TATA CONSULTANCY SERVICES

TATA

Integrated IFRS Annual Report | 2023-2024

TRANSFORMING INDUSTRIES

Backdrop: TCS Gitanjali Park Campus, Kolkata, India

20 years of creating value for you
Since our IPO in 2004

About **TCS**

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 56 years. Its consulting-led, cognitive powered, portfolio of business, technology and engineering services and solutions is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 601,000 of the world's best-trained consultants in 54 countries. The company generated consolidated revenues of US$29.1 billion in the fiscal year ended March 31, 2024, and is listed on the BSE and the NSE in India.

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

Transforming Industries

The TCS' FY 2023-24 (FY 2024) Integrated Annual Report delves into the capability of technological innovations and their impact on business models. Technology is increasingly an enabler in what enterprises can do to adapt and thrive in this new era. Businesses are relying on technologies to help improve their competitive advantage, drive strategy and growth. From Banking, Retail and Manufacturing to Healthcare and Utilities, technology is ***Transforming Industries*** in the way they operate, and enhance their customer and employee experience.

TCS, with its full services capability and industry specific contextual knowledge, has always remained relevant to clients and stayed close to them in the past technology cycles. The synergistic relationship between Cloud and AI/GenAI technology, is ushering in a significant shift in how industries approach innovation and efficiency. With over half of the workforce trained in AI/ML and Gen AI, TCS will continue to be clients' trusted transformation partner.

Recent Annual Report Themes

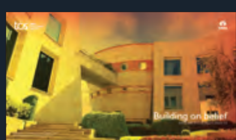
FY 2023

Innovate, Adapt, Thrive

FY 2022

Innovating for Greater Futures

FY 2021



Building on Belief

FY 2020

Purpose-driven. Resilient. Adaptable

FY 2019

Growth and Transformation with Business 4.0™

Content

Board of **Directors**

Non-Independent, Non Executive

N Chandrasekaran
Chairman
C C M N

Aarthi
Subramanian
M N

Non-Independent, Executive

K Krithivasan
CEO & MD
M M M NE

N G Subramaniam
COO & ED
M M NE

Independent, Non Executive

O P
Bhatt
C M M I

Dr Pradeep Kumar
Khosla
C M I

Hanne
Sorensen
M M I

Keki
Mistry
C C M I

Al-Noor
Ramji
M M I

Average Age (years) — 57 | 65 | 73

Average Tenure on the Board (years) — 0 | 07 | 17

Board Independence (%)

56% Independent

44% Non-Independent

Average Tenure of Independent Directors on the Board (years) — 0 | 06 | 12

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

Board Committees — C Chairman — M Member

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

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

Management Team

Corporate

K Krithivasan
Chief Executive Officer and Managing Director

N G Subramaniam
Chief Operating Officer and Executive Director

Samir Seksaria
Chief Financial Officer

Milind Lakkad
Chief Human Resources Officer

Dr. Harrick Vin
Chief Technology Officer

Abhinav Kumar
Chief Marketing Officer

Madhav Anchan
General Counsel Legal

Pradeep Manohar Gaitonde
Company Secretary

Business Heads

Industries

Susheel Vasudevan
Banking Financial Services and Insurance

Shankar Narayanan
Banking Financial Services and Insurance

Debashis Ghosh
Life Sciences, Healthcare, Energy, Resources and Utilities

Krishnan Ramanujam
Consumer Business Group

Anupam Singhal
Manufacturing

V Rajanna
Technology, Software and Services

Akhilesh Tiwari
Communications, Media and Information Services

Markets

Suresh Muthuswami
Chairman – TCS North America

Amit Bajaj
North America

Amit Kapur
UK & Ireland

Sapthagiri Chapalapalli
Europe

Girish Ramachandran
Growth Markets

Services

Siva Ganesan
AI.Cloud

Vikram Karakoti
Enterprise Solutions

Ganesa Subramanian Vaikuntam
Cyber Security

Ashok Pai
Enterprise Cognitive Business Operations

Regu Ayyaswamy
IOT & Digital Engineering

Kamal Bhadada
TCS Interactive

Across industries globally, there are multiple mega trends that are shaping priorities of businesses: AI, New Energy, Supply Chain and Talent. These transitions will require substantial investment in technology across industry sectors. Your company is making significant investments and building capabilities to partner with customers during this phase of rapid technological shifts.

Letter from the Chairman

Dear Shareholder,

In FY 2024, your company has continued to deliver strong performance. I am pleased to share with you that your company has crossed annual revenues of **$29,080 million,** a growth of **4.1%,** over the previous year. With relentless focus on operational excellence, this growth has come at an industry leading operating margin of **24.6%*,** an increase from 24.1% last year. The order book for FY 2024 came at an all-time high of **US$ 42.7 billion** supported by strong client relationships and engagement. Client metrics continue to exhibit healthy progress with strong client additions. Employee retention continues to be at benchmark levels in the industry. TCS has been selected as a **Top Employer of Choice** in 32 countries. TCS has retained its ranking as the second most valuable global IT services brand, valued at **US$19.2 billion,** an increase of **US$2 billion** from last year.

