquisition of Comicrom S.A. in 2005.

On November 7, 2005, Tata Consultancy Services BPO Chile S.A. (formerly, Tata Consultancy Services (TCS) Chile Ltda.) acquired from Opencrom S.A., 99.99% of ownership interest in Comicrom S.A. The initial balance paid amounted to ThCh$12,099,597 (historical amount), generating an initial goodwill of ThCh$8,584,142 (historical amount) at such date.

The Company determined the fair value of assets and liabilities of the acquiree based on the purchase assessment process, requiring the involvement of external professional specialists, who issued a report on March 10, 2006. Such report determined that no significant differences existed between the initial assessment of the fair value of the acquiree's assets and liabilities and the amount reported by the external specialists.

- The purchase and sale contract for the property of Comicrom S.A. included price adjustment provisions subject to the compliance with certain financial ratios until 2010, which were part of the final determination of the price paid and goodwill.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

- As of December 31, 2023 and 2022, goodwill amounting to ThCh$17,720,950 has been allocated to the Tata Consultancy Services Chile S.A. cash-generating unit. The Company makes an estimate of the value in use of the Tata Consultancy Services Chile S.A. cash-generating unit based on future cash flows using an annual growth rate of 3% after a forecast of five years considering a discount rate of 8.63%. A sensitivity analysis of changes in measurement parameters (operating margin, discount rate and average long-term growth rate) based on assumptions fairly probable has identified no probable scenario where recoverable amounts of the cash-generating unit may decrease to less than the carrying amount.

c) Other non-current assets

The other non-current assets as of December 31, 2023 and 2022, respectively, are detailed below:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Security Deposit	**34,446**	36,897
Contractual assets	**23,912**	-
Total	**58,358**	**36,897**

d) Other current assets

The detail of other current non-financial assets as of December 31, 2023 and 2022, is as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Prepayments	**136,059**	135,751
Contractual assets	**1,188,361**	612,146
Contract assets with related parties	**47,882**	46,950
Total	**1,372,302**	794,847

The movement in the contract assets is given below:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Opening balances as of December 31, 2022	**659,096**	581,599
Recognized revenue at the beginning of the period	**(252,941)**	(513,184)
Increase due to invoicing during the year, excluding amounts revenue during the year	**851,941**	576,272
Foreign currency translation differences	**2,057**	14,409
Closing balances as of December 31, 2023	**1,260,153**	659,096

e) Other non financial liabilities

The detail of the other current non-financial liabilities as of December 31, 2023 and 2022, is as follows:

Currents	As of December 31, 2023	As of December 31, 2022
Employee withholdings	**689,838**	650,687
Payroll tax withholdings	**84,697**	77,986
VAT fiscal debit, net	**1,013,639**	194,730
Other payables	**24,887**	21,612
Total	**1,813,061**	945,015

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

- The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component based on the stand-alone price related to the lease component and the aggregate stand-alone price of non-lease components.
- The Company recognizes the right-of-use asset that represents its right to use the underlying asset during the lease term on the commencement date of the lease. The cost of the right-of-use asset measured at inception shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are subsequently measured at cost less any accumulated depreciation or accumulated impairment losses, if any, and are adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated using the straight-line method starting from the commencement date over the shorter of the lease term or the useful life of the right-of-use asset. Estimated useful lives of right-of-use assets are determined on the same basis as those of furniture and equipment. Right-of-use assets are tested for impairment when there is evidence that the carrying amount may not be recoverable. Impairment losses, if any, are recognized in profit or loss.
- The Company measure the lease liability at the present value of lease payments that are not paid at the commencement date of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If this rate cannot be readily determined, the Company shall use its incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt, on a lease-by-lease basis, the incremental borrowing rate specific for the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments will include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
- The lease liability is subsequently remeasured increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes the amount of the remeasurement of the lease liability due to the modification as an adjustment to the right-of-use asset and profit or loss, depending on the nature of the modification. When the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in profit or loss.
- The Company has elected not to apply the requirements of IFRS 16 to leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets owned by the Company are detailed as follows:

ThCh$

	Acquisitions for 2023	Net carrying amount for 2023	Acquisitions for 2022	Net carrying amount for 2022
Leased land	**-**	**-**	-	-
Buildings	**-**	**2,448,785**	-	1,743,411
Leasehold improvements	**-**	**-**	-	-
Computer equipment	**-**	**-**	-	-
Furniture, fixture, office equipment and other assets	**-**	**-**	-	-
Total	**-**	**2,448,785**	-	1,743,411

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

The depreciation of the right-of-use asset is as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Leased land	**-**	-
Buildings	**858,866**	822,863
Computer equipment	**-**	-
Furniture, fixtures, office equipment and other assets	**-**	-
Total	**858,866**	822,863

Amounts recognized in the statement of profit or loss

ThCh$

	As of December 31, 2023	As of December 31, 2022
Depreciation	**858,866**	822,863
Interest on the lease liability	**138,160**	89,441
Expenses related to short-term leases and leases of low value assets	**38,785**	36,391
Income from subleases of right of use assets	**-**	-

Amounts recognized in the statement of cashflows

ThCh$

	As of December 31, 2023	As of December 31, 2022
Total cash outflows for leases	**700,120**	1,127,487

The leasing contracts entered into by the Company mainly refer to buildings leased to carry out its business in the ordinary course. The Company has no lease restrictions and commitment to equities under the contract.

Current and non-current lease liabilities are detailed as follows:

ThCh$

Supplier	Currency	Rate	Beginning date	Termination date	12.31.2023		12.31.2022	
					Short Term Carrying amount	Long Term Carrying amount	Short Term Carrying amount	Long Term Carrying amount
Bello Monte	Ch$	3,89	Nov-17	Dec-25	**615,811**	**640,199**	592,354	1,256,031
Orinoco 150	Ch$	7,24	Mar-28	Mar-28	**49,030**	**186,361**	12,366	
Orinoco 720	Ch$	3,78	Mar-28	Mar-28	**235,343**	**893,513**	59,355	
Total					**900,184**	**1,720,073**	664,075	1,256,031

9. INCOME TAX AND DEFERRED TAXES

Income tax expense comprises the current income tax expense and net variation in the deferred income tax asset or liability during the year. Current taxes and deferred taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly recognized in equity, in which case they are also recognized in other comprehensive income or directly in equity, respectively.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Current income taxes

Current income tax is based on the tax profit for the year, and is calculated using the tax rates enacted at the reporting date.

Prepaid taxes and current income tax provisions are recognized in the statement of financial position upon offsetting such prepaid taxes and income tax provisions generated from the same tax jurisdiction and where the relevant tax payment unit is aimed at settling the asset and liability on a net tax basis.

Deferred taxes

The Company recognizes deferred taxes using the statement of position method. Deferred taxes are obtained from temporary differences between the tax base of assets and liabilities, and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantially enacted tax rates or rates expected to be applied on taxable income in the years the Company expects to receive them or the temporary differences are settled. Deferred tax assets and liabilities are offset when they relate to the income taxes collected by the same tax authority and the relevant company intends to settle its assets and liabilities on a net tax basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and discounted to the extent that it is not probable that sufficient taxable profit will be available to allow the use of a portion or all that deferred tax asset.

a) Income tax recognized in profit or loss for the year

ThCh$

Income tax (expenses) Benefit	As of December 31, 2023	As of December 31, 2022
Adjustment to prior period current tax	**59,987**	124,478
Other current tax income/(expenses)	**(799,535)**	(1,311,433)
Current tax expenses	**(739,548)**	(1,186,955)
Deferred tax income/expenses related to the generation an reversal of temporary differences for current tax	**-**	-
Deferred tax income/expenses	**(91,135)**	401,610
Total	**(830,683)**	(785,345)

b) Reconciliation of accounting profit or loss to taxable profit or loss

ThCh$

Reconciliation of tax expenses using the legal rate to tax expenses using the effective rate	As of December 31, 2023	As of December 31, 2022
Profit before tax	**6,778,177**	8,366,173
Effective tax rate	**27%**	27%
Tax expenses using the legal rate	**(1,830.108)**	(2,258,867)
Income with tax credit from foreign source	**-**	291,501
Adjustment of prior year tax determination	**284,272**	124,478
Change in deferred taxes	**(95,063)**	(318,541)
Dividends received from foreign source	**810,216**	1,376,084
Tax income using the effective rate	**(830,683)**	(785,345)

On September 29, 2014, Law No. 20.780 was enacted in Chile, establishing a permanent change in the corporate income tax rate of 21% starting from 2014, up to a 27% starting from 2019.

On January 27, 2016, the Act that simplifies the tax reform was passed, which is intended to simplify the income tax system in force from 2017; make adjustments to the value-added tax; as well as to the anti-circumvention rules.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

Concerning tax system, the proposed amendment considers that Shareholders' corporations (openly and closely held), as in the case of the Company should always be taxed according to the partially-integrated system. Later, this system will be the general taxation regime for companies beginning from the commercial year 2017.

c) Deferred taxes

As of December 31, 2023 and 2022, the detail of accumulated balances of deferred tax assets and liabilities is as follows:

ThCh$

Recognized deferred tax assets related to:	As of December 31, 2023	As of December 31, 2022
Accrued vacations	**771,129**	706,188
Adoption of IFRS 16	**46,289**	47,708
Other	**550,203**	633,861
Total	**1,367,622**	1,387,757
Recognized deferred tax liabilities related to:		
Furniture and equipment	**(194,895)**	(123,895)
Net amount	**1,172,727**	1,263,862

d) Movement in deferred taxes

As of December 31, 2023 and 2022, the detail of movements in deferred tax assets and liabilities is as follows:

ThCh$

2023	Opening balance	Effects recognized in profit or loss	Closing balance
Recognized deferred tax assets related to:			
Accrued vacations	**706,188**	**64,941**	**771,129**
Adoption of IFRS 16	**47,708**	**(1,419)**	**46,289**
Other	**633,861**	**(83,657)**	**550,203**
Total deferred tax assets	**1,387,757**	**(20,135)**	**1,367,622**
Recognized tax liabilities to:			
Furniture and equipment	**(123,895)**	**(70,999)**	**(194,895)**
Net balance as of December 31, 2022	**1,263,862**	**(91,135)**	**1,172,727**

ThCh$

2022	Opening balance	Effects recognized in profit or loss	Closing balance
Recognized deferred tax assets related to:			
Accrued vacations	576,769	129,419	706,188
Adoption of IFRS 16	55,035	(7,327)	47,708
Other	337,178	296,683	633,861
Total deferred tax assets	968,982	418,775	1,387,757
Recognized tax liabilities to:			
Furniture and equipment	(106,731)	(17,164)	(123,895)
Net balance as of December 31, 2022	862,251	401,611	1,263,862

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

10. EMPLOYEE BENEFITS

a) Provision for employee benefits

As of December 31, 2023, and 2022, this caption is detailed as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Vacation	**2,856,035**	2,615,511
Other	**17,380**	24,561
Total	**2,873,415**	2,640,072

b) Movements in employee benefits

ThCh$

2023	Other assignments	Accrued vacations	Total
Opening balance	**24,562**	**2,615,510**	**2,640,072**
Movements:			
Additional obligations	**233,312**	**2,333,231**	**2,566,542**
Obligations used	**(240,494)**	**(2,092,707)**	**(2,333,200)**
Total movements	**(7,182)**	**240,524**	**233,342**
Closing balance as of December 31, 2023	**17,380**	**2,856,035**	**2,873,415**

ThCh$

2022	Other assignments	Accrued vacations	Total
Opening balance	30,633	2,136,180	2,166,813
Movements:			
Additional obligations	324,760	1,845,706	2,170,466
Obligations used	(330,831)	(1,366,376)	(1,697,207)
Total movements	(6,071)	479,330	473,259
Closing balance as of December 31, 2022	24,562	2,615,510	2,640,072

11. DEFERRED REVENUE

As of December 31, 2023, and 2022, deferred revenue as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Services invoiced in advance	**100,761**	910,038
Services invoiced in advance from related parties	**193,966**	67,407
Total	**294,727**	977,445

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

ThCh$

	As of December 31, 2023	As of December 31, 2022
Opening balance as of December 31, 2022	**977,445**	346,548
Recognized revenue at the beginning of the period	**(899,486)**	(273,521)
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	**217,228**	894,813
Foreign currency translation differences	**(460)**	9,605
Closing balance as of December 31, 2023	**294,727**	977,445

12. DIVIDENDS PAID

The distribution of dividends to the shareholders is recognized as a liability at the end of each year in the separate financial statements, based on the dividend policy established in the by laws and by the shareholders at the Ordinary General Shareholders' Meeting.

Dividends of ThCh$ 5,062,144 relate to dividends paid with a debit to retained earnings as of December 31, 23.

Dividends of ThCh$ 7,800,632 relate to dividends paid with a debit to retained earnings as of December 31, 22.

13. OPERATING PROFIT

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognized using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.

Revenue from the sale of distinct internally developed software and manufactured systems and third-party software is recognized upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognized over time on a POC method.

Revenue from the sale of distinct third-party hardware is recognized at the point in time when control is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party products is recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue also excludes taxes collected from customers.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

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 recognized 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 license costs which meet the criteria for capitalization. Such costs are amortized over the contractual period or useful life of license, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The disaggregation of revenue per nature is as follows:

ThCh$

	Year ended December 31,2023	Year ended December 31,2022
Consulting services	**54,139,962**	47,645,713
Sale of equipment and software licenses	**62,966**	48,255
Total	**54,202,928**	47,693,968

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

The disaggregation of revenue per industry is as follows:

ThCh$

Industry vertical's	**Year ended December 31,2023**	**Year ended December 31,2022**
Banking, finance and insurance	**43,040,182**	39,082,285
Manufacture	**1,298,634**	1,080,648
Retail and consumer products	**1,962,259**	2,017,626
Communication, Media and Technology	**5,418,632**	3,828,062
Other	**2,483,221**	1,685,347
Total	**54,202,928**	47,693,968

The disaggregation of revenue per geography is as follows:

ThCh$

Geographic location	**Year ended December 31,2023**	**Year ended December 31,2022**
Ibero-America	**54,202,928**	47,693,968
Total	**54,202,928**	47,693,698

Geographical revenue is allocated based on customers' location.

Although the Company discloses the aggregate amount of the transaction price not yet recognized as revenue for unsatisfied (or partially satisfied) performance obligations, along with the expected time to recognize revenue, the Company has applied the practical expedient included in IFRS 15.

Accordingly, the Company has not disclosed the aggregated transaction price allocated to the unsatisfied (or partially satisfied) performance obligations that relate to contracts in which recognized revenue corresponds to the value transferred to the client that generally involves time and materials, result-based contracts and events.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors, such as terminations, changes in the scope of the contract, periodic revalidation of estimates, economic factors (changes in the exchange rates, tax laws, etc.). The aggregated amount of the transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ThCh$ 4,458,118 from which 84 % is expected to be recognized as revenue in the next year and subsequent balance. All considerations related to contracts with customers are included in the aforementioned amount.

Changes in unearned and deferred revenue are disclosed in Note 11.