The global environment around the world continues to go through significant shifts. Post the pandemic, which resulted in supply chain shocks, there was an economic slowdown especially in developed markets. While initial signs of stability began to emerge, the military conflicts have further intensified this year and continue to impact the global supply chains.

After two years of recessionary fears, persistently high inflation, and unprecedented monetary tightening, the global macro-outlook looks relatively better now with improving growth, disinflation, and monetary easing in sight.
Across industries globally, there are multiple mega trends that are shaping priorities of businesses: **AI, New Energy, Supply Chain and Talent.**

- GenAI technologies will impact almost every sector and country going forward. Enterprises have already invested in cloud, data infrastructure and large processing power which will aid AI/ GenAI. GenAI will not only improve productivity, but also create impact we hitherto have not seen or imagined.

- Global energy transition is accelerating, and businesses are making clear commitments towards a sustainable future. The energy requirement of our fast-changing world is enormous. Key is to lower the cost of energy while also transitioning to renewables. This transition requires large investment in technology, electric mobility, renewable power, hydrogen and sustainable fuel.

*Excludes settlement of legal claim

- Geo-political challenges are continuing to alter established supply chains and companies are rebalancing their supply chains to address both resilience and efficiency. New global supply chain ecosystems are being created, with India playing an important role in advanced manufacturing.

- Advanced manufacturing, new technologies like AI, new energy, data and business models are changing the future of work and are compelling new skillsets to be built for the future.

- Secure networks have become a key necessity as data is the foundation for businesses of today. These networks power everything from predictive analytics and AI to personalized customer experiences. As value of data increases, along with concerns of privacy and protection, it has rightly become a focal point of security for all businesses.

The key question is what these disruptions mean to the IT services industry and how your company is preparing for these? As enterprises globally prepare to respond to these mega trends, we see multiple opportunities for your company. Every industry is embracing these trends and their business is being shaped for the future. For example:

- The deployment of AI and GenAI will significantly help financial institutions in both driving efficiency as well as target new customers and serve customers in a very personalized manner. For example, Insurance claims will be processed in a matter of minutes, lending and disbursements will become much faster.

- Adoption of new energy solutions and AI technology is driving the future of automobiles. It is not only driving reduction of emissions but also providing a new level of customer experience.

- AI is accelerating drug development by screening millions of compounds, predicting interactions and generating new candidates for testing.

- Connected medical devices together with AI and GenAI will transform Healthcare in a significant way. It will enhance productivity, enable remote care and help overcome shortage of skilled resources.

- In Advanced manufacturing, an AI-first approach will drive new benchmarks in productivity, efficiency and sustainability.

- Telecom industry globally is upgrading communication infrastructure to 5G/6G. These high speed, low latency networks, along with edge compute and AI will become the backbone of businesses in future.

These transitions will require substantial investment in technology across industry sectors. Your company is making significant investments and building capabilities to partner with customers during this phase of rapid technological shifts:

- In FY 2024, TCS has consolidated AI and Cloud expertise with the creation of the AI.Cloud unit. In addition, each of the business groups are developing domain-specific AI/GenAI offerings relevant to the industry value chain. Over 300,000 employees have been upskilled on GenAI technologies in FY 2024. TCS' products and services are also being enhanced with AI capabilities. For example, TCS BaNCS™ is enriching its product portfolio with integrated AI/ML and GenAI capabilities; AI is also being embedded in Cybersecurity services to enable predictive capabilities.

- To partner with customers on their energy transition agenda, TCS is investing in research on green hydrogen, biofuels; developing digital platforms to help customers reduce Scope 1/2/3 emissions. Our proprietary ESG framework enables enterprises to build transparency into operations and simplifies compliance reporting.

- TCS is pioneering the engineering of the 5G/6G communication stacks using open standards. Two state-of-the-art labs for future ready communication infrastructure and interoperability have been setup at Bengaluru and Gurugram. Investments are being made in multiple niche technologies such as 5G SA Core, O-RAN radios, to build these solutions indigenously.

- Your company continues to invest in upskilling its talent base of over 600,000 employees. Employees are actively leveraging experiential and personalized learning on a wide range of emerging technologies, clocking over 51 million learning hours in FY 2024. TCS continues to build strong talent supply chains with deep partnerships with leading educational institutions, shaping the curriculum for new skill needs for the future.

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

Warm regards,
N Chandrasekaran
Chairman

Letter from the **CEO**

Dear Stakeholder,

It is my privilege to be writing to you from this desk as we near 20 years to our listing since August 25, 2004. Over the last two decades, your company's Revenue and Net Profits have grown at a compounded annual growth rate of over 15% each.

It has been almost a full year since my transition as CEO, and I am happy to report that it has been a very stable and seamless experience for all our stakeholders. During this period, we refocused on our industry and technology expertise, emphasized and refreshed the core values that define who we are as a company, and doubled down on customer centricity and employee empathy.