14. FINANCE INCOME AND OTHER INCOME

As of December 31, 2023, and 2022, finance income and other income is as follows:

ThCh$

	As of December 31, 2023	**As of December 31, 2022**
Interest from loans granted to related parties and other	**-**	2,590
Interest on deposits with Banks	**522,986**	125,087
Interest on Income Tax Refunds	**118,374**	85,994
Dividend from Subsidiary parties	**2,613,600**	4,128,251
Total	**3,254,960**	4,341,922

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

15. OTHER OPERATING EXPENSES

As of December 31, 2023 and 2022, other operating expenses are as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Leases	**238,920**	196,840
Data transmissions circuits (communications)	**928,328**	914,710
Facilities expenses	**672,596**	607,340
Marketing and advertising	**50,749**	31,447
Office and other expenses	**5,415,802**	3,578,532
Subcontractor's expenses	**2,394,837**	1,578,386
Travel expenses	**145,011**	170,310
Notary and municipal expenses	**133,228**	126,493
Advisory services expenses	**102,556**	110,329
Bad debts and advances written off, allowances for doubtful trade receivable and advances (Net)	**(1,268)**	117,379
Other expenses	**73,826**	57,867
Total	**10,154,584**	7,489,633

16. EXPENSES BY FUNCTION

As of December 31, 2023, and 2022, expenses by function are detailed as follows:

ThCh$

	As of December 31, 2023	As of December 31, 2022
Salaries and employee benefits	**38,772,182**	34,604,713
Other operating expenses	**10,154,584**	7,489,633
Depreciation and amortization expenses	**1,582,695**	1,369,746
Total	**50,509,461**	43,464,092

17. FOREIGN CURRENCY TRANSLATION DIFFERENCE

ThCh$

	As of December 31, 2023	As of December 31, 2022
Receivables due from/payables due to related parties	**55,043**	16,984
Other foreign currency translation differences	**(78,240)**	(72,243)
Total	**(23,197)**	(55,259)

Other differences generated by cash available, receivables and payables in foreign currency.

Notes to the Separate Financial Statements As of December 31, 2023 and 2022

18. GUARANTEES COMMITTED WITH THIRD PARTIES

As of December 31, 2023, collaterals and commitments relate to performance bonds issued by Scotiabank Chile (Formerly - BBVA) and Santander, which are detailed as follows:

Customer	Currency	2023	2024	2025	Total
Agencia de Calidad de la educacion	CLP	-	190,262,775	185,649,541	375,912,317
Banco de Chile	UF	-	-	827	827
Banco del Estado de Chile	CLP	-	-	7,756,076	7,756,076
Banco del Estado de Chile	UF	-	397	2,827	3,224
Banco Santander Chile	CLP	-	-	28,055,863	28,055,863
Banco Santander Chile	UF	810	-	-	810
Falabella S.A	USD	10,000			10,000
CAT Administradora de Tarjetas S.A.	UF	-	915	-	915
Celulosa Arauco y Constitución S.A.	UF	-	2,489	-	2,489
Santander Consumer Chile S.A.	UF	-	2,003	-	2,003
Santander Consumer finance Ltda	UF	-	256	-	256
SCOTIABANK CHILE	UF	-	2000	-	2,000
Telefónica Chile S.A.	UF	-	-	-	-
TRANSBANK S.A.	UF	-	8,262	-	8,262
Femsa Salud,S.A.	UF	-	15,000,000	-	15,000,000
Tanner Servicios Financieros	CLP		3,667,744	-	3,667,744

19. LAWSUITS AND CONTINGENCIES

During the year 2023 the company maintain 5 cases of Laboral claims, as per in the opinion of the lawyers does not represent a risk for the company.

The Company has contractually committed (net prepayment) ThCh$ 16,857 as of December 31, 2023 and MCh$232,015 as of December 31, 2022 for the acquisition of furniture and equipment.

20. SUBSEQUENT EVENTS

Between January 1, 2024 and the date these financial statements have been authorized for issuance, there are no additional subsequent events that could significantly affect the Company's financial position and/or profit or loss or which may require disclosures in the notes to the financial statements.

TATASOLUTION CENTER S.A.

FINANCIAL STATEMENTS

For the year ended December 31, 2023

With Independent Auditors' Report Thereon

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF
TATASOLUTION CENTER S.A.

Opinion

We have audited the financial statements of **TATASOLUTION CENTER S.A.**, which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **TATASOLUTION CENTER S.A.** as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Bases for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Public Accountants (IESBA Code) together with the ethical requirements for our audit of the financial statements in force in Ecuador, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our opinion.

Other information

The administration of **TATASOLUTION CENTER S.A.** is responsible for the preparation of other information. The other information comprises the annual report of the General Manager which we obtained prior to the date of this auditor's report.

Our opinion on the individual financial statements does not cover the other information and consequently we do not express any other form of assurance conclusion in this regard.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance with respect to the financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the internal control that the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process of the **TATASOLUTION CENTER S.A.**

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Company's governance in relation to, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiency in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Separately, we issue the opinion on the Company's compliance with its tax obligations as of December 31, 2023.

February 28, 2024
Quito, Ecuador

Franklin Pinta Benítez
CPA No.17.107
Grant Thornton Dbrag Ecuador Cía. Ltda.
RNAE No. 322

Statements of Financial Position

(In thousands of USD)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	8 (a)	**22,902**	21,717
Trade receivables			
Billed	8 (b)	**866**	448
Unbilled	8 (c)	**1,854**	1,495
Other financial assets	8 (d)	**681**	704
Other assets	10 (c)	**1,066**	697
Total current assets		**27,369**	25,061
Non-current assets:			
Other financial assets	8 (d)	**24**	-
Deferred tax assets	15	**735**	572
Property, plant and equipment	10 (a)	**546**	684
Right-of-use assets	9	**423**	558
Advance income taxes (net)	14	**332**	-
Other assets	10 (c)	**1**	4
Total non-current assets		**2,061**	1,818
TOTAL ASSETS		**29,430**	26,879
LIABILITIES AND EQUITY			
Liabilities:			
Current liabilities:			
Trade and other payables	8 (e)	**1,144**	1,487
Lease liabilities		**129**	124
Other financial liabilities	8 (f)	**4,352**	1,906
Unearned and deferred revenue	11	**427**	458
Employee benefit obligations	15 (a)	**534**	482
Income tax payable (net)	14	**1,064**	1,391
Other liabilities	10 (d)	**1,234**	2,226
Total current liabilities		**8,884**	8,074
Non-current liabilities:			
Lease liabilities		**310**	438
Employee benefit obligations	15 (b)	**5,407**	5,785
Total non-current liabilities		**5,717**	6,223
TOTAL LIABILITIES		**14,601**	14,297
Equity:			
Share capital	8 (j)	**3,001**	3,001
Legal reserves	5	**1,506**	1,506
Retained earnings	5	**10,322**	8,075
TOTAL EQUITY		**14,829**	12,582
TOTAL LIABILITIES AND EQUITY		**29,430**	26,879

Demian Astorga
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO THE ACCOMPANYING FINANCIAL STATEMENTS

Statements of Profit or Loss and Other Comprehensive Income

(In thousands of USD)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenues	11		
Consultancy services		**53,074**	56,034
Sale of equipment and software licences		**267**	219
TOTAL REVENUES		**53,341**	56,253
Operating expenses:			
Employee benefits expenses	15	**41,888**	40,135
Depreciation expense		**409**	1,122
Other operating expenses	12	**5,977**	8,676
TOTAL OPERATING EXPENSES		**48,274**	49,933
Operating profit		**5,067**	6,320
Other income			
Finance and other income	13 (a)	**1,646**	937
Finance costs	13 (b)	**(163)**	(82)
Other gains, net	13 (c)	**23**	27
OTHER INCOME, NET		**1,506**	882
Profit before income taxes		**6,573**	7,202
Income tax expense	14	**(1,189)**	(1,907)
Profit for the year		**5,384**	5,295
OTHER COMPREHENSIVE INCOME (OCI):			
Items that will not be reclassified subsequently to profit and loss:			
Remeasurement of defined employee benefit plans	15	**(137)**	(83)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,247**	5,212

Demian Astorga
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO THE ACCOMPANYING FINANCIAL STATEMENTS

Statements of Changes in Equity

(In thousands of USD)

	Note	Share capital	Legal reserves	Retained earnings	Adoption of IFRS	Total Retained Earnings	Total equity
Balance as at December 31, 2021		3,001	1,506	8,003	(140)	7,863	12,370
Profit for the year		-	-	5,295	-	5,295	5,295
Other comprehensive income	16	-	-	(83)	-	(83)	(83)
Dividends		-	-	(5,000)	-	(5,000)	(5,000)
Balance as at Dec 31, 2022		3,001	1,506	8,215	(140)	8,075	12,582
Profit for the year		**-**	**-**	**5,384**	**-**	**5,384**	**5,384**
Other comprehensive income	**16**	**-**	**-**	**(137)**	**-**	**(137)**	**(137)**
Dividends		**-**	**-**	**(3,000)**	**-**	**(3,000)**	**(3,000)**
Balance as at December 31, 2023		**3,001**	**1,506**	**10,462**	**(140)**	**10,322**	**14,829**

Loss of USD (137) thousand and Loss of USD (83) thousand on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the year ended December 31, 2023 and 2022, respectively.

Demian Astorga
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO THE ACCOMPANYING FINANCIAL STATEMENTS

Statements of Cash Flows

(In thousands of USD)

	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**5,384**	5,295
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	**409**	1,122
Allowances for doubtful trade receivables and bad debts written off	**(566)**	-
Income tax expense	**1,189**	1,907
Net change in		
Trade receivables		
Billed	**149**	27
Unbilled	**(358)**	(389)
Other financial assets (current and non-current)	**(2)**	(87)
Other current assets	**(370)**	-
Other non-current assets	**3**	(2)
Trade and other payables	**(344)**	306
Other financial liabilities (current)	**2,446**	(713)
Unearned and deferred revenues	**(31)**	42
Employee benefit obligations	**52**	(173)
Other liabilities current	**(992)**	(64)
Other non current liabilities - Employee benefit obligations	**(515)**	591
Cash provided from operations	**6,455**	7,861
Taxes paid (net of refunds)	**(2,011)**	(2,287)
Net cash provided by operating activities	**4,444**	5,573
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	**(136)**	(527)
Net cash used in investing activities	**(136)**	(527)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(3,000)**	(5,000)
Repayment of lease liabilities	**(123)**	(217)
Net cash used in financing activities	**(3,123)**	(5,217)
Net increase (decrease) in cash	**1,185**	(171)
Cash and cash equivalents, beginning of the year	**21,717**	21,888
Cash and cash equivalents, end of the year	**22,902**	21,717
Supplementary Cash flow Information		
Interest paid	**20**	35
Interest received	**1,628**	911

Demian Astorga
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO THE ACCOMPANYING FINANCIAL STATEMENTS.

Notes to the financial statements

1. GENERAL INFORMATION

TATASOLUTION CENTER S.A., a subsidiary of Tata Consultancy Services Chile S.A., was incorporated in Ecuador on December 28, 2006 and began operations on June 1, 2007. The Company's principal activity is the provision of IT services, software development and management services and Business Processing Operations (BPO), principally to financial sector institutions.

The principal client of TATASOLUTION CENTER S.A. is Banco Pichincha C.A., representing approximately 90 percent of its total revenues. Among the most significant services provided to the bank are software development services and maintenance and business processing operations (BPO).

Information included in these financial statements is the responsibility of Company´s management.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefits plans which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The Statement of Cashflow have been prepared using indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the United States of America dollar (USD). The functional currency of the Company is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

Notes to the financial statements

a. Revenue recognition

Revenue for fixed-price contracts are recognized using percentage-of-completion method. The Company uses judgement to estimate the future cost-to- completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates and judgements, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value).

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Employee benefits

The present value of employee benefit provisions depends on various factors that are determined using an actuarial calculation based on various assumptions. The assumptions used in determining the net cost of the benefits include a discount rate. Any change in assumptions impacts the carrying amount of the employee benefit provisions.

The actuary contracted by the Company to perform the actuarial calculation uses the discount rate, the mortality rate and the turnover rate at the end of each year as reported by Company management. The discount rate is the interest rate to be used to determine the present value of estimated expected future cash flows that will be required to comply with the benefit obligation, which is determined by reference to market yields, at the end of the year, corresponding to high quality corporate bonds in the currency in which the profits will be paid.

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a

Notes to the financial statements

lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. NATURE AND PURPOSE OF RESERVES

a. Legal Reserve

The Companies' Law requires that at least 10 percent of annual income be appropriated as a legal reserve until such reaches a minimum of 50 percent of share capital. This reserve is not available for payment of dividends but may be capitalized in its entirety.

b. Retained Earnings

A summary of retained earnings is as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Retain Earnings – distributable	**10,462**	8,215
Accumulated Losses (*)	**(140)**	(140)
Total	**10,322**	8,075

*Generated on first time adoption of IFRS

Accumulated earnings from first-time adoption of IFRS - include amounts resulting from adjustments arising from first-time adoption of IFRS. The debt balance may be absorbed by accumulated earnings and those of the previous terminated year, if any, in accordance with the resolution issued by the Superintendence of Companies on October 14, 2011.

6. OFFSETTING BALANCES AND TRANSACTIONS

As a general rule neither assets and liabilities nor income and expenses are offset in the financial statements, except in those cases in which compensation is required or permitted under a standard and such presentation reflects the essence of the transaction.

Income and expenses originating in transactions that, contractually or by statute, provide for the possibility of offset and that the Company has the intention of settling for their net amount or realizing the assets and proceeding to pay the liability simultaneously are presented net in profit and loss.

7. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1] Effective for annual periods beginning on or after January 1, 2024.

[2] Effective for annual periods beginning on or after January 1, 2025.

Notes to the 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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

The Company has applied IFRIC 23 effective for annual periods beginning on or after January 1, 2019 as below:

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

Notes to the financial statements

8. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, 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 Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Notes to the financial statements

a) Cash and Cash Equivalents

As shown in the statement of cash flows, cash and cash equivalents may be reconciled with related items in the statement of financial position as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Current account balances with banks	**50**	51
Cash on hand	**1**	2
Deposits with banks (1)	**22,851**	21,664
Total	**22,902**	21,717

(1) At December 31, 2023, Deposit with banks correspond to certificates of deposit and sweep account with local financial institutions maturing up to January and February 2024 (up to January and February 2023 for year 2022) with an average interest rate of 8.60 percent and 8.80 percent respectively (6.20 percent and 6.56 percent for year 2022).

b) Trade Receivables – Billed

Trade receivables - Billed – Current

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Trade receivables - Billed	**957**	1,106
Less: Allowance for doubtful trade receivables	**(91)**	(658)
Total	**866**	448

Trade receivables include balances with related parties (Refer Note 17)

c) Trade Receivables – Unbilled

Trade receivables - Unbilled – Current

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Trade receivables - Unbilled	**1,854**	1,495
Total	**1,854**	1,495

Trade receivables include balances with related parties (Refer Note 17)

Notes to the financial statements

d) Other Financial Assets

Other financial assets consist of the following:

Other financial assets - Current

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Restricted Cash (1)	**483**	483
Employee advances	**47**	71
Deposits for premises	**41**	58
Accrued Interest	**109**	91
Others	**1**	1
Total	**681**	704

(1) Restricted cash comprises of Deposits with lien.