We had a strong finish to the fiscal year FY 2024, with revenue for the year at **$29,080 million.** This is, a growth of **4.1%** over the previous year (**3.4%** in constant currency). Demand for our services showed remarkable resilience as macroeconomic uncertainties and geopolitical volatilities continued in major markets through the year.

This growth came with an industry leading operating margin of **24.6%[1].** More importantly we exited the year with a quarterly operating margin of **26% in Q4,** demonstrating our commitment to the margin band of 26% to 28%. Our Net Margin was at **19.3%[1].**

The Earnings Per Share was at **$1.54[1],** a growth of **8.0%** over the prior year.

Among the Business Segments, Manufacturing grew **7.8%,** Life Sciences and Healthcare grew **6.0%,** Banking, Financial Services and Insurance grew **2.9%,** Consumer Business grew **2.2%,** Communication, Media and Technology grew **2.0%,** while Others grew **11.6%** (YoY in USD).

Among geographies, growth was led by emerging markets: Latin America grew **18.4%,** India grew **17.2%,** Middle East & Africa grew **12.5%** while Asia Pacific grew **1.2%.** The UK grew **14.7%,** Continental Europe grew **3.8%.** North America declined **0.3%** (YoY in USD).

We are seeing strong deal momentum across markets resulting in double-digit growth in our TCV of **US$ 42.7 billion,** which reflects our deepening partnership with our clients and gives us optimism for the medium to long term growth outlook.

In keeping with our capital allocation policy of returning substantial free cashflow to shareholders, the Board has recommended a final dividend of **$0.34** per share, bringing the total dividend for the year to **$0.89** per share. The company also successfully completed its fifth buyback program, distributing **$2,039 million** to shareholders. For the full year, the company's shareholder payout was **$5,701 million,** which will be our largest payout to date. Our average shareholder payout has been **more than 100%** during the last 5 years.

[1]Excludes settlement of legal claim

Business Overview

Established in 1968, our company has been a pioneer in the IT industry, across various technology cycles. At each of these defining moments, we refocused our investments, reinvented ourselves, and helped clients transform their businesses to stay ahead of the technology curve.

During FY 2024, customers continued reprioritization of projects in favor of those which are considered business-critical and where ROI realization is likely faster. We continue to see pressure on customers' discretionary spending. The recently won deals are converting into revenue as planned, the ongoing engagements started during the pandemic are being re-examined for the incremental value generated. While transformation remains a key ask, customers are expecting the same to be funded through savings from operations. Hence, the key engagement themes we saw during the year were around cost optimization and cloud transformation.

Demand was led by vendor consolidation, cloud migration and transformation, customer and employee experience enhancement, operating model transformation, business process optimization, supply chain initiatives, sustainability, AI enablement i.e. creating a cloud and data foundation for AI, and early-stage AI-infused transformational engagements.

Today, clients are seeing cloud as a strategy for business transformation and growth. The shift to cloud-native products and platforms is being fast-tracked, to achieve increased collaboration, security, scalability and efficiency. Hybrid, multi-cloud platforms are now becoming mainstream. Cloud adoption is is a catalyst for innovation, and a strategy for business and growth itself. It provides the unifying digital fabric that forms the foundation for a connected future—one that continues to unfold with each technological advancement, including generative AI (GenAI).

"We launched several initiatives this year to inculcate a strong engineering culture among our employees and build deeper skills in market relevant technologies like Cloud, AI, Cyber Security and more. TCS is collaborating with all the hyperscalers and entering new partnerships with other important players in the AI ecosystem to upskill at scale and build AI computing infrastructure to develop AI solutions for our customers.

The rise of GenAI has been catching customers' attention, and it promises a leap in productivity and accelerates the creation of new products and services. Although still in the early stages of adoption, the use of GenAI is expected to transform every industry. Many of our clients who are early adopters have begun experimentation and exploration on various use cases of GenAI, with our help.

The Innovation Edge

Exploring innovative uses of GenAI continues to be a key focus area. We are helping our customers to use AI to: (i) Assist, leveraging AI to supplement tacit knowledge with contextual knowledge to boost work effectiveness (ii) Augment, accelerating elite performance through collaborative intelligence, where humans and machines complement and magnify each other's talents, and (iii) Transform, leaping to a knowledge-driven superstructure with fast, consistent, and high-quality decision output to deliver new ways of working and the full realization of enterprise-wide AI. We have created one of the largest AI / ML and GenAI talent pools in the industry. We have doubled down on partnerships in areas such as AI, cloud, quantum computing and cybersecurity. These early investments have given TCS a head start in being a partner in our customers' technology adoption journey.

With our contextual knowledge and domain expertise, engineering DNA and intellectual capital, we have been the preferred partner for many customers in their strategic initiatives. This year, we signed several deals that are industry- defining in nature. We have included narratives about the work we did for **BSNL** – building an indigenous network, a true nation building project and how we built an advanced post trading platform for **SIX** in this Integrated Annual Report.