Other financial assets – Non Current

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Deposits for premises	**24**	-
Total	**24**	-

e) Trade and Other Payables

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Trade payables	**612**	816
Accrued expenses	**532**	671
Total	**1,144**	1,487

Trade and Other payables include balances with related parties (Refer Note 17)

f) Other financial liabilities – Current

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Other employee accounts payable	**2,786**	172
Profit sharing	**1,189**	1,300
Social Benefits	**346**	421
Payable for volume discount	**13**	8
Capital Creditors	**18**	5
Total	**4,352**	1,906

Notes to the financial statements

Employee profit-sharing - In accordance with current legislation, workers are entitled to a 15 percent share in a company's profits applicable to accounting for pre-tax profits. Movements in the provision for employee profit-sharing were as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Balances, beginning of year	**1,300**	1,937
Provision for the year	**1,160**	1,271
Payment made	**(1,271)**	(1,908)
Balances, end of year	**1,189**	1,300

g) Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

(In thousands of USD)

2023	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**22,902**	**22,902**
Earmarked balances with banks	**483**	**483**
Trade receivables		
Billed	**866**	**866**
Unbilled	**1,854**	**1,854**
Other financial assets	**221**	**221**
Total	**26,326**	**26,326**
Financial liabilities		
Trade and other payables	**1,144**	**1,144**
Lease liabilities	**438**	**438**
Other financial liabilities	**4,351**	**4,351**
Total	**5,933**	**5,933**

Notes to the financial statements

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

(In thousands of USD)

2022	Amortised Cost	Total carrying value
Financial assets		
Cash and cash equivalents	21,717	21,717
Earmarked balances with banks	483	483
Trade receivables		
Billed	448	448
Unbilled	1,495	1,495
Other financial assets	220	220
Total	24,363	24,363
Financial liabilities		
Trade and other payables	1,487	1,487
Lease liabilities	562	562
Other financial liabilities	1,906	1,906
Total	3,955	3,955

Carrying amounts of cash and cash equivalents, trade receivables, and trade payables as at December 31, 2023 and 2022 approximate the fair value due to their nature. Carrying amounts of other financial assets, other financial liabilities and borrowings which are subsequently measured at amortized cost also approximates the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

h) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

i) Financial risk management

The Company is exposed primarily to credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The Company is not exposed to foreign currency exchange rate risk.

- **Interest rate risk**

  The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Notes to the financial statements

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. Cash and cash equivalents include an amount of 22,851 thousand USD held with a Bank in Ecuador having high quality credit rating which are individually in excess of 10 percent or more of the Company's total cash and cash equivalents as at 31st December' 2023. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 26,326 thousand and USD 24,613 thousand as at December 31, 2023 and 2022, respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

(In thousands of USD)

	As at December 31, 2023		As at December 31, 2022	
	Total trade receivables and Contract Assets	Percentage	Total trade receivables and Contract Assets	Percentage
Customer A	**2,084**	**76**	1,569	72
Customer C	**442**	**16**	30	1
Customer B	**150**	**6**	414	19

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

	As at December 31, 2023	As at December 31, 2022
	Net Percentage	Net Percentage
Ibero America	**98**	95
Americas	**2**	5

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended Dec 31, 2023 and 2022 was USD 91 thousand and USD 658 thousand respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(In thousands of USD)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**658**	657
Charge to Profit and Loss	**-**	1
Provision written back	**(567)**	-
Closing balance	**91**	658

Notes to the financial statements

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(In thousands of USD)

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities					
Trade & ether payables	**1,144**	**-**	**-**	**-**	**1,144**
Lease liabilities	**144**	**144**	**36**	**-**	**323**
Other financial liabilities	**4,351**	**-**	**-**	**-**	**4,351**
Total	**5,639**	**144**	**36**	**-**	**5,818**

(In thousands of USD)

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities					
Trade & other payables	1,487	-	-	-	1,487
Lease liabilities	144	144	323	-	610
Other financial liabilities	1,906	-	-	-	1,906
Total	3,536	144	323	-	4,003

j) Equity instruments

Paid-in share capital comprises 3,000,800 shares with a nominal value of USD1.00.

Fully paid equity shares, which have a par value of USD3,000,800 (USD 1) each carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Authorised		
Equity shares of USD1 each (3,000,800 shares)	**3,001**	3,001
	3,001	3,001
Issued, Subscribed and Fully paid up		
Equity shares of USD1 each (3,000,800 shares)	**3,001**	3,001
	3,001	3,001

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

Notes to the financial statements

9. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(In thousands of USD)

	Additions for the year ended December 31, 2023	Net carrying amount as on December 31, 2023
Buildings	**-**	**423**
Total	**-**	**423**

(In thousands of USD)

	Additions for the year ended December 31, 2022	Net carrying amount as on December 31, 2022
Buildings	652	558
Total	652	558

Notes to the financial statements

Depreciation on right-of-use asset is as follows:

(In thousands of USD)

	Year ended December 31, 2023	Year ended December 31, 2022
Buildings	**135**	897
Total	**135**	897

Interest on lease liabilities is USD 20 thousand and USD 21 thousand for the years ended on December 31, 2023 and 2022, respectively.

The Company incurred USD 150 thousand and USD 17 thousand for the years ended December 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 USD 294 thousand and USD 256 thousand for the years ended December 31, 2023 and 2022, respectively, including cash outflow for shortterm leases and leases of low-value assets.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

10. NON-FINANCIAL ASSETS AND LIABILITIES

a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type Of Asset	Method	Useful life (in years)
Freehold building	Striaght line	20
Computer equipment	Striaght line	4
Leasehold improvements	Striaght line	Lease period
Furniture, fixtures and office equipment	Striaght line	5 and 10
Automobiles	Striaght line	5

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

Notes to the financial statements

Property, plant and equipment consist of the following:

(In thousands of USD)

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Plant and machinery	Total
Gross block As at Dec 31, 2022	**132**	**2,541**	**125**	**518**	**400**	**3,717**
Purchases	**-**	**133**	**43**	**10**	**-**	**185**
Disposals	**-**	**(325)**	**-**	**(20)**	**-**	**(345)**
Gross block As at Dec 31, 2023	**132**	**2,349**	**168**	**508**	**400**	**3,558**
Accumulated depreciation As at Dec 31, 2022	**34**	**2,167**	**66**	**414**	**400**	**3,081**
Disposals	**-**	**(325)**	**-**	**(20)**	**-**	**(345)**
Depreciation for the year	**23**	**204**	**20**	**27**	**-**	**274**
Accumulated depreciation As at Dec 31, 2023	**57**	**2,046**	**86**	**421**	**400**	**3,010**
Net carrying amount As at Dec 31, 2023	**75**	**302**	**82**	**87**	**-**	**546**
Capital work-in-progress (including capital advances)						**-**
Total						**546**

(In thousands of USD)

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Plant and machinery	Total
Gross block As at Dec 31, 2021	16	2,416	63	432	400	3,327
Adjustments*						-
Purchases	116	213	62	88	-	480
Disposals	-	(88)	-	(2)	-	(90)
Gross block As at Dec 31, 2022	132	2,541	125	518	400	3,717
Accumulated depreciation As at Dec 31, 2021	7	2,079	61	400	400	2,947
Adjustments*	-	-	-	-	-	-
Disposals	-	(88)	-	(2)	-	(90)
Depreciation for the year	27	176	5	16	-	224
Accumulated depreciation As at Dec 31, 2022	34	2,167	66	414	400	3,081
Net carrying amount As at Dec 31, 2022	98	374	59	104	-	636
Capital work-in-progress (including capital advances)						49
Total						684

Notes to the financial statements

b) Other intangible assets

Intangible assets purchased including acquired in business combination, are measured at cost as at the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences and 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 amortized on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss.

c) Other Assets

Other assets - current

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	**807**	415
Advance to suppliers	**102**	29
Tax Credit Entitlements	**99**	-
Contract assets	**55**	250
Contract fulfillment costs (1)	**3**	3
Total	**1,066**	697

Other assets - non current

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Prepaid expenses	**1**	4
Total	**1**	4

(1) Contract fulfillment costs of USD 2 thousand and USD NIL for the years ended December 31, 2023 and 2022, respectively, have been amortized in the profit or loss. Refer note 11 for changes in contract assets.

Notes to the financial statements

d) Other Current Liabilities

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Indirect tax payable and other statutory liabilities	**1,234**	1,793
Advance received from customers	**-**	433
Total	**1,234**	2,226

11. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognized upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognized over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognized at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The

Notes to the financial statements

Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is billings in excess of revenues.

The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals, and geography.

Revenue disaggregation by nature of services is as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Consultancy services	**53,074**	56,034
Sale of equipment and software licenses	**267**	219
Total	**53,341**	**56,253**

Revenue disaggregation by industry vertical is as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Banking, Financial & Insurance	**52,300**	54,825
Consumer, Media & Technology	**888**	1,085
Retail and consumer products	**169**	144
Manufacturing	**35**	47
Others	**(51)**	152
Total	**53,341**	56,253

Notes to the financial statements

Revenue disaggregation by geography is as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Ibero America	**53,071**	56,060
America	**270**	194
Total	**53,341**	56,253

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is USD 11,402 thousand out of which 37.16 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows :

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**250**	205
Invoices raised that were included in the contract + assets balance at the beginning of the year	**(250)**	250
Increase due to revenue recognised during the - year excluding amounts billed during the year	**55**	(205)
Balance at the end of the year	**55**	250

Changes in unearned and deferred revenue are as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balance at the beginning of the year	**458**	415
Revenue recongnized that was included in the - unearned and deferred revenue balance at the beginning of the period	**(458)**	(337)
Increase due to invoicing during the year + excluding amounts recognized as revenue during the year	**427**	380
Balance at the end of the year	**427**	458

Notes to the financial statements

12. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts, and other expenses.

Other Operating expenses

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Bad debts	**(567)**	1
Communication	**258**	293
Facility running expenses	**968**	1,072
Fees to external consultants	**1,816**	3,545
Other expenses	**3,256**	3,522
Travel expenses	**246**	243
Total	**5,977**	8,676

Details of costs and expenses by their function are as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of revenue	**35,946**	36,088
Selling, general and administrative expenses	**12,328**	13,846
Total	**48,274**	49,934

13. OTHER INCOME

a. Finance and other income

Interest income is recognized using effective interest method.

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest on bank balances and bank deposits	**1,646**	936
Others	**-**	1
Total	**1,646**	937

Notes to the financial statements

b. Finance costs

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest on lease liabilities	**20**	21
Interest on tax matters	**143**	60
Total	**163**	81

c. Other gains (net)

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Others	**23**	27
Total	**23**	27

14. TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax - The tax currently payable is based on taxable profit for the year. Taxable profit differs from reported profit because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates enacted at the end of the reporting period.

Deferred taxes - Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the Company will have taxable profits available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company offsets deferred tax assets against deferred tax liabilities when, and only when, there is a legally enforceable right to set off from the taxation authority amounts recognized in these items, and when they relate to income taxes levied and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to a transaction or event that is recognized outside profit or loss, whether in profit and loss or directly in equity, in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination.

Notes to the financial statements

Current year assets and liabilities - A summary of current asset and liability taxes is as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Tax credit on VAT and VAT withholdings at source and total		
Current VAT and VAT withholdings	**(99)**	-
Current tax liabilities:		
Income tax payable	**1,064**	1,391
Income tax withholdings at source payable	**341**	486
Contributions and other taxes payables	**106**	209
Value Added Tax - VAT payable and withholdings	**89**	337
	1,600	2,423

Tax reconciliation - current income tax - A reconciliation between profit (loss) according to the financial statements and the current income tax expense is as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Profit (loss) according to the financial statements, before income tax	**6,573**	7,202
Non deductible expenses	**(491)**	427
Taxable income	**6,083**	7,631
Income tax 25% (1)	**1,521**	1,908
Prior Period Income Tax (2)	**(332)**	-
Income tax charged to profit and loss:		
Current	**1,352**	2,149
Deferred	**(163)**	(242)
	1,189	1,907
Effective tax rate	**18%**	26%

In accordance with current legislation, income tax was determined using a rate of 25 percent on profits subject to distribution (25 percent for 2022) and 15 percent on reinvested profits for some industries.

(1) The Company recorded USD 1,521 thousand and USD 1,907 thousand respectively in the income statement, corresponding to the income tax caused.

(2) For year 2023, it pertains to income tax adjustment for 2021 according to DTAA approved for local tax authority (Double taxation avoidance agreement) between TCS Ltd & TCS Ecuador for technical services expenses.

Notes to the financial statements

Tax returns for years 2020, 2021, 2022 and 2023 are subject to revision.

Movement in the provision for income tax (tax credit)- Movements in the provision for income tax (tax credit) were as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Balances, beginning of year	**-**	-
Provision for the year	**(1,638)**	(1,721)
Payment made	**1,638**	1,721
Balances, end of year	**-**	-

Payments made - Comprise withholdings at source and payment of the income tax balance due at beginning of year.

Deferred tax balances- Movements for deferred tax assets were as follows:

(In thousands of USD)

	Balances at beginning of year	Recognized in profit and loss	Balances at end of year
Year 2023:			
Deferred tax assets in relation to:			
Provision for bonuses	**33**	**26**	**59**
Provision for bonuses (Gifcards to employees)	**14**	**(12)**	**2**
Retirement benefits	**514**	**153**	**666**
Other provisions	**12**	**(4)**	**8**
	572	**163**	**735**

(In thousands of USD)

	Balances at beginning of year	Recognized in profit and loss	Balances at end of year
Year 2022:			
Deferred tax assets in relation to:			
Provision for bonuses	28	5	33
Provision for bonuses (Gifcards to employees)	11	3	14
Retirement benefits	263	250	514
Other provisions	28	(16)	12
	330	242	572

Direct tax contingencies

(a) Year 2007 Income Tax Assessment

On September 30, 2011, the Regional Director of the Internal Revenue Service (SRI) issued an Assessment Order for year 2007, requiring the Company to pay additional income tax of USD 363,500.

On June 25, 2020, the DTLC ruled the case. The main objections of the IRS were rejected (USD 320,428) and, consequently, the amount claimed was reduced to USD 43,072 plus interest. Tata accepted the DTLC´s ruling; therefore, a payment of USD 125,302 is pending (USD 43,072 plus interest). The IRS has filed a cassation appeal before the NCJ to challenge the ruling issued by DTLC. TATA filed a response to the cassation appeal on June 10, 2021.

As of December 31, 2023, the Company has generated a guarantee for USD 36,350

Notes to the financial statements

(b) Year 2014 Income Tax Assessment

On October 31, 2018, the Regional Director of the Internal Revenue Service (SRI) issued a Determination Order for year 2014, requiring the Company to pay additional income tax of USD 2,495,584

"On July 14, 2021, the District Tax Litigation Court - DTLC ruled the case. All of TATA´s claims were accepted by the DTLC. Consequently, the amount not claimed by TATA before the DTLC would be outstanding once the process ends, this amount would be USD 593,993 (USD 288,257 plus interest). On August 31, 2022, the payment of the USD 591,782 was made. The IRS has filed a cassation appeal before the National Court of Justice - NCJ to challenge the ruling issued by the DTLC. If the cassation appeal is admitted to procedure, TATA will be required to file a response before the NCJ.