Our continued investments in Research and Innovation, and in building intellectual property, have further strengthened our transformational credentials. Many of our earlier R&I programs have matured into successful platforms and solutions which performed very well this year and helped differentiate our growth. We leveraged TCS HOBS™ to transform Celcom Axiata Berhad's core business support systems. For PostNord, TCS TwinX™ is helping increase sorter capacity, remove bottlenecks, and improve the collection and distribution sort plan. Similarly, TCS Omnistore™ is helping European home improvement company Kingfisher orchestrate a faster, smoother, and seamless checkout experience.

Building a Skilled Workforce

Our approach to talent is strategic — we consider our employees as key stakeholders in our growth. Our ability to cycle through different technology and business model changes, continuously embrace new knowledge and stay relevant, defines us and gives us a significant edge over our competitors.

We have a strength of **601,546** employees, and our LTM attrition in IT services was **12.5%,** down by **760 bps** over the previous year. Our workforce continued to be very diverse, with over **152** nationalities represented and with women making up **35.6%** of the employee base.

We launched several initiatives this year to inculcate a strong engineering culture among our employees and build deeper skills in market relevant technologies like Cloud, AI, Cyber Security and more. TCS is collaborating with all the hyperscalers and entering new partnerships with other important players in the AI ecosystem to upskill at scale and build AI computing infrastructure to develop AI solutions for our customers.

In FY 2024, TCSers logged **51 million** learning hours, and acquired nearly **5 million** competencies. A culture of lifelong learning and innovation, by closely linking learning with careers and rewards, has placed us as the Global Top Employer for the 9th consecutive year, across 32 countries — placing us as one in only 16 organizations worldwide to achieve this status.

Embracing Aalingana

We have fully adopted Project Aalingana, the Tata group's sustainability roadmap and the aim is to be net zero by 2045, integrating sustainability into business strategy and concentrating on three interlinked pillars of the project, i.e., promoting the decarbonization of our company and value chains; utilizing a systematic, circular economy approach to reduce resource usage and waste; and protecting and regenerating the environment.

We continue to make good progress in our net zero journey, on the environmental front. TCS had set a target to reduce its absolute Scope 1 and Scope 2 emissions by 70% by 2025 and become net zero by 2030. We are well ahead of our initial Scope 1 and 2 targets and have achieved a reduction of **80%** in Scope 1 and 2 emissions in FY 2024 over a baseline of 2016. We are doing this by increasing use of renewable sources of energy and improving energy efficiency.

The company's strategy for reducing emissions includes addition of more green buildings to the company's real estate portfolio, reduction of IT system power usage, responsible sourcing, and the use of TCS Clever Energy™, which leverages IoT, machine learning and AI to optimize energy consumption across campuses.

TCS is not only improving its own sustainability but also helping clients develop and implement their sustainability strategies and improve outcomes. We have built a comprehensive suite of over 200 offerings in sustainability services and solutions across different industry verticals. These solutions help enterprises decarbonize their operations and create net-zero pathways, addressing biodiversity loss and growing inequity. We help customers embed circularity in their products and services, by helping design agile, resilient, and sustainable supply chains and promoting reuse, recapture, and recycling.

Passion for Our Purpose

TCS is meaningfully connecting marginalized groups, including women and youth, to economic opportunities. We continue to work with communities across the world, pursuing our long-standing commitment to programs in the areas of education, literacy for livelihood, skilling for employment, and digital entrepreneurship; while exploring areas of healthcare, digital inclusion, water, climate and sustainability.

Through clearly defined focus areas and strategic programs, our work has impacted the lives of over **7.1 million people.** We are working with public and social sector organizations to help close the literacy gap among the most marginalized adults, helping them access government entitlements and improving access to livelihood. We are empowering students in government schools with 21st century skills, introducing them to careers of the future, while empowering and building capacity of the teachers and education system.

By working with other private sector organizations, we are helping marginalized youth transition from college to meaningful careers across a variety of sectors. Our digital entrepreneurs are connecting disadvantaged communities in rural and aspirational districts across India with front line services in social welfare, banking, finance, insurance, health, e-commerce, logistics and more.

Our employee volunteer program called **HOPE** (Hours of Purpose by Employees) resulted in over **6.7 million hours** dedicated to purpose projects across dimensions of biodiversity, mental health, climate action, circularity, literacy, education, skilling, mentoring, conservation and more covering the 17 UN Sustainable Development Goals.

Greater Governance

Governance at TCS encompasses ensuring ethical and transparent business conduct, addressing sustainability risks and opportunities and aligning robust disclosure requirements under the aegis of the board. At TCS, the Tata Code of Conduct serves as a guide for all employee behavior.

TCS consciously embeds the highest standards of governance in its operations. We have a holistic compliance framework and an integrated governance structure that encourages a strong commitment to global Environment, Social and Governance (ESG) disclosure standards for promoting transparency and accountability. As part of the Tata Group, we have long recognized the ESG stewardship as core to our purpose. We have a proud legacy of pioneering positive change, not just within the industry but in the communities where we operate as well, and our commitment remains steadfast.

Looking Ahead

Our all-time high order book, continued deal flow and pipeline velocity give us confidence in our business momentum. Looking forward, we see greater opportunities ahead, as businesses become more technology-intensive and depend on technology to drive competitive differentiation and transform their industries. Our integrated business model which drives value creation for all our stakeholders, will continue to help us benefit from each new wave of technology change, and be a force multiplier for our growth and leadership in years to come. We thank you for your continued support in our journey ahead.

Best regards,
K Krithivasan
Chief Executive Officer and Managing Director

The Year Gone By

Q4

Announced a 15-year expansion of its partnership with **Aviva**, the UK's leading insurance, wealth and retirement provider, to transform Aviva's UK life business and enhance customer experience leveraging the **TCS BaNCS™** platform. As part of this, the end-to-end policy administration and servicing will expand to cover over 5.5 million policies.

Announced a **final dividend of $0.34 per share,** taking the total dividend for the year to **$0.89** per share. The company also completed its fifth successful buyback returning **$2,039 million** to shareholders, wherein the buyback process was completed in record time of **63** days. The **total shareholder payout** for the year was **$5,701 million.**

Recognized as a **Global Top Employer** by the **Top Employers Institute** for the ninth consecutive year, for TCS' pioneering employee engagement and talent development initiatives. TCS was also named a top employer in **32 countries** and regions, including Europe, the UK, the Middle East, North America, Latin America, and South-East Asia.

Ranked the **#1 IT service provider for customer satisfaction in Europe** in an independent survey of over 2,000 CXOs of the continent's top IT spenders by **Whitelane Research**, for the **11th consecutive time.** The study also revealed that TCS demonstrated an 'exceptional' level of performance across five key IT domains: Digital Transformation, Workplace Services, Security Services, Application Services and Cloud Services, where TCS scored more than **80%,** and maintained a healthy lead compared to industry average scores.

Launched an **AI Experience Zone** to foster hands-on proficiency in AI and GenAI for its employees. Within this immersive environment, TCS employees can explore, engage, and experiment with cutting-edge GenAI-powered applications, creating innovative use cases, with all necessary guardrails and while upholding Responsible AI principles.

Featured on **FORTUNE® Magazine's 2024** list of the **World's Most Admired Companies**, also featured in the **Forbes Global 2000 Rankings of the largest companies** in the world.

Ranked the **second most valuable IT services brand** (brand value up **11.5%** to **US$19.2 billion**) by **Brand Finance**, with the incremental **US$2 billion** growth being the highest absolute growth posted among the Top 25 leading IT firms in the world.

Former Executive Director, **Phiroz Vandrevala**, passed away in January 2024. He was a key part of the leadership team and made many significant contributions, such as being part of the efforts to take TCS public in its IPO in 2004, opening-up new markets, mentoring a new generation of TCSers, and in building a strong foundation for the company in the life and pensions industry.

Enabled Europe's most modern post-trade platform with **Euroclear Finland**, the national central securities depository of Finland, to integrate its core platform with the European securities settlement engine. This transformation program ensures easier cross-border settlements for investors in Finnish securities, attract more investment into the country, improve access to capital for Finnish issuers and also reduce cross-border settlement risks and costs for investors.

Launched **TCS Pace Port™ London**, the company's sixth global research and co-innovation hub, which is set to become a dynamic center for cutting-edge technology research and development in the region. The Pace Port will focus on innovation across a cross-section of industries, government priorities and critical national infrastructure while creating an ecosystem of experiences.

Sponsored 13 running events through the year, including the **TCS New York City Marathon, TCS Amsterdam Marathon, TCS London Marathon, TCS Toronto Waterfront Marathon and TCS Lidingöloppet,** where total distance covered by the runners crossed more than 80 million miles.

TCS New York City Marathon

TCS London Marathon

TCS Toronto Waterfront Marathon

Q3

Selected by **ASX**, Australia's primary securities exchange to provide a next generation clearing and settlement platform to service the Australian market. TCS will leverage its flagship product TCS BaNCS for Market Infrastructure to enable the transformation, replacing ASX's existing platform for cash equities clearing and settlement.

Partnered with **The Munch Museum** in Oslo, to create immersive and interactive drawing experiences for local visitors and global audiences. Scientists from TCS Research will leverage their expertise in AI and Machine Learning to bring Edvard Munch's artworks and creative process to life through the power of digital innovation. TCS will also provide IT consultancy, collaborative workshops, and talent exchanges to help create immersive museum experiences that showcase the future of art.

Partnered with **Macquarie University** to launch the **TCS GoZero Hub**, a research and innovation center to guide Australian organizations in their journeys towards **net zero carbon emissions.** Aligning with the central themes of COP28, this hub will focus on five core themes – *energy transition, carbon management, nature positive future, circular economy and sustainable waste management, and climate adaptation and resilience* – and how to limit and prepare for future climate change. The TCS GoZero Hub will also support education pathways, providing relevant skills and knowledge to prepare students for successful, future-focused careers.