To this date, the total amount claimed by the IRS is USD 2,495,584. In our opinion, the likelihood to obtain a favorable ruling by NCJ is probable. Therefore, if the cassation appeal is dismissed, the Company. Final amount would depend on the final ruling by NCJ which is pending."

As of December 31, 2023, the Company has generated a guarantee for USD 244,088.

(c) Year 2015 Income Tax Assessment

On March 13, 2020, the Regional Director of the Internal Revenue Service (SRI) issued a Determination Order for year 2015, requiring the Company to pay additional income tax of USD 3,238,537

"On April 24, 2021, TATA filed a lawsuit before the DTLC against the income tax assessment of 2015. On June 7, 2021, DTLC suspended all effects of the income tax assessment. On July 19, 2021, IRS filed its response.

On August 24, 2022, the preliminar hearing took place."

As of December 31, 2023, the Company has generated a guarantee for USD 202,466.

Transfer Pricing

In accordance with current legislation, taxpayers subject to income tax and that have performed operations with overseas and/or local related parties within the same fiscal period for an accumulated amount exceeding USD10 million are obliged to file a Transfer Pricing study to verify that such operations have been undertaken at arm's length prices.

Company operations with overseas related parties during the years 2023 and 2022, did not exceed the referred amount.

The Company Management based on the preliminary diagnosis performed together with its tax advisors for 2023 transactions, does not expect any adjustment to the expense or current tax liability, however, once said study is finished it may be determined if operations with related parties for the year ended at December 31, 2023, have met the arm's length principle.

15. EMPLOYEE BENEFIT OBLIGATION

Defined benefits: Retirement and severance - For defined benefits (retirement and severance), the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

The service cost is recognized in profit and loss for the year in which such is generated, as well as the financing interest generated on the defined benefit obligation.

The new measurements, which include actuarial gains and losses, are recognized in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur.

Recognition of actuarial gains and losses in other comprehensive income is recognized immediately in accumulated earnings and is not reclassified to profit or loss for the period.

Employee profit-sharing - The Company recognizes a liability and an expense for employee profit-sharing in Company income. This benefit is calculated based on 15 percent of pre-tax income in accordance with current legislation.

Notes to the financial statements

Executive bonuses - The Company recognizes an expense for bonuses paid to its principal executives and commercial area personnel. Bonus calculations are paid based on goals and compliance with key performance indicators.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as undiscounted liability at the date of statement of financial position.

Employee benefit expenses consist of the following:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Salaries, incentives and allowances	**32,434**	29,904
Contributions to provident and other funds	**7,915**	8,692
Staff welfare	**1,539**	1,539
Total	**41,888**	40,135

a) Employee benefit obligation - Current

(In thousands of USD)

	As of December 31, 2023	As of December 31, 2022
Compensated absenses	**526**	443
Other employee benefit obligations	**8**	39
	534	482

Other employee benefit obligation: Company provisioned USD 8 thousand at the end of December 2023 (USD 39 thousand at the end of December 2022) to be paid as long service awards and start of the month recognition according to corporate policies.

b) Employee benefit obligation - Non Current

Defined Benefit Obligations

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Retirement	**3,539**	3,670
Severance	**1,868**	2,115
	5,407	5,785

Retirement - In accordance with the Labor Code, employees with twenty-five or more years' continuous or interrupted service are entitled to receive pensions from their employers without prejudicing their right as affiliates to receive pensions from the Ecuadorian Social Security Institute.

Notes to the financial statements

Movements in the present value of the retirement obligation were as follows:

(In thousands of USD)

	Year ended December 31, 2023	Year ended December 31, 2022
Balances, beginning of year	**3,670**	3,195
Cost of the services	**712**	719
Cost of interest	**131**	133
Actuarial losses (gains) reversal provision	**(1,042)**	(226)
Actuarial losses (gains) current year	**68**	(151)
Balances, end of year	**3,539**	3,670

Severance - In accordance with the Labor Code, when an employee's labor contract is terminated either by the employee of the employer, the Company shall pay an amount equivalent to 25 percent of their last monthly salary for each year of service.

Movements in the present value of the severance obligation were as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Balances, beginning of year	**2,115**	1,916
Cost of the services	**103**	115
Cost of interest	**82**	91
Actuarial losses (gains)	**69**	186
Reversal provision	**(2)**	-
Short provision	**731**	282
Benefits paid	**(1.230)**	(475)
Balances, end of year	**1,868**	2,115

The actuarial calculations for the present value of the accrued defined benefits were performed at December 31, 2023 and 2022 by an independent actuary. The present value of defined benefit obligations (DBO) and the current service cost and the previous service cost were calculated using the projected credit unit method.

Under this method pension benefits must be attributed to the employee's period of service and based on the plan formula so that the same benefit amount is attributed to each year of service based on an actuarial hypothesis to calculate the present value of the referred benefits.

This hypothesis reflects the value in money over time, the salary increases and the probability of paying a pension.

Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are credited or charged to other comprehensive income.

The significant actuarial assumptions used to determine the defined benefit obligations are the discount rate, expected salary increases and mortality.

Notes to the financial statements

The principal assumptions used for the actuarial calculations are as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
	Percentage	Percentage
Discount rate	**4.92**	4.74
Expected salary increase rate	**2.98**	2.50
Turnover rate	**41.01**	14.86

The sensitivity analysis included below has been developed based on reasonably expected changes that may occur at the end of the reference period for the respective assumptions.

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
DBO variance (discount rate - 0.5%)	**217**	247
DBO variance (discount rate + 0.5%)	**(204)**	(232)
DBO variance (salary increase + 0.5%)	**173**	202
DBO variance (salary increase - 0.5%)	**(165)**	(192)

The sensitivity analysis presented above may not be representative of a real change in the defined benefit obligation, since it is unlikely that any change in the assumptions would occur in isolation from others (some of the assumptions may be correlated).

Note that the present value of the defined benefit obligation included in the developed sensitivity is calculated using the projected unit credit method, the same used in the calculation of the defined benefit obligation recognized in the statement of financial position.

Amounts recognized in the statement of profit/ loss and other comprehensive income for the referred defined benefit plans are as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Statement of profit and loss		
Service cost	**815**	834
Interest cost	**213**	224
	1,028	1,058
Other comprehensive income:		
Actuarial losses	**137**	83
	1,165	1,141

16. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments - The Company has contractually committed (net of advances) USD112 thousands and USD35 thousands value as at December 31, 2023 and 2022 respectively, for purchase of property, plant and equipment.

(b) Contingencies

(a) Direct tax matters

Refer note on direct tax contingencies in Note 14 income taxes

(b) Indirect tax matters

There are no contigency in relation to Indirect tax matters.

Notes to the financial statements

17. RELATED PARTY TRANSACTIONS AND BALANCES

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(In thousands of USD)

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations		
Tata Consulatancy Services Limited	**270**	194
Total	**270**	194
Purchases of goods and services (including reimbursements)		
Tata Consulatancy Services Limited	**2,911**	4,904
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**240**	142
TCS Solutions Center Sucursal Colombia	**164**	61
TCS Do Brazil Ltda.	**-**	- 6
TCS Inversions Chile Ltda	**254**	268
Total	**3,569**	5,369
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**133**	140
Total	**133**	140
Dividend paid		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services Chile S.A.	**2,970**	4,950
TCS Inversiones Chile Limitada	**30**	50
Total	**3,000**	5,000
Other income		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**-**	5
Total	**-**	5

Balances receivable from related parties are as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Trade receivables and contract assets		
Tata Consulatancy Services Limited	**37**	102
Total	**37**	102
Loans, other financial assets and other assets		
Tata Consulatancy Services Limited	**14**	372
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**20**	1
Total	**34**	373

Notes to the financial statements

Balances payable to related parties are as follows:

(In thousands of USD)

	As at December 31, 2023	As at December 31, 2022
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**97**	103
Tata Consulatancy Services Limited	**55**	581
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**38**	65
Tata Consultancy Services Inversiones Chile S.A.	**81**	51
TCS Solutions Center Sucursal Colombia	**48**	20
Total	**318**	820

Transactions with key management personnel is as follows:

(In thousands of USD)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Short Term Benefits	**565**	501
	565	501

The above figures do not include retirement benefits, as separate actuarial valuation are not available.

18. SUBSEQUENT EVENT

There were no subsequent events that meet disclosure.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2023 were approved by Company Management on 28th February 2024 and will be presented to the Shareholders for approval. In the opinion of Company Management, the financial statements will be approved by the Shareholders without any modification.

Tata Consultancy Services Bulgaria EOOD
(Registration Number: 206636516)

ANNUAL FINANCIAL STATEMENTS

For the period ended

December 31, 2023

TATA CONSULTANCY SERVICES CHILE S.A.

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DIRECTORS' REPORT

for the period January 1, 2023 to December 31, 2023

Principal activities and business review including principal risks and

The business purpose of Tata Consultancy Services Bulgaria EOOD ("The Company") is to provide its main customer, Xerox with a range of services across Leasing, Accounting, Pricing and FP&A functions, while also continuing to expand the services Tata Consultancy Services Bulgaria EOOD can offer Xerox across its other capabilities.

The principal key performance indicators used by management to monitor performance are as follows:-

- Actual financial results versus forecasts
- Regulatory filings
- Employee turnover
- Customer satisfaction

The principal risks and uncertainties facing the company are as follows:

- The movement in currency rates between USD and BGN.
- Increase in labour costs in the local market.
- Economic impact of war in Ukraine.

Results and dividends

Profit on ordinary activities before taxation for the period ended 31 December, 2023 amounted to BGN 20,08,538

The directors do not recommend the payment of a dividend.

Future developments

The company is expected to increase its level of operations throughout the year 2024.

Events since the end of the financial year

There have been no significant events affecting the company since the balance sheet date.

Financial Risk Management

The Company is exposed to financial risk through both its financial assets and liabilities. The most important components of this financial risk for the Company are credit risk, foreign exchange risk, interest rate risk and liquidity risk.

Risk Management Framework

The Company's internal organisational and management structure and its system of internal financial reporting to the board of directors is the basis for identifying the predominant source and nature of the differing risks facing the entity.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is controlled by the Company by ensuring credit limits and the credit worthiness of customers are monitored on an ongoing basis.

The Company has identified the credit risks associated with the cash and deposits it has placed with third party banking institutions.

Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost, the Company maintains a significant proportion of its funds in liquid form and maintains sufficient liquidity even at unexpected levels of demand.

Interest Rate Risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in interest rates. Based on current company operations it is not envisaged that the entity is exposed to significant interest rate risk.

Foreign Exchange Risk

Tata Consultancy Services Bulgaria EOOD conducts business in foreign countries with certain transactions denominated in currencies other than the functional currency of the Company (BGN). The purpose of the Company's foreign currency management is to manage the effect of exchange rate fluctuations on transactions denominated in foreign currencies (US dollars). The Company has an internal hedging agreement in place to mitigate its exposure, this is used for internal management reporting.

Accounting Records

The directors believe that they have complied with the requirements the Companies Act in Bulgaria with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Sofia Business Park, Building 3, 1st floor, 1766 Sofia Bulgaria

The names of the persons who were directors for the period ended 31 December, 2023 are set out below:

1. **Amit Kapur**
   (Director)

2. **Rabindran Vennimalai**
   (Director)

3. **Sapthagiri Chapalapalli**
   (Director)

Directors' and secretary's interests

The directors who held office at 31 December, 2023 had no disclosable interests in the shares, debentures or loan stock of the Company or group companies.

Political contribution

The Company made no political contributions or incurred any political expenditure during the period.

Directors Compliance Statement

The directors, in accordance with the Companies Act in Bulgaria, acknowledge that they are responsible for securing the Company's compliance with certain obligations.

The directors confirm that:

- A compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- Appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations have been put in place; and
- A review of the arrangements and structures referred to above has been conducted during the financial period ended 31 December, 2023.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Going concern

Management has made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future which is at least, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

For and on behalf of board of directors of	**Amit Kapur**	**Rabindran Vennimalai**
Tata Consultancy Services Bulgaria EOOD	Director	Director
Date: 30 Apr, 2024	United Kingdom	Netherlands

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
TATA CONSULTANCY SERVICES BULGARIA EOOD

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of Tata Consultancy Services Bulgaria EOOD ('the Company'), which comprise the statement of financial position as of 31st December 2023, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year ended on 31st December 2023, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS as issued by the International Accounting Standard Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity cash flows of the Company in accordance with the IFRS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue going concern.

- Evaluate the overall presentation, structure statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with IFRS of the Company for the period ended 31st December 2023 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Ltd. for the year ended 31st December 2023. Our report is strictly intended solely for the information and use by TCS for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

Place: Mumbai
Date: 30 April, 2024

For K B J & ASSOCIATES
(Chartered Accountants)
(ICAI Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(ICAI Membership No.48889)

STATEMENT OF FINANCIAL POSITION

(Amount in BGN)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	8(c)	**903,962**	262,223
Right of use assets	8(a)	**1,961,150**	2,380,531
Capital work-in-progress	8(b)	**69,430**	899,802
Non-current assets	7(d)	**259,916**	-
Total non-current assets		**3,194,458**	3,542,557
CURRENT ASSETS			
Cash and cash equivalents	7(a)	**5,422,986**	504,597
Trade receivables	7(b)	**5,104,037**	3,185,746
Unbilled receivables	7(b)	**66,996**	4,936,428
Other Financial Assets	7(c)	**1,528**	4,267
Other assets	8(d)	**302,297**	573,585
Total current assets		**10,897,843**	9,204,622
TOTAL ASSETS		**14,092,301**	12,747,179
EQUITY AND LIABILITIES			
Equity			
Share capital		**2**	2
Retained earnings		**6,064,547**	4,950,552
Total equity		**6,064,549**	4,950,554
LIABILITIES			
Non Current Liabilities			
Lease Liability	7(f)	**1,617,536**	2,014,748
Total Non Current liabilities		**1,617,536**	2,014,748
CURRENT LIABILITIES			
Trade payables	7(e)	**318,837**	94,973
Lease Liability	7(g)	**436,982**	419,503
Other financial liabilities	7(h)	**5,034,718**	4,408,110
Income tax liabilities (net)		**420,126**	566,915
Other liabilities	8(e)	**199,552**	292,376
Total current liabilities		**6,410,215**	5,781,878
TOTAL EQUITY AND LIABILITIES		**14,092,301**	12,747,179

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-19

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai
Date : 30 Apr,2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Rabindran Vennimalai
Director
Netherlands

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amount in BGN)

	Note	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Revenue	9	**19,164,902**	12,174,793
Operating expenses			
Employee cost	14	**14,908,264**	7,013,002
Finance costs	12	**157,014**	76,715
Other operating expenses	10	**2,091,085**	831,829
TOTAL OPERATING EXPENSES		**17,156,363**	7,921,545
Operating profit		**2,008,538**	4,253,248
Other income			
Other losses (net)	11	**752,184**	41,592
TOTAL OTHER INCOME		**752,184**	41,592
Profit before taxes		**1,256,355**	4,211,656
Income tax expense	13	**142,359**	438,110
Profit for the period		**1,113,996**	3,773,546
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,113,996**	3,773,546

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1-19**

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai
Date : 30 Apr,2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Rabindran Vennimalai
Director
Netherlands