Professor Dan Johnson, Pro Vice-Chancellor – Research, Innovation and Enterprise, Macquarie University; K. Krithivasan, CEO & MD, TCS; and Girish Ramachandran, President, TCS Growth Markets at the launch of the TCS GoZero Hub in Sydney.

Paid tribute to the passing away of **Mr. Y P Sahni**, one of the members of the original founding team at TCS, who laid the foundations of the company and served as the President till his retirement in 1996.

Signed a multi-year partnership with **ASDA** in a divestiture and digital transformation deal, to help implement a new organization-wide IT operating model, following its divestiture from Walmart. The strategic partnership will leverage TCS' cloud, AI, and security solutions to help ASDA deliver the divestiture smoothly, on-time and securely, in addition to further enabling ASDA in enhancing its customer experience and innovation capabilities to help increase their market share and retain price leadership.

Selected by **TPG Telecom**, Australia's leading telecommunications company, as a strategic technology transformation partner, to simplify and streamline internal systems and platforms, enhance customer journeys and products, and increase digitisation. This will help TPG Telecom become Australia's best digital telco by delivering great value connectivity services to end customers.

Partnered with **SIX,** the operator of the Swiss and Spanish financial market infrastructures, to transform its post trade market infrastructure, which offers greater flexibility, security, and ease of maintenance and its modern, cloud-ready architecture can also integrate more easily with digital ecosystems, opening-up possibilities of innovative new products nd services. The program is more scalable and currently processes more than 4 million transactions per day, covering more than 60 global markets.

The signing of the Swiss Securities Clearing Corporation (SECOM) deal in 1989, marked TCS' entry on the global stage, competing with a select set of large consulting firms for executing large, complex programs involving deep domain expertise. SIX' mission critical core platform was originally built by TCS, and was one of the world's first online real-time settlement systems.

Q2

Selected by **BSNL**, state-owned telecom operator of Government of India, to roll out a modern 4G/5G mobile communication infrastructure across India covering 100K telecom sites, as part of its efforts to build indigenous telecom technology and local manufacturing of the telecom gear.

Partnered with **JLR**, a large UK based multinational automobile company, to accelerate digital transformation across its business, TCS will deliver a broad range of services spanning application development & maintenance, enterprise infrastructure management, cloud migration, cybersecurity, and data services. TCS will help JLR transform to a leaner and scalable operating model with a future-ready digital core, by leveraging new technologies to transform IT operations and adopting new ways of working.

Choosen by **British Council**, the UK's international organization for educational opportunities and cultural relations, to transform its professional services function that includes Finance, Procurement, Human Resources and Digital & Technology. TCS will leverage its contextual knowledge, deep domain expertise and proprietary platforms to help develop more innovative and user-friendly services. The partnership will also enable the British Council to focus on improving the quality and efficiency of services, ultimately leading to an enhanced customer experience.

Selected as a strategic partner by the **Government of India** to transform the **Government e-Marketplace (GeM) platform**, into a world-class platform. The project will enable growth and scale, improve inclusivity for MSME enterprises, enhance data analytics for improved supply-chain operations and provide enriched user experience through innovation and domain expertise of TCS.

Partnered with **Dassault Systèmes** through its **Living Heart Project** that unites an ecosystem of cardiovascular researchers, educators, medical device developers, regulatory agencies including US FDA, and practicing cardiologists, to develop and validate realistic digital simulations of the human heart. The TCS Bio Digital Twin is a biophysics-based high-fidelity computational model developed by TCS' researchers, to enable investigation of the function of a particular human organ remotely and non-invasively.

- Created the first-ever digital heart of long-distance runner, two-time Olympian, and Boston Marathon champion Des Linden. The twin will help see, measure, and monitor the heart going through significant stress—and predict with high accuracy how it will perform, to transform how the athlete trains.

At the 2023 TCS New York City Marathon Expo at the Javits Center in New York City, two-time Olympic marathoner Des Linden (right) examines a digital twin of her heart being developed by Tata Consultancy Services, next to Dr. Srinivasan Jayaramen, Principal Scientist at TCS. TCS is developing a digital twin version of her heart to showcase how digital twin technology is set to transform how elite athletes train, compete, and manage their health while demonstrating the power and potential of personalized health and wellness. (Photo credit: Joe Hale)

Q1

Selected by **Nest**, UK's largest workplace pension scheme, to digitally transform its scheme administration services with a future-ready, digitally enabled, omnichannel platform powered by TCS BaNCS™. TCS will leverage the latest technologies and data analytics to deliver enhanced, personalized, and self-directed experiences to members. This will enable Nest's 12 million members and 1 million employers to access the right information at the right time, in the way that suits them best.

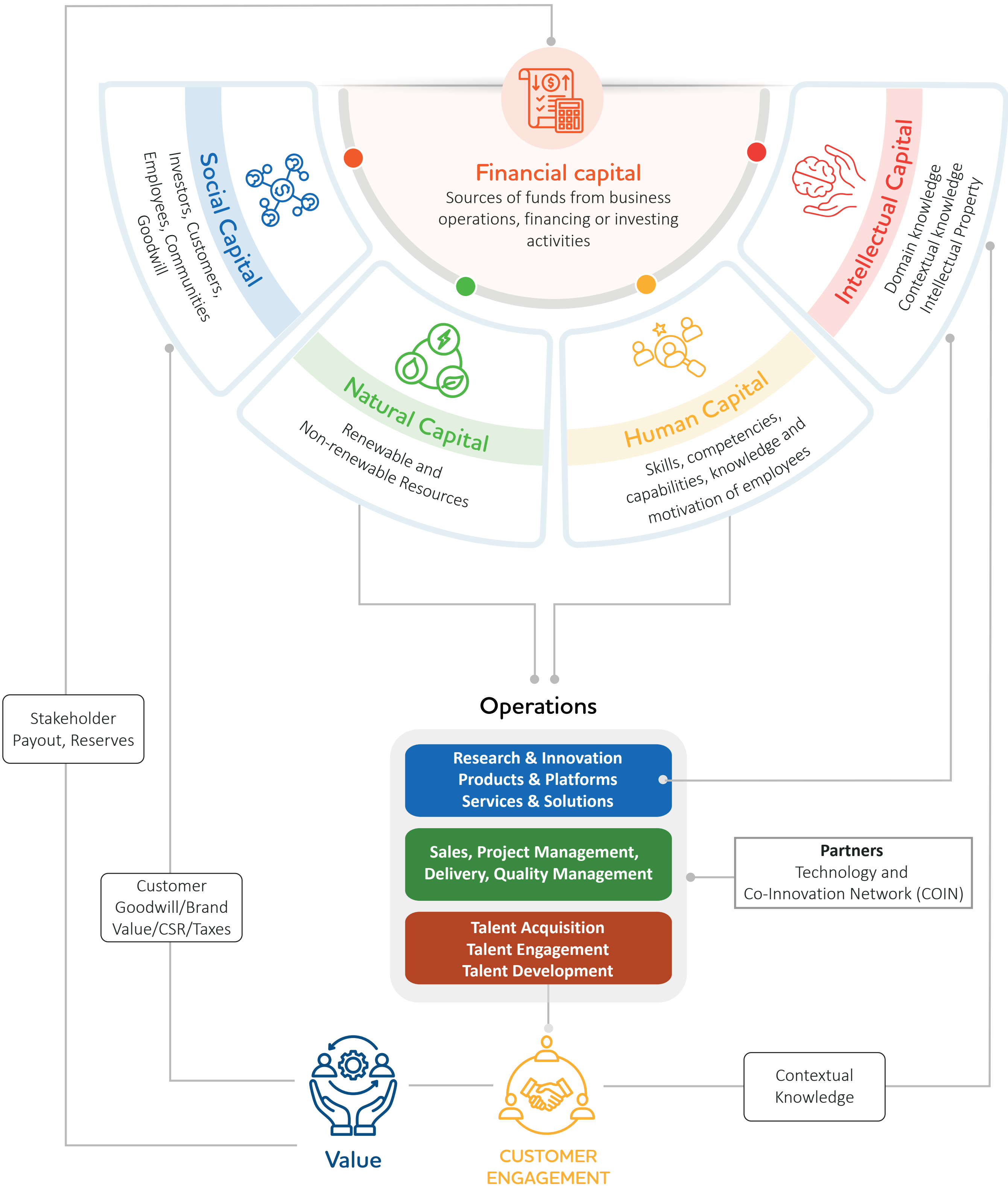
Awarded a 10-year contract by the **UK's Department for Education (DfE)** to manage the scheme administration services and further enhance customer experiences for the **Teachers' Pension Scheme in England and Wales**. TCS' future-ready, digitally enabled, omnichannel platform, powered by TCS BaNCS™, will enable accurate administration of pension records, payment of benefits, effective scheme finance management, proactive member engagement and easy access to information.

Engaged by **Standard Life International DAC**, a wholly owned subsidiary of the Phoenix Group, to transform its operating model and enhance the customer experience for its policyholders in Europe, using the TCS Digital Platform for Life and Pensions, powered by TCS BaNCS. TCS will set up a customer operations center in Germany, and a future-ready Life and Pensions Digital Platform for Germany and Austria. As part of the transformation, TCS will create comprehensive, omnichannel, journey-based digital experiences for policyholders and advisors.

Celebrated 20 years in Mexico by inaugurating a new office in **Monterrey**, becoming TCS' **ninth office** in the country overall, with a state-of-the-art building which is one of the tallest in the cities. TCS serves more than 250 clients out of these centers.