STATEMENT OF CHANGES IN EQUITY

(Amount in BGN)

	Share capital	Retained earnings	Total equity
Balance as at January 1, 2023	**2**	**4,950,552**	**4,950,554**
Transactions with owners of the company	**-**	**-**	**-**
Issue of ordinary shares	**-**	**-**	**-**
Total comprehensive income for the period	**2**	**4,950,552**	**4,950,554**
Profit for the period	**-**	**1,113,996**	**1,113,996**
Balance as at December 31, 2023	**2**	**6,064,547**	**6,064,549**

(Amount in BGN)

	Share capital	Retained earnings	Total equity
Balance as at January 1, 2022	2	1,177,006	1,177,008
Transactions with owners of the company	-	-	-
Issue of ordinary shares	-	-	-
Total comprehensive income for the period	2	1,177,006	1,177,008
Profit for the period	-	3,773,546	3,773,546
Balance as at December 31, 2022	2	4,950,552	4,950,554

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-19

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai
Date : 30 Apr,2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Rabindran Vennimalai
Director
Netherlands

STATEMENT OF CASH FLOW

(Amount in AUD)

	Note	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period		**1,113,996**	3,773,546
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation	10	**694,733**	180,970
Finance costs		**157,014**	76,715
Income tax expense		**142,359**	438,110
Unrealised exchange loss		**183,660**	(10,726)
Operating profit before working capital changes		**2,291,761**	4,458,616
Net change in:			
Trade receivables		**(1,918,291)**	(2,901,820)
Unbilled receivables		**4,869,432**	(3,088,877)
Other Financial assets		**2,739**	(4,267)
Other assets		**271,287**	(270,403)
Trade paybles		**223,863**	99,984
Other financial liabilities		**1,088,984**	764,932
Other liabilities and provisions		**(92,825)**	192,998
Cash generated from operating activities		**6,736,951**	(748,839)
Taxes paid (net of refunds)		**(289,147)**	(1,974)
Net cash generated from operating activities		**6,447,804**	(750,813)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(549,094)**	(584,707)
Deposit for the Premise		**(259,916)**	-
Net cash used in investing activities		**(809,009)**	(584,707)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of share capital		**-**	-
Repayment of lease liabilities		**(379,732)**	(52,205)
Repayment of lease Interest		**(99,810)**	(28,033)
Interest paid		**(57,204)**	(48,683)
Net cash used in financing activities		**(536,746)**	(128,920)
Net change in cash and cash equivalents		**5,102,048**	(1,464,441)
Cash and cash equivalents at the beginning of the period		**504,596**	1,958,311
Exchange difference on translation of foreign currency cash and cash equivalents		**(183,659)**	10,726
Cash and cash equivalents at the end of the period		**5,422,986**	504,596

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-19

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai
Date : 30 Apr,2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Rabindran Vennimalai
Director
Netherlands

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Bulgaria EOOD ("the Company") provides IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development. The Company will provide F&A operations supporting EU region for Xerox for the F&A consolidation / transformation initiative.

The Company was incorporated on 31 August, 2021 in Bulgaria. The registered address of the company is Sofia Business Park, Building 3, 1st Floor, 1766 Sofia, Bulgaria. Tata Consultancy Services Bulgaria EOOD is a 100% subsidiary of Tata Consultancy Services Ireland Limited.

2. STATEMENT OF COMPLIANCE

These special purpose financial statements have been prepared in accordance with the International Financial Reporting Standards (referred to as "IFRS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. for sole purpose of inclusion for Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013('the Act'). The presentation currency of these financial statements is BGN.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instrument which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of the Company is Bulgarian lev ("BGN").

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

Notes forming part of the financial statements

a. Revenue recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the useful lives of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Fair value measurement of financial istruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Provision for income tax and deferred tax

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the company to use assumptions. These assumptions have been explained under employee benefits note.

Notes forming part of the financial statements

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the date of statement of financial position.

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet

Amendments to IFRS 16	: Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	: Non-current Liabilities with Covenants[1]
Amendments to IAS 1	: Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	: Supplier Finance Arrangements[1]
Amendments to IAS 21	: The Effects of Changes in Foreign Exchange Rates[2]
IFRS 18	: Presentation and Disclosures in Financial Statements [3&1]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

[3]Effective for annual periods beginning on or after January 1, 2027.

IAS 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 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Group does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Group does not expect this amendment to have any significant impact in its financial statement.

Notes forming part of the financial statements

IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued its new standard IFRS 18 – Presentation and Disclosures in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard aims at improving how entities communicate in their financial statements. The Group will evaluate the standard and implement it accordingly.

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.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The company derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Notes forming part of the financial statements

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
Balances with bank	**5,422,986**	504,597
Total	**5,422,986**	504,597

b. Trade receivables

Trade receiavbles consist of the following:

(Amount in BGN)

Trade receivables - Current	As at December 31, 2023	As at December 31, 2022
Trade receivables	**5,104,037**	3,185,746
Less: Allowance for doubtful trade receivables	**-**	-
Total	**5,104,037**	3,185,746
Unbilled receivables	**66,996**	4,936,428
Total	**5,171,033**	8,122,173

c. Other Financial Asset-Current

(Amount in BGN)

Other Financial Asset - Current	As at December 31, 2023	As at December 31, 2022
Employee advances	**1,528**	4,267
Total	**1,528**	4,267

Notes forming part of the financial statements

d. Other Financial Asset-Non Current

(Amount in BGN)

Other Financial Asset - Non Current	As at December 31, 2023	As at December 31, 2022
Premises Deposits - Non Current	259,916	-
Total	**259,916**	-

e. Trade payables

Trade payables consist of the following:

(Amount in BGN)

Trade payables - Current	As at December 31, 2023	As at December 31, 2022
Trade payables	318,837	94,973
Total	**318,837**	94,973

f. Lease Liability - Non Current

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
Lease Liability	1,617,536	2,014,748
Total	**1,617,536**	2,014,748

g. Lease Liability - Current

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
Lease Liability	436,982	419,503
Total	**436,982**	419,503

h. Other financial liabilities - current

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
Accrued payroll	1,835,614	803,325
Accrued expenses	261,757	205,299
Capital Creditors	3,149	465,525
Unsecured Borrowings - loan from related parties	2,934,198	2,933,961
Total	**5,034,718**	4,408,110

Notes forming part of the financial statements

i. Financial instruments by category

The carrying value of financial assets and financial liabilities as at December 31, 2023 is as follows:

(Amount in BGN)

Financial assets	Amortised cost	Total carrying Value
Cash and cash equivalents	**5,422,986**	5,422,986
Trade receivables	**5,104,037**	5,104,037
Unbilled receivables	**66,996**	66,996
Other financial Assets	**261,444**	261,444
Total	**10,855,462**	10,855,462
Financial liabilities		
Trade payables	**318,837**	318,837
Lease Liabilities	**2,054,518**	2,054,518
Other financial liabilities	**5,034,718**	5,034,718
Total	**7,408,073**	7,408,073

The carrying value of financial assets and financial liabilities as at December 31, 2022 is as follows:

(Amount in BGN)

Financial assets	Amortised cost	Total carrying Value
Cash and cash equivalents	**504,597**	504,597
Trade receivables	**3,185,746**	3,185,746
Unbilled receivables	**4,936,428**	4,936,428
Other financial Assets	**4,267**	4,267
Total	**8,631,038**	8,631,038
Financial liabilities		
Trade payables	**94,973**	94,973
Lease Liabilities	**2,434,251**	
Other financial liabilities	**4,408,110**	4,408,110
Total	**6,937,334**	4,503,083

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2023 approximate the fair value.

j. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Notes forming part of the financial statements

k. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The risk primarily relate to fluctuation of USD and EUR against the functional currency of the Company.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the company.

The following table sets forth information relating to foreign currency exposure as at December 31, 2023:

(Amount in BGN)

	USD (equivalent BGN)	EUR (equivalent BGN)
Net financial assets	**7,593,417**	3,193,223
Net financial liabilities	**171,515**	4,967,428

The following table sets forth information relating to foreign currency exposure as at December 31, 2022:

(Amount in BGN)

	USD (equivalent BGN)	EUR (equivalent BGN)
Net financial assets	8,620,070	2,707
Net financial liabilities	292,446	5,595,378

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Bulgaria EOOD Company would result in decrease / increase in the Company's profit before taxes by approximately BGN 564,770 and BGN 273,495 for the period ended December 31, 2023 and December 31, 2022 respectively.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Notes forming part of the financial statements

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was BGN 1,05,26,724 and BGN 86,31,038 as of December 31, 2023 and December 31, 2022 respectively, being the total of the carrying amount of balances with bank, bank deposit, trade receivable, unbilled receivables, contract assets and other financial assets.

Tata Consultancy Services Bulgaria EOOD Company's exposure to customers is diversified and single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2023 and December 31, 2022 respectively.

(Amount in BGN)

Client Name	As at December 31, 2023	
	Amount	Percentage
Customer A	**5,217,098**	**100%**

(Amount in BGN)

Client Name	As at December 31, 2022	
	Amount	Percentage
Customer A	8,122,173	100%

- ***Geographic concentration of credit risk***

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets as given below:

(Amount in BGN)

	As at December 31, 2023	
	Gross	Net
UK	**100%**	**100%**

(Amount in BGN)

	As at December 31, 2022	
	Gross	Net
UK	100%	100%

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

Notes forming part of the financial statements

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in BGN)

December 31, 2023	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	**318,837**	**-**	**318,837**
Lease Liability	**436,982**	**1,617,536**	**2,054,518**
Other financial liabilities	**5,034,718**	**-**	**5,034,718**
Total	**5,790,537**	**1,617,536**	**7,408,073**

(Amount in BGN)

December 31, 2022	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	94,973	-	94,973
Lease Liability	419,503	2,014,748	2,434,251
Other financial liabilities	4,408,110	-	4,408,110
Total	4,922,587	2,014,748	6,937,334

l. **Equity instruments**

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
a) Authorised		
2 ordinary shares of BGN 1 each	**2**	2
(b) Issued, Subscribed and Fully paid up		
2 ordinary shares of BGN 1 each	**2**	2

(Amount in BGN)

Share holding	Percentage	Percentage
Tata Consultancy Services Ireland Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.The Company is not subject to any externally imposed capital requirements.

8. NON-FINANCIAL ASSETS AND LIABILITIES

a. 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.

Notes forming part of the financial statements

Company as a lessee

The company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(Amount in BGN)

	ROU Building	Total
Gross Block as on 01. 01. 2023	**2,486,456**	**2,486,456**
Additions	**-**	**-**
Disposals	**-**	**-**
Gross Block as on 31. 12. 2023	**2,486,456**	**2,486,456**
Accumulated Depreciation as on 01.01.2023	**105,925**	**105,925**
Elimination on Disposal	**-**	**-**
Depreciation for the year	**419,381**	
Accumulated Depreciation as on 31.12.2023	**525,306**	**525,306**
Net Carrying Amount as on 31.12.2023	**1,961,150**	**1,961,150**

Notes forming part of the financial statements

(Amount in BGN)

	ROU Building	Total
Gross Block as on 31. 08. 2022	-	-
Purchases	2,486,456	2,486,456
Disposals	-	-
Gross Block as on 31. 12. 2022	2,486,456	2,486,456
Accumulated Depreciation as on 31.08.2022	-	-
Elimination on Disposal	-	-
Depreciation for the year	105,925	105,925
Accumulated Depreciation as on 31.12.2022	105,925	105,925
Net Carrying Amount as on 31.12.2022	2,380,530	2,380,530

Interest on lease liabilities are BGN 99,809 and 28,032 for the period ended on December 31, 2023 and December 31, 2022 respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

b. Capital work-in-progress

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
Capital work in progress	**69,430**	899,802
Total	**69,430**	899,802

c. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of Asset	Useful Lives
Computer equipment	4 years
Electrical Installations	10 years
Office Equipments	5 years
Furnitures and Fixtures	5 years
Leasehold Improvements	6 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.

Notes forming part of the financial statements

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:

(Amount in BGN)

	Computers	Electrical Installations	Office Equipments	Furnitures and Fixtures	Leasehold Improvements	Total
Gross Block as on 01. 01. 2023	**337,268**	**-**	**-**	**-**	**-**	**337,268**
Purchases	**475,058**	**55,766**	**123,611**	**142,395**	**120,260**	**917,090**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Gross Block as on 31. 12. 2023	**812,326**	**55,766**	**123,611**	**142,395**	**120,260**	**1,254,358**
Accumulated Depreciation as on 01.01.2023	**75,045**	**-**	**-**	**-**	**-**	**75,045**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	**195,698**	**5,565**	**24,490**	**28,420**	**21,179**	**275,352**
Accumulated Depreciation as on 31.12.2023	**270,743**	**5,565**	**24,490**	**28,420**	**21,179**	**350,397**
Net Carrying Amount as on 31.12.2023	**541,583**	**50,201**	**99,121**	**113,975**	**99,081**	**903,962**

(Amount in BGN)

	Computers	Electrical Installations	Office Equipments	Furnitures and Fixtures	Leasehold Improvements	Total
Gross Block as on 31. 08. 2022	-	-	-	-	-	-
Purchases	337,268	-	-	-	-	337,268
Disposals	-	-	-	-	-	-
Gross Block as on 31. 12. 2022	337,268	-	-	-	-	337,268
Accumulated Depreciation as on 31.08.2022	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Depreciation for the year	75,045	-	-	-	-	75,045
Accumulated Depreciation as on 31.12.2022	75,045	-	-	-	-	75,045
Net Carrying Amount as on 31.12.2022	262,223	-	-	-	-	262,223

Notes forming part of the financial statements

d. Other assets

Other assets consist of the following:

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
Other assets - Current		
Advance to suppliers	**79,954**	14,366
Prepaid expenses - Current	**39,124**	431,643
Tax Credit Entitlements	**137,155**	127,576
Prepaid Rent	**46,065**	-
Total	**302,297**	573,585

e. Other liabilities

Other liabilities consist of the following:

(Amount in BGN)

	As at December 31, 2023	As at December 31, 2022
Other liabilities - current		
Indirect tax payable and other statutory liabilities	**191,472**	284,244
Other current liabilities - Others	**1,330**	8,134
Unearned and deferred revenue	**2,920**	-
Other employee benefits - Current	**3,830**	-
Total	**199,552**	292,377

9. REVENUE RECOGNITION

The Company earns revenue primarily from providing information technology , consultancy services and business solutions for its customers. The Company offers a consulting-led, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Notes forming part of the financial statements

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Notes forming part of the financial statements

Revenue disaggregation by nature of services is as follows:

(Amount in BGN)

	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Revenue from consultancy services	**19,164,902**	12,174,793
Total	**19,164,902**	12,174,793

Revenue disaggregation by industry vertical is as follows:

(Amount in BGN)

Industry vertical	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Hi-Tech Industry Practice	**19,164,902**	12,174,793
Total	**19,164,902**	12,174,793

Revenue disaggregation by geography is as follows:

(Amount in BGN)

Geography	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
UK	**19,164,902**	12,174,793
Total	**19,164,902**	12,174,793

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Changes in contract assets is given below:

(Amount in BGN)

	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Opening balance	**-**	236,080
Add: Revenue recognized during the period	**-**	-
Add / (Less): Translation during the year	**-**	(236,080)
Closing balance as at December 31, 2022	**-**	-

Notes forming part of the financial statements

10. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licences, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

(Amount in BGN)

Expenses by function	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Cost of revenue	**16,300,733**	7,547,400
Selling, general and administrative expenses	**698,616**	297,429
Total	**16,999,349**	7,844,830

Costs and expenses are recognized when incurred and have been classified according to their nature.

(Amount in BGN)

Expenses by nature	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Other operating expenses		
Facility running expenses	**626,351**	144,579
Fees to external consultants	**299,732**	202,242
Travel expenses	**6,868**	401
Depreciation expenses	**694,733**	180,970
Other expenses	**463,401**	303,637
Total	**2,091,085**	831,829

11. OTHER INCOME

a. Other gains (net)

(Amount in BGN)

	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Net foreign exchange loss/(gain)	**752,184**	41,592
Total	**752,184**	41,592

12. FINANCE COSTS

Finance costs consist of the following:

(Amount in BGN)

	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Finance costs - Interest on obligations under finance leases	**99,810**	28,033
Interest on bank overdrafts and loans	**57,121**	48,491
Finance costs - Other interest expense	**83**	192
Total	**157,014**	7 6,715

13. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred Tax amount is immaterial hence not disclosed.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The income tax expense consists of the following:

(Amount in BGN)

	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Current tax		
Current tax expense for current year	**142,359**	438,111
Total tax expense	**142,359**	438,111

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(Amount in BGN)

	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Current tax expenses		
Income before taxes	**1,256,355**	4,211,656
Statutory tax rate	**10.00%**	10.00%
Expected income tax expense	**125,635**	421,166
Add : Disallowed expense - (Depreciation)	**16,724**	16,945
Total tax expense	**142,359**	438,111

14. EMPLOYEE BENEFITS

The Company provides for amount payable to be employees for compensated absences as per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(Amount in BGN)

	For the period January 1, 2023 to December 31, 2023	For the period January 1, 2022 to December 31, 2022
Salaries & bonus	**13,028,680**	6,036,021
Contributions to social security	**1,690,282**	864,242
Staff welfare	**189,301**	112,738
Total	**14,908,264**	7,013,002

Staff numbers

Average number of persons employed by the company (including directors) is 212 and 132 for year ending on December 31, 2023 and December 31, 2022 respectively.

15. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Bulgaria EOOD's principal related parties consist of its ultimate holding company Tata Sons Private Limited, its parent of holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

(Amount in BGN)

Particulars	For the period January 1, 2023 to December 31, 2023			
	With Tata Sons Private Limited, Ultimate Holding Company	**With Tata Consultancy Services Limited, Parent of Holding Company**	**With Subsidiaries of TCSL**	**Total**
Brand equity contribution	**47 912**	**-**	**-**	**47,912**
Finance cost	**-**	**-**	**57,121**	**57,121**
Fees to External consultants	**-**	**139,790**	**-**	**139,790**

(Amount in BGN)

Particulars	For the period August 31, 2022 to December 31, 2022			
	With Tata Sons Private Limited, Ultimate Holding Company	**With Tata Consultancy Services Limited, Parent of Holding Company**	**With Subsidiaries of TCSL**	**Total**
Brand equity contribution	30,437	-	-	30,437
Finance cost	-	-	48,491	48,491
Fees to External consultants	-	45,634	492	46,126

Balances with related parties

(Amount in BGN)

Particulars	For the period January 1, 2023 to December 31, 2023			
	With Tata Sons Private Limited, Ultimate Holding Company	**With Tata Consultancy Services Limited, Parent of Holding Company**	**With Subsidiaries of TCSL**	**Total**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**105,269**	**200,013**	**118,708**	**423,989**
Borrowings	**-**	**-**	**2,934,198**	**2,934,198**
Trade receivables, unbilled receivables and prepayments (net)	**-**	**47,072**	**-**	**47,072**

(Amount in BGN)

Particulars	For the period August 31, 2022 to December 31, 2022			
	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Subsidiaries of TCSL	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	36,356	45,049	52,580	133,985
Borrowings	-	-	2,933,961	2,933,961
Fees to External consultants	-	45,634	492	46,126

16. DIRECTOR'S REMUNERATION

Remuneration paid/ payable to directors for the year ended is Nil.

17. GOING CONCERN

Management have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

18. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai
Date : 30 Apr,2024

For and on behalf of the Board of Directors of
Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Rabindran Vennimalai
Director
Netherlands

TATA CONSULTANCY SERVICES GUATEMALA, S.A.

FINANCIAL STATEMENTS

For the year ended December 31, 2023

FINANCIAL STATEMENTS OF TATA CONSULTANCY SERVICES GUATEMALA, S.A.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND THE SHAREHOLDERS OF TATA CONSULTANCY SERVICES GUATEMALA, S.A.

Opinion

We have audited the financial statements of Tata Consultancy Services Guatemala, S.A., comprising the Statement of Financial Position as at December 31, 2023, the income statements and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, as well as the explanatory notes to the financial statements, which include a summary of significant accounting policies. The financial statements have been prepared by management using International Financial Reporting Standards (IFRS).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TATA CONSULTANCY SERVICES GUATEMALA, S.A., as at December 31, 2023, as well as its financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standard – IFRS -, indicated in Note 3.

Basis of the opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAS). Our responsibilities under these standards are described later in the section. Auditor's responsibilities for auditing the financial statements of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guatemala – Code of Ethics for Accounting Professionals issued by the International Ethical Standards Board for Accountants (IESBA Code of Ethics) and have fulfilled our other ethical responsibilities in accordance with such code. We believe that the auditor's evidence we have obtained provides a sufficient and adequate basis for our opinion.

Responsibilities of the entity's management and governance over the financial statements

Management is responsible for the preparation and fair presentation of the financial statements, in accordance with International Financial Reporting Standard (IFRS), and for the internal control that management deems necessary to enable the preparation of financial statements free from material misstatement, due to fraud or error.

Auditor's responsibilities for auditing the financial statements.

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether arising from fraud or error and to issue the auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement where it exists. Misaccuracies may arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to affect the economic decisions users make on the basis of these financial statements.

As part of an ISA compliance audit, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We too:

1. We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform the audit procedures that responded to those risks; and obtained sufficient and appropriate audit evidence to provide the basis for our opinion. The risk of failing to detect a material misstatement resulting from fraud is greater than that resulting from an error, since fraud involves collusion, falsification, intentional omissions, distortion, or override of internal control.

2. We obtained an important knowledge of internal control for the audit, in order to design audit procedures that are appropriate according to the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management in accordance with the applied basis of accounting.

4. We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a reasonable presentation.

5. We conclude on the appropriateness of management's use of the going concern bases and, based on the evidence obtained, determine whether or not there is material uncertainty regarding events or conditions that may give rise to

significant doubt about the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are asked to draw attention in our auditor's report to the respective disclosures in the financial statements or, if such disclosure is insufficient, we must modify our opinion. Our findings are based on audit evidence obtained to date from our auditor's report, however, future events or conditions may cause the Company to cease to be a going concern.

We communicate with government officials regarding, among other issues, the expected scope and timing of the audit and important audit findings, including potential significant deficiencies, in the internal control we identified during our audit.

Nestor Lepez

Collegiate CPA-5868

Guatemala, Guatemala City

February 28, 2024

Statement of Financial Position

(In Quetzals)

	Note	As at December 31, 2023	As at December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	6(a)	**18,093,030**	6,125,188
Trade receivables			
Billed	6(b)	**15,261,624**	11,710,501
Unbilled		**6,587,812**	19,461,428
Other financial assets	6(c)	**117,496**	679,810
Other assets	8(c)	**933,104**	823,053
Total current assets		**40,993,066**	38,799,980
Non-current assets			
Deferred tax assets (net)		**542,180**	507,593
Property, plant and equipment	8(a)	**1,207,362**	1,735,662
Total non-current assets		**1,749,542**	2,243,255
TOTAL ASSETS		**42,742,608**	41,043,235
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		**1,919,569**	1,364,015
Borrowings - Short Term	6(d)	**5,212,673**	4,494,182
Other financial liabilities	6(e)	**1,797,148**	3,653,286
Unearned and deferred revenue		**948,844**	1,979
Employee benefit obligations	13(a)	**2,685,736**	2,251,929
Income tax liabilities (net)		**224,953**	712,362
Other liabilities	8(d)	**636,730**	668,192
Total current liabilities		**13,425,653**	13,145,945
Non-current liabilities			
Borrowings - Long Term	6(d)	**5,628,414**	10,875,591
Total non-current liabilities		**5,628,414**	10,875,591
TOTAL LIABILITIES		**19,054,067**	24,021,536
Equity			
Share capital	6(i)	**7,800,000**	7,800,000
Retained earnings		**15,427,456**	9,125,829
Legal reserve		**461,085**	95,870
TOTAL EQUITY		**23,688,541**	17,021,699
TOTAL LIABILITIE S AND EQUITY		**42,742,608**	41,043,235

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(In Quetzals)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	9	**61,056,926**	50,407,509
Operation expenses			
Employee benefits expenses	13	**47,226,438**	37,437,838
Depreciation and amortisation expense	7 and 8	**542,299**	419,804
Other operating expenses	10	**3,510,479**	2,196,100
TOTAL OPERATING EXPENSES		**51,279,216**	40,053,742
Operating profit		**9,777,710**	10,353,767
Other (expense) / income			
Finance costs	11(a)	**(605,539)**	(540,815)
Other gains / (losses) net	11(b)	**(14,126)**	116,768
OTHER (EXPENSE) (NET)		**(619,665)**	(424,047)
Profit before taxes		**9,158,045**	9,929,720
Income tax expense	12	**2,491,203**	2,625,418
PROFIT FOR THE YEAR		**6,666,842**	7,304,302
OTHER COMPREHENSIVE INCOME, NET OF TAXES		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,666,842**	7,304,302

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Changes in Equity

(In Quetzals)

	Note	Equity share capital	Legal reserve	Retained earnings	Total equity
Balance as at January 1, 2022		7,800,000	-	1,917,397	9,717,397
Profit for the year		-	-	7,304,302	7,304,302
Transfer to legal reserve		-	95,870	(95,870)	-
Balance as at December 31, 2022		7,800,000	95,870	9,125,829	17,021,699
Balance as at January 1, 2023		**7,800,000**	**95,870**	**9,125,829**	**17,021,699**
Profit for the year		**-**	**-**	**6,666,842**	**6,666,842**
Transfer to legal reserve		**-**	**365,215**	**(365,215)**	**-**
Balance as at December 31, 2023		**7,800,000**	**461,085**	**15,427,456**	**23,688,541**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statemement of Cash Flows

(In Quetzals)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**6,666,842**	7,304,302
Adjustment for:			
Depreciation and amortisation expense		**542,299**	419,804
Income tax expense	12	**2,491,203**	2,625,418
Unrealised foreign exchange gain		**(40,015)**	257,349
Operating profit before working capital changes		**9,660,329**	10,606,873
Net change in			
Trade receivables			
Billed		**(3,551,123)**	(10,121,339)
Unbilled		**12,873,616**	(10,312,051)
Other financial assets		**562,314**	1,908,966
Other assets		**(110,051)**	479,553
Trade payables		**555,554**	436,607
Unearned and deferred revenue		**946,865**	1,979
Other financial liabilities		**(1,856,138)**	1,349,138
Other liabilities and provisions		**402,345**	1,125,774
Cash generated from operations		**19,483,711**	(4 524,500)
Taxes paid (net of refunds)		**(3,013,199)**	(3,152,025)
Net cash generated from operating activities		**16,470,512**	(7,676,525)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment tor purchase of property, plant and equipment		**(13,999)**	(1,073,401)
Net cash used in investing activities		**(13,999)**	(1,073,401)
CASH HOWS FROM FINANCING ACTIVITIES			
Share capital (7.800 shares al GTQ 1.000)		**-**	-
Long-term borrowings (net)		**-**	12,544,013
Repayment of borrowings		**(4,486,807)**	(326,531)
Net cash used in financing activities		**(4,486,807)**	12,217,482
Net change in cash and cash equivalents		**11,969,706**	3,467,556
Cash and cash equivalents at the beginning of the year		**6,125,188**	2,657,689
Exchange difference on translation of foreign currency cash and cash		**(1,864)**	(57)
Cash and cash equivalents at the end of the year	6(a)	**18,093,030**	6,125,188
Supplement cash flow information			
Interest paid		**976,318**	140,860
Interest received		**58,463**	30,131

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Guatemala, S.A., with registered offices in Guatemala City (Diagonal 6 10-65 Zone 10 Las Margaritas Office 202 A Tower 1), was incorporated according to Guatemalan Law on September 1, 2021 through the testimony of deed No. 111 and No. 112 under registration N ° 20170 Folio: 919 of the Electronic Book 91 of mercantile companies. Its corporate purpose is the provision of professional services within the IT, telecommunications, and engineering fields, consultancy services, delegated administration of IT services and business processes (outsourcing).

The authorized share capital of the Company is Seven Million Eight Hundred Thousand Quetzals (Q 7,800,000.00), represented by Seven Thousand Eight Hundred (7,800) shares with a par value each share of One Thousand Quetzals (Q1, 000.00) each one of them. The shareholders of the Company are TCS Iberoamerica S.A. (Owns 99 Percentage of the shares of the subscribed and paid capital stock) and TCS Uruguay S.A. (Owns 1 Percentage of the shares of the subscribed and paid capital stock). Both shareholders are registered offices are in the Oriental Republic of Uruguay.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), with their interpretations, conceptual framework, conclusion foundations and application guides authorized and issued by the International Accounting Standards Board (IASB); and other legal provisions defined by surveillance entities that may differ in some aspects with those set out by other state control bodies.

On February 28, 2024, the Shareholders authorized the issuance of the financial statements.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The Statement of Cash flow have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The Company classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Guatemalan Quetzal (GTQ). Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgment's that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of Income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Notes forming part of the Financial Statements

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts is recognized using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates and judgements, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value).

e. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

f. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Notes forming part of the Financial Statements

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 16	Lease Liability in a sale and Leaseback[1]
Amendments to IAS 1	Non-current Liabilities with Covenants[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates[2]

[1]Effective for annual periods beginning on or after January 1, 2024.

[2]Effective for annual periods beginning on or after January 1, 2025.

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 Company 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 Company 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 Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' which require an entity to provide additional disclosures about supplier finance arrangements. Solely credit enhancements for the entity or instruments used by the entity to settle their dues, are not supplier finance arrangements. Entity will have to disclose information that enables users of financial statements to assess how these arrangements affect its liabilities and cash flows and to understand their effect on an its exposure to liquidity risk and how it might be affected if the arrangements were no longer available to it. The Company does not expect the amendments to have any significant impact on its presentation of liabilities.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes forming part of the Financial Statements

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognized when the Company 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 Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

Notes forming part of the Financial Statements

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Balance with banks	**18,093,030**	6,125,188
Total	**18,093,030**	6,125,188

b. Trade receivables - Billed

Trade receivables - Billed consist of the following:

Trade receivable - Billed - Current

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Trade receivables - Billed	**15,261,624**	11,710,501
Total	**15,261,624**	11,710,501

c. Other financial assets

Other financial assets consist of the following:

Other financial assets - Current

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Employee loans and advances	**-**	135,100
Security deposits	**58,059**	58,059
Others	**59,437**	486,651
Total	**117,496**	679,810

Notes forming part of the Financial Statements

d. Borrowings

Borrowings consist of the following:

Borrowings – Current

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Loans from related party	**5,212,673**	4,494,182
Total	**5,212,673**	4,494,182

Borrowings – Non Current

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Loans from related party	**5,628,414**	10,875,591
Total	**5,628,414**	10,875,591

e. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Accrued payroll	**1,726,690**	2,341,957
Accrued interest	**54,787**	426,489
Volume discount	**14,519**	-
Others	**1,152**	884,840
Total	**1,797,148**	3,653,286

f. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2023 is as follows:

(In Quetzals)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**18,093,030**	**18,093,030**
Trade receivables		
Billed	**15,261,624**	**15,261,624**
Unbilled	**6,587,812**	**6,587,812**
Other financial assets	**117,496**	**117,496**
Total	**40,059,962**	**40,059,962**
Financial liabilities		
Trade payables	**1,919,569**	**1,919,569**
Borrowings	**10,841,087**	**10,841,087**
Other financial liabilities	**1,797,148**	**1,797,148**
Total	**14,557,804**	**14,557,804**

Notes forming part of the Financial Statements

The carrying value of financial instruments by categories as at December 31, 2022 is as follows:

(In Quetzals)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	6,125,188	6,125,188
Trade receivables		
Billed	11,710.501	11,710,501
Unbilled	19,461,428	19,461,428
Other financial assets	679,810	679,810
Total	37,976,927	37,976,927
Financial liabilities		
Trade payables	1,364,015	1,364,015
Borrowings	15,369,773	15,369,773
Other financial liabilities	3,653,286	3,653,286
Total	20,387,074	20,387,074

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at December 31, 2023 and December 31, 2022 approximate at the fair value due to their nature. Carrying amounts of other financial assets, other financial liabilities and borrowings which are subsequently measured at amortized cost also approximates the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

g. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity. Considering the economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

Notes forming part of the Financial Statements

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percent against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to foreign currency exposure as at December 31, 2023:

(In Quetzals)

	COP	MXN	USD	GTQ	TOTAL
Net financial assets	**-**	**-**	**22,018,673**	**-**	**22,018,673**
Net financial liabilities	**-**	**-**	**12,519,118**	**-**	**12,519,118**

10 percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately 949,955 Quetzals for the year ended December 31, 2023.

The following table sets forth information relating to foreign currency exposure as at December 31, 2022:

(In Quetzals)

	COP	MXN	USD	GTQ	TOTAL
Net financial assets	78,890	44,013	31,415,998	-	31,538,901
Net financial liabilities	73,398	45,614	17,592,025	-	17,711,037

10 percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately 1,382,786 Quetzals for the year ended December 31, 2022.

- **Interest rate risk**

  The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and other financial assets. Cash and cash equivalents include an amount of 18,093,030 Quetzals held with a bank in Guatemala having high quality credit rating which are individually in excess of 10 percent or more of the Company's total cash and cash equivalents as at December 31, 2023. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was 40,059,963 Quetzals and 38,069,615 Quetzals as at December 31, 2023 and December 31, 2022, respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Notes forming part of the Financial Statements

Company's exposure to customers is concentrated, and single customer which contributes individually to more than 10 percent of outstanding trade receivable, and contract assets as at December 31, 2023 and as at December 31, 2022 as follows:

(In Quetzals)

	As at December 31,2023	
	Total trade receivables , Unbilled receivables and contract Assets	Percentage
Customer A	**18,420,870**	**84%**

(In Quetzals)

	As at December 31,2022	
	Total trade receivables , Unbilled receivables and contract Assets	Percentage
Customer A	28,643,906	92%

- **Geographic concentration of credit risk**

Geographic concentration of Trade Receivables, Unbilled receivables and Contract Assets is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
	Net percentage	Net percentage
Americas	**96%**	97%
Ibero America	**3%**	3%
India	**1%**	0%
	100%	100%

Geographical concentration of Trade Receivables, Unbilled receivables and Contract Assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(In Quetzals)

December 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**1,919,569**	**-**	**-**	**-**	**1,919,569**
Borrowings	**5,212,674**	**4,887,216**	**741,199**	**-**	**10,841,089**
Other financial liabilities	**1,797,147**	**-**	**-**		**1,797,147**
Total	**8,929,390**	**4,887,216**	**741,199**	**-**	**14,557,805**

Notes forming part of the Financial Statements

(In Quetzals)

December 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	1,364,015	-	-	-	1,364,015
Borrowings	4,494,165	5,229,243	4,902,751	743,555	15,369,714
Other financial liabilities	3,653,286	-	-	-	3,653,286
Total	9,511,466	5,229,243	4,902,751	743,555	20,387,015

i. Equity instruments

The authorized, issued, subscribed and fully paid-up share capital consists of the following:

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Authorized		
Equity share of 1.000 each	**7,800,000**	7,800,000
Issued, subscribed and fully paid up		
Equity share of 1.000 each	**7,800,000**	7,800,000

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured

Notes forming part of the Financial Statements

by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

8. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual values over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Property, plant and equipment consist of the following:

(In Quetzals)

	Computer equipment	Office equipment	Total
Gross block as at January 1,2023	2,161,614	9,821	2,171,435
Purchases	12,847	1,152	13,999
Gross block as at December 31,2023	2,174,461	10,973	2,185,434
Accumulated depreciation as at January 1,2023	434,984	789	435,773
Depreciation for the period	540,328	1,971	542,299
Accumulated depreciation as at December 31,2023	975,312	2,760	978,072
Net carrying amount as at December 31,2023	1,199,149	8,213	1,207,362
Capital work-in-progress	-	-	-
Total	1,199,149	8,213	1,207,362

Notes forming part of the Financial Statements

(In Quetzals)

	Computer equipment	Office equipment	Total
Gross block as at January 1, 2022	613,551	-	613,551
Purchases	1,548,063	9,821	1,557,884
Gross block as at December 31, 2022	2,161,614	9,821	2,171,435
Accumulated depreciation as at January 1, 2022	15,969	-	15,969
Depreciation for the period	419,015	789	419,804
Accumulated depreciation as at December 31, 2022	434,984	789	435,773
Net carrying amount as at December 31, 2022	1,726,630	9,032	1,735,662
Capital work-in-progress	-	-	-
Total	1,726,630	9,032	1,735,662

b. Other Intangible assets

Intangible assets purchased including acquired in business combination, are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years

Intangible assets are amortised on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

As at December 31,2023, and December 31, 2022 Company did not have Intangible assets.

c. Other assets

Other assets consist of the following:

Other assets – Current

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Indirect tax recoverable	**516,082**	553,644
Prepaid expenses	**417,022**	176,721
Contract assets	**-**	92,688
Total	**933,104**	823,053

Refer note 9 for changes in contract assets

Notes forming part of the Financial Statements

d. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Indirect tax payable and other statutory liabilities	**636,730**	658,215
Others	**-**	9,977
Total	**636,730**	668,192

9. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction

Notes forming part of the Financial Statements

price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Consultancy Services	**61,056,926**	50,407,509
Total	**61,056,926**	50,407,509

Revenue disaggregation by industry vertical is as follows:

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Industry Vertical		
Communication, Media and Technology	**58,383,733**	49,382,225
Retail and Consumer Business	**1,843,912**	522,557
Manufacturing	**829,281**	502,727
Total	**61,056,926**	50,407,509

Notes forming part of the Financial Statements

Revenue disaggregation by geography is as follows:

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Geography		
America	**59,588,235**	49,382,225
Ibero America	**1,468,691**	1,025,284
Total	**61,056,926**	50,407,509

Geographical revenue is allocated based on the location of the customers.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is 3,383,308 Quetzals, out of which 50.49 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**92,688**	1,145,879
Invoice raised that were included in the contract assets balance at the beginning of the year	**(92,390)**	110,583
Increase due to revenue reconginsed during the year excludng amounts billed during the year	**-**	(1,144,384)
Adjustments during the year	**-**	-
Translation exchange difference	**(298)**	(19,390)
Balance at the end of the year	**-**	92,688

Changes in unearned and deferred revenue are as follows:

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Balance at the beginning of the year	**(1,979)**	-
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**1,971**	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**(950,761)**	(1,977)
Translation exchange difference	**1,925**	(2)
Balance at the end of the year	**(948,844)**	(1,979)

Notes forming part of the Financial Statements

10. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortization and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses and other expenses.

Other operating expenses

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Facility expenses	**494,327**	408,655
Fees to external consultants and others	**2,351,187**	1,075,936
Travel expense	**14,786**	-
Communication expense	**6,054**	8,537
Other expenses	**644,125**	702,972
Total	**3,510,479**	2,196,100

- **Expenses by function**

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Cost of revenue	**46,148,640**	36,432,111
Selling, general and administrative expenses	**5,130,576**	3,621,631
Total	**51,279,216**	40,053,742

11. OTHER INCOME

a. Finance costs

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Interest on loans other than banks	**605,539**	540,815
Total	**605,539**	540,815

b. Other Gains / (Losses) (net)

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Net foreign exchange gains (losses)	**(84,152)**	86,640
Others	**70,026**	30,128
Total	**(14,126)**	116,768

Notes forming part of the Financial Statements

12. INCOME TAXES

The income tax expense of the period comprises the current and deferred income tax. The tax is recognized in the income statement, except where it is about items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The charge for current income tax is calculated based on enacted, or substantially enacted, tax laws at the balance sheet date. The management assesses periodically the positions assumed in the tax returns filed regarding situations in which the tax laws are subject to interpretation. The Company, as corresponds, creates provisions on amounts expected to be obliged to pay to tax authorities.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized, by using the balance sheet approach, on temporary differences arising between the tax assets and liabilities basis and their respective amounts recorded in the financial statements.

The deferred income tax assets are only recognized to the extent future tax benefits are produced against which temporary differences may be used. The deferred income tax is determined by using tax rates that have been promulgated at the balance sheet date and it is expected they will be applicable when deferred income tax assets are realized or income tax liabilities are paid.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities from revenue refer to income tax corresponding to the same tax authority.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Profit before taxes	**9,158,045**	9,929,720
Federal income tax rate	**25%**	25%
Expected income tax expense	**2,289,511**	2,482,430
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Income exempt from tax	**(13,705)**	4,877
Permanent differences	**215,397**	139,304
Tax pertaining to prior years	**-**	(1,193)
Others (net)	**-**	-
Total income tax expense	**2,491,203**	2,625,418

Notes forming part of the Financial Statements

The income tax expense consists of the following:

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit or loss is as follows:

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Current Tax		
Current tax expense for current year	**2,525,790**	3,066,592
	2,525,790	3,066,592

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Deferred tax		
Deferred tax (benefit) for current year	**(34,587)**	(441,174)
	(34,587)	(441,174)
Total	**2,491,203**	2,625,418

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2023 are as follows:

(In Quetzals)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets in relation to			
Provision for Employee Benefits	**507,593**	**34,587**	**542,180**
Total deferred tax asset	**507,593**	**34,587**	**542,180**

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2022 are as follows:

(In Quetzals)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets in relation to			
Provision for Employee Benefits	66,419	441,174	507,593
Total deferred tax asset	66,419	441,174	507,593

Direct Tax Contingencies

There are no contingencies in relation to Direct tax matters.

13. EMPLOYEE BENEFITS

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

The Company provides retirement benefit such as pension (other than Company managed fund) to its employees which are treated as defined contribution plans.

Notes forming part of the Financial Statements

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consists of the following:

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries, incentives and allowances	**41,760,101**	33,236,186
Contribution to provident and other funds	**4,503,174**	3,423,131
Staff welfare expenses	**963,163**	778,521
	47,226,438	37,437,838

Employee benefit obligations consist of the following:

(a) Employee benefit obligations – Current

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Benefits to employees	**2,685,736**	2,251,929
Total	**2,685,736**	2,251,929

14. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has contractually capital commitment (net of advances) Nil Quetzals as at December 31, 2023 and December 31, 2022 for purchase of property, plant and equipment.

Contingencies

(a) Direct tax matters

Refer note No. 12

(b) Indirect tax matters

There are no contingency in relation to Indirect tax matters.

(c) Other claims

Claims aggregating GTQ 107,000 and GTQ 107,000 as at December 31, 2023 and December 31, 2022 respectively, against the Company have not been acknowledged as debts.

Notes forming part of the Financial Statements

15. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries and key managerial personnel. The related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(In Quetzals)

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations		
Tata Consultancy Services Limited	**2,682,128**	1,787,147
Total	**2,682,128**	1,787,147
Purchases of goods and services (including reimbursements)		
Tata Consultancy Services Limited	**348,115**	-
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**664,527**	143,960
Total	**1,012,642**	143,960
Loan taken		
Subsidiaries of Tata Consultancy Services Limited		
TCS Uruguay S. A.	**-**	12,544,013
Total	**-**	12,544,013
Loan repaid		
Subsidiaries of Tata Consultancy Services Limited		
TCS Uruguay S. A.	**4,486,807**	326,531
Total	**4,486,807**	326,531
Interest Expense		
Subsidiaries of Tata Consultancy Services Limited		
TCS Uruguay S. A.	**605,539**	540,815
Total	**605,539**	540,815
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**147,062**	150,163
Total	**147,062**	150,163

Notes forming part of the Financial Statements

Balances receivable and payable to related parties are as follows:

(In Quetzals)

	As at December 31, 2023	As at December 31, 2022
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**297,225**	150,163
Tata Consultancy Services Limited	**39,797**	-
Total	**337,022**	150,163
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica S.A.	**-**	776,992
TCS Uruguay S.A.	**54,787**	434,337
Tata Consultancy Services De Mexico S.A.,De C.V.	**17,741**	733,736
TCS Colombia	**-**	73,398
Total	**72,528**	2,018,463
Loan taken		
Subsidiaries of Tata Consultancy Services Limited		
TCS Uruguay S.A.	**10,841,087**	15,369,773
Total	**10,841,087**	15,369,773
Loans, other financial assets and other assets		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**23,684**	133,148
Total	**23,684**	133,148
Trade receivables and unbilled receivables and contract assets		
Tata Consultancy Services Limited	**1,013,612**	194,604
Total	**1,013,612**	194,604

Compensation to Key Managerial Personnel

(In Quetzals)

	For the year ended December 31, 2023	For the year ended December 31, 2022
Short-term benefits	**1,955,739**	698,454
Total	**1,955,739**	698,454

16. SUBSEQUENT EVENTS

There were no subsequent events that need disclosure.

Diligenta (Europe) B.V.

ANNUAL REPORT AND FINANCIAL STATEMENTS

Financial Year
2023 - 24

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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Independent Auditor's Report

To the Board of Directors
Diligenta (Europe) B.V.
Report on the special purpose Ind AS Financial Statements

Opinion

We have audited the accompanying Special purpose Ind AS financial statements of Diligenta (Europe) B.V. ('the Company), which comprises the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the period 14th September 2023 to 31st March 2024, and the summary of the material accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements"). The special purpose Ind AS financial statements have been prepared by the management as described in Note 2 to the Special Purpose Ind AS financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and it's profit (including other Comprehensive Income), Changes in Equity and its Cash Flows for the period 14th September 2023 to 31st March 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose Ind AS financial statements under the provisions of the Act and the Rules thereunder and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Special purpose Ind AS financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Special purpose Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose Ind AS financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements
(To the extent applicable to a Company incorporated outside India)

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

Restriction on Distribution and Use

This Special purpose Ind AS financial statements have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Limited for the year ended 31st March,2024 in accordance with Accounting Standard specified in section 133 of the Companies Act 2013. Our report is intended solely for the information and use of Board of Directors of the company and Tata Consultancy Services Limited for the preparation of consolidated this Special purpose Ind AS financial statements as aforesaid and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For KBJ & ASSOCIATES
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No.48889)

Date: 30th April 2024
Place: Mumbai

Balance Sheet

Amount in EUR

	Note	As at March 31, 2024
ASSETS		
Non-current assets		
(b) Right-of-use Assets	4(7)	**79,572**
Total non-current assets		**79,572**
Current assets		
Billed	2(6a)	**1,012,958**
Unbilled	2(6a)	**160,826**
(iii) Cash and cash equivalents	2(6b)	**1**
Total current assets		**1,173,784**
TOTAL ASSETS		**1,253,357**
EQUITY AND LIABILITIES		
Equity		
(a) Share capital	4(6g)	**1**
(b) Other equity	5(9)	**2,176**
Total Equity		**2,177**
Liabilities		
Non-current liabilities		
(i) Lease Liabilities	2(6d)	**63,384**
Total non-current liabilities		**63,384**
Current liabilities		
(i) Lease Liabilities	2(6d)	**16,568**
(ii) Trade payables	2(6c)	**995,030**
(d) Other liabilities	5(8a)	**176,199**
Total current liabilities		**1,187,796**
TOTAL EQUITY AND LIABILITIES	1-17	**1,253,357**
NOTES FORMING PART OF FINANCIAL STATEMENTS		

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number: 48889

Mumbai
Date: 30th April, 2024

For and on behalf of the Board of Directors
of Diligenta (Europe) B.V.

Daniel Praveen
Director
Cambridgeshire

Josu Devasia
Director
Netherlands

Statement of Profit and Loss for the period from 14th September, 2023 to 31st March, 2024

Amount in EUR

		Note	For the year ended March 31, 2024
	Revenue	5(10)	**997,981**
II.	**TOTAL INCOME**		**997,981**
III.	**Expenses**		
	(b) Depreciation expense	4(7)	**4,421**
	(c) Other expenses	5(11a)	**990,192**
	(d) Finance costs	5(12)	**796**
	TOTAL EXPENSES		**995,409**
	PROFIT/(LOSS) BEFORE TAX		**2,572**
V.	**Tax expenses**		
	(a) Current tax	5(14)	**396**
	TOTAL TAX EXPENSES		**396**
	PROFIT/(LOSS) FOR THE YEAR		**2,176**
VIII.	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**		**2,176**
VIII.	**NOTES FORMING PART OF FINANCIAL STATEMENTS**	1-17	

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number: 48889

Mumbai
Date: 30th April, 2024

For and on behalf of the Board of Directors
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Daniel Praveen
Director
Cambridgeshire

Josu Devasia
Director
Netherlands

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Amount in EUR

Balance as at April 1, 2023	Change in equity share capital during the period	Balance as at March 31, 2024
NA	1	1

B. OTHER EQUITY

	Reserves and surplus Retained earnings	Total equity
Profit for the year	**2,176**	**2,176**
Balance as at March 31, 2024	**2,176**	**2,176**

NOTES FORMING PART OF FINANCIAL STATEMENTS 1-17

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number: 48889

Mumbai
Date: 30th April, 2024

For and on behalf of the Board of Directors
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Daniel Praveen
Director
Cambridgeshire

Josu Devasia
Director
Netherlands

Statement of Cash flows for the period from 14th September, 2023 to 31st March, 2024

Amount in EUR

	Note	Year ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) for the year		**2,176**
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation expense		**4,421**
Tax Expense	5(14)	**396**
Finance Costs	5(12)	**796**
Operating Profit/(Loss) before working capital changes		**7,788**
Net change in		
Trade receivables	3(6)	**(1,012,958)**
Unbilled receivables		**(160,826)**
Trade payables	3(6)	**995,029**
Other liabilities and provisions		**176,200**
Cash generated (used) from operations		**5,234**
Taxes paid (net of refund)		**(396)**
Net cash generated (used) in operating activities		**4,838**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities		**(4,041)**
Repayment of lease Interest	5(12)	**(796)**
Net cash used in financing activities		**(4,838)**
Net change in cash and cash equivalents		**1**
Cash and cash equivalents at the beginning of the year		**-**
Exchange difference on translation of foreign currency cash and cash equivalents		**-**
Cash and cash equivalents, as at the end of the year (Refer Note 6(b))		**1**
NOTES FORMING PART OF FINANCIAL STATEMENTS	1-17	

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number: 48889

Mumbai
Date: 30th April, 2024

For and on behalf of the Board of Directors
of Diligenta (Europe) B.V.

Daniel Praveen
Director
Cambridgeshire

Josu Devasia
Director
Netherlands

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Diligenta (Europe) B.V. is into business of providing a wide range of information technology and consultancy services.

The Company was incorporated on September 14, 2023 in Netherland. The address is 6th floor of the office building situated at Kruseman van Eltenweg 1 in (1817 BC) Alkmaar. Diligenta Limited (UK), the holding Company owned 100% of the Company's equity share capital.

2. STATEMENT OF COMPLIANCE

This special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time for sole purpose of inclusion for Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act').

3. BASIS OF PREPARATION

These financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been presented in EUR which is the functional currency of the Company.

The functional currency is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

Notes forming part of the Financial Statements

a. Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Financial Statements

f. Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of asset to another entity. The Company derecognises a financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Notes forming part of the Financial Statements

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, the Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Trade Receivables

Trade receivables (unsecured) consist of following:

Amount in EUR

	As at March 31, 2024
Trade Receivable - Current	
Considered Good	**1,012,958**
	1.012.958

Above balances of trade receivables includes balance with related parties (Refer Note 17)

Ageing for trade receivables - current outstanding as at March 31, 2024 is as follows:

Amount in EUR

	Outstanding for following periods from due date of payment				
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**Total**
Undisputed trade receivables - considered good	-	1,012,958	-	-	1,012,958
	-	-	-	-	1,012,958
Less: Allowance for doubtful trade receivables - billed					-
					1,012,958
Trade Receivables - unbilled					160,826
					1,173,784

Notes forming part of the Financial Statements

Other financial assets

b. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Amount in EUR

	As at March 31, 2024
Balances with banks	
-In current accounts	1
	1

c. Trade payables current

Trade payables consist of the following:

Amount in EUR

	As at March 31, 2024
Accrued expenses	500,085
Trade and other payables	494,945
	995,030

Above balances of trade payables includes balance with related parties (Refer Note 17)

Ageing for trade payable - current outstanding as at March 31, 2024 is as follows:

	Outstanding for following periods from due date of payment				
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	Total
Others	-	494,945	-	-	494,945
	-	494,945	-	-	494,945
Less: Allowance for doubtful trade payables - billed					-
					494,945
Accrued expenses					500,085
					995,030

d. Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2024 is as follows:

Amount in EUR

	Amortised cost
Financial assets	
Cash and cash eauivalents	1
Trade receivables	1,012,958
Unbilled receivables	160,826
Total	1,173,784
Financial liabilities	
Trade payables	995,030
Lease liabilities	79,952
Total	1,074,982

Notes forming part of the Financial Statements

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at March 31, 2024 approximate the fair value. Difference between carrying amounts and fair values of balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required.

e. Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 —Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no financial liabilities or assets measured at fair value at the end of each reporting period.

f. Financial risk management

The Company is exposed primarily to fluctuations in credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- ***Interest rate risk***

  The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables (PY unbilled revenue), investments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

- ***Exposure to credit risk***

  The carrying amount of financial assets represents the maximum credit exposure. Being no carrying amount of balances with banks, trade receivables, unbilled receivables and other financial assets excluding equity & loans.

- ***Trade Receivables and Contract Assets***

  The entity's exposure to credit risk with regards to trade receivables and Unbilled Receivables is influenced mainly by the individual characteristics of each customer in relation to the industry practices and business environment in which they operate. The entity limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 365 days for its customers after which they are in default (credit impaired). To manage this risk, the Company has a robust Credit Management process in place. The Company has adopted

Notes forming part of the Financial Statements

a policy of dealing only with creditworthy counterparties. The Company's exposure of the counterparties is continuously monitored and necessary changes to the credit terms are made. The carrying amounts of financial assets represent the maximum credit risk exposure. None of the customer balances have been written off and no customer balances have been credit impaired at the reporting date.

Amount in EUR

	As at March 31, 2024	
	Total Trade receivables and Unbilled revenue	Percentage
Customer A	1,173,783	100%

Company's cash and cash equivalents, trade receivables, unbilled receivables other financial assets are substantially held in Netherlands.

- ***Geographic concentration of credit risk***

The Company is not exposed to the risk as the customer base of Company is concentrated in Europe.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

Amount in EUR

As at March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Non-derivative financial liabilities				
Trade payables	995,030	-	-	995,030
Lease Liability	19,350	19,350	48,375	87,075
Total	1,014,380	19,350	48,375	1,082,105

Other risk

Financial assets was EUR 1 as at March 31, 2024 carried at amortised cost is in the form of cash and cash equivalents, where the Company has assessed the counterparty credit risk. Trade receivables of EUR 10,12,958 as at March 31, 2024 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. The Company has specifically evaluated the potential impact with respect to customers from BFSI (Banking and Financial Services) sector which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables EUR 1,60,826 as at March 31, 2024.

Notes forming part of the Financial Statements

g. Equity instruments

Amount in EUR

	As at March 31, 2024
Authorised:	
Equity share capital	1
(Share Capital of EUR 1)	
	1
Issued, subscribed	
Equity share capital	1
(Share Capital of EUR 1)	
	1

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 m 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.

h. Reconciliation

Amount in EUR

	As at March 31, 2024
Equity shares	
Opening balance	-
Changes during the year	1
Closing balance	1

* The Company does not have number of equity shares.

ii. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares which is an 100% investment by Diligenta Limited (UK). Since Diligenta Limited (UK) is the only shareholder for the Company, Diligenta Limited (UK) carry a right to dividend and also in the event of liquidation, Diligenta Limited (UK) is eligible to receive the remaining assets of the Company.

iii. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Amount in EUR

Equity Shares	As at March 31, 2024
Diligenta Limited (UK)	1
% Holding in class	100%

iv. Disclosure of shareholding promoters

Disclosure of shareholding of promoters as at March 31st 2024 is as follow:

Shares Held by Promoters

	As at March 31,2024	
Promoter name	**Number of Shares**	**% of Total Shares**
Diligenta Limited	1	100%
Total	1	100%

Notes forming part of the Financial Statements

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
Leasehold building	79,572	79,572
Total	**79,572**	**79,572**

Depreciation on right-of-use asset is as follows:

	Year ended March 31, 2024
Leasehold building	4,421
Total	**4,421**

Interest on lease liabilities EUR 796 was for year ended on March 31, 2024.

Lease contracts entered by the Company majorly pertains Lease office premises. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Notes forming part of the Financial Statements

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a. Other liabilities

Other liabilities consist of the following:

Amount in EUR

	As at March 31, 2024
Other liabilities - Current	
Indirect tax payable and other statutory liabilities	**176,199**
	176,199

9. OTHER EQUITY

Other equity consist of the following:

Amount in EUR

	As at March 31, 2024
Retained earnings	
Profit/(Loss) for the year	**2,176**
	2,176

10. REVENUE RECOGNITION

The Company earns revenue primarily by providing services to the customers from BFSI (Banking and Financial Services) sector.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the entity expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of- completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Notes forming part of the Financial Statements

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue disaggregation by nature of services is as follows:

Amount in EUR

	Year ended March 31, 2024
Consultancy services	**997,981**
Total	**997,981**

Revenue disaggregation by geography is as follows:

Amount in EUR

Geography	**Year ended March 31, 2024**
Europe	**997,981**
Total	**997,981**

Geographical revenue is allocated based on the location of the customers.

Information about major customers:

Athora Netherlands N.V. represents 10% or more of the Company's total revenue during the year ended March 31, 2024.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Notes forming part of the Financial Statements

Reconciliation of revenue recognized with the Contracted price is as follows :

Amount in EUR

	Year ended March 31, 2024
Contracted price	997,981
Revenue recognised	**997,981**

11. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

a. Other expenses

Other expenses consist of the following:

Amount in EUR

	Year ended March 31, 2024
Fees to external consultants (including subcontractor cost)*	969,694
Facility expenses	19,001
Other expenses	1,497
	990,192

* Cost of personnel on deputation from Tata Consultancy Services Netherlands.

12. FINANCE COSTS

Finance costs consist of the following:

Amount in EUR

	Year ended March 31, 2024
Interest on lease liabilities	796
	796

13. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense for the entity has been computed based on the tax laws applicable in the jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction provided the Company has a legally enforceable right to set off the recognised amounts and intends to settle the asset and liability on a net basis.

Notes forming part of the Financial Statements

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

14. INCOME TAXES

The Income-tax expenses consist of the following:

Amount in EUR

	Year ended March 31, 2024
Current tax	
Current tax benefit pertaining to prior years	**396**
	396
	-
Total income tax expense recognised in current year	**396**

The reconciliation of

Amount in EUR

	Year ended March 31, 2024
Profit/(Loss) before taxes	**2,572**
Enacted Income tax rate in Diligenta (Europe)	**19%**
Expected Income tax expenses	**488**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	**(92)**
	396

The tax rates under Diligenta (Europe) B.V. Income Tax Act, for the year ended March 31, 2024 is 19%.

There are no material temporary tax difference during the year giving rise to Deffered Tax.

Notes forming part of the Financial Statements

15. SEGMENT INFORMATION

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

16. RELATED PARTY TRANSACTIONS

Diligenta (Europe) B.V. principal related parties consist of its holding Company Tata Consultancy Services Netherlands BV, intermediate holding Company Tata Consultancy Services Limited and ultimate holding Company Tata Sons Private Limited. Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties are as follows:

Amount in EUR

	Year ended March 31, 2024			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Expenses	-	-	-	-
Fees to External Consultants	-	-	471,106	471,106
Cost	-	-	23,422	23,422
Brand equity contribution	1,497	-	-	1,497
Total	1,497	-	494,528	496,025

Balance Payable to related parties are as follows:

Amount in EUR

	Year ended March 31, 2024			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade payables, unearned and deferred revenue and Other liabilities	-	-	494,945	494,945
ROU Assets	-	-	79,572	79,572
Lease Liabilities		-	79,952	79,952
Total	-	-	654,469	654,469

Diligenta (Europe) B.V was incorporated on September 14, 2023 hence we do not have any previous transactions.

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number: 48889

Mumbai
Date: 30th April, 2024

For and on behalf of the Board of Directors
of Diligenta (Europe) B.V.

Daniel Praveen
Director
Cambridgeshire

Josu Devasia
Director
Netherlands

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.

IT Services
Business Solutions
Consulting

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