TCS Integrated Business Model

Value Creation using the Five Capitals



Financial Capital

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

Outcomes

- Best in class profitability and strong balance sheet provide greater ability to invest in newer capabilities and to weather economic downturns
- Superior Return Ratios
- Sustained long term cashflow
- Consistently high shareholder returns

$ million

TCS Value Creation and Distribution

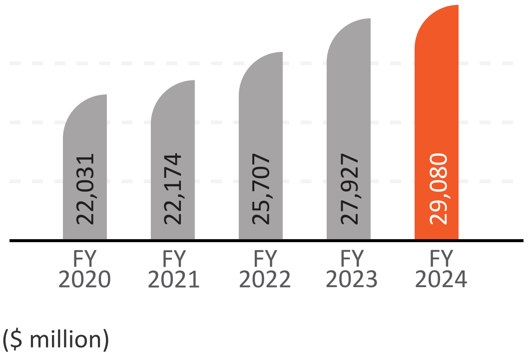
	FY 2023	FY 2024	% of FY 2024 Revenue	Y-o-Y Growth (%)
Revenue from operations	27,927	29,080	100.0	4.1
Employee cost	15,799	16,918	58.2	7.1
Other cost of operations *	5,414	5,004	17.2	(7.6)
R&D and innovation expense	310	302	1.0	(2.6)
Community Investments	107	105	0.4	(1.9)
Tax expense *	1,808	1,963	6.8	8.6
Shareholder payout including proposed final dividend	5,136	5,701	19.6	11.0

* Excludes settlement of legal claim in FY 2024

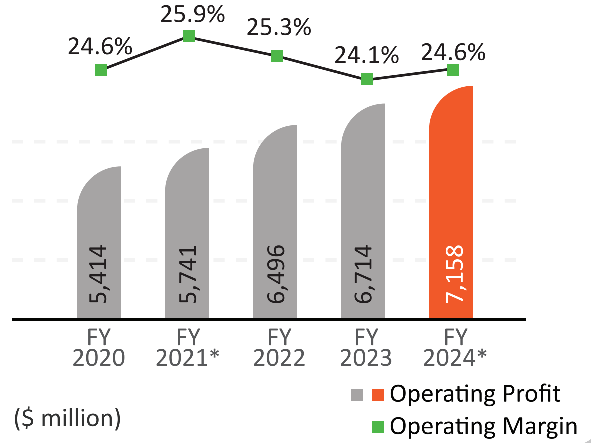
[1]Adjusted for Bonus shares

#From listing till Jan'2024, not considered while calculating share price return

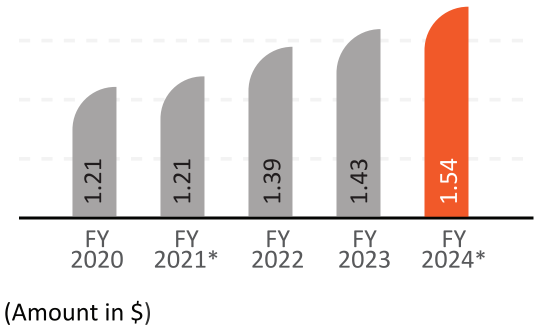
Revenue Trend
CAGR 6.8%



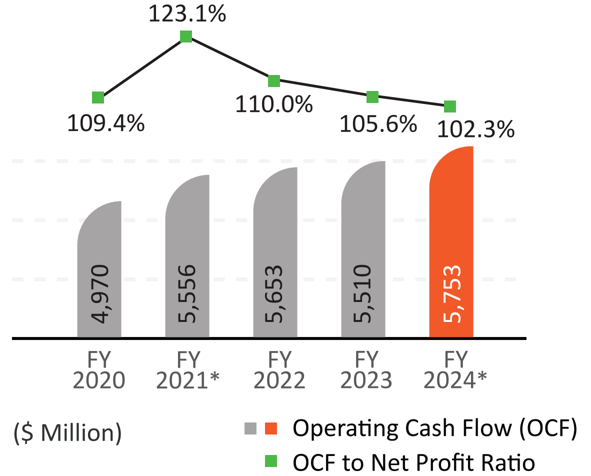
Operating Profit Trend



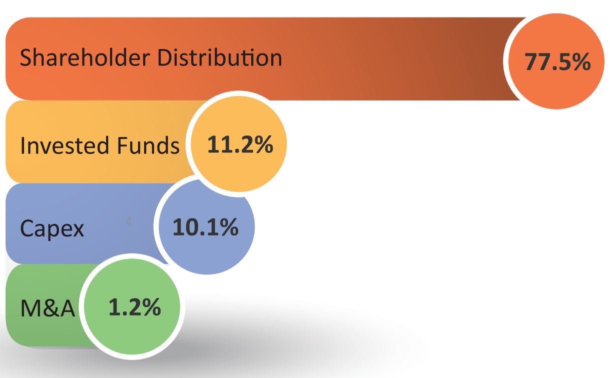
Earnings per share
CAGR 5.3%



OCF and Cash Conversion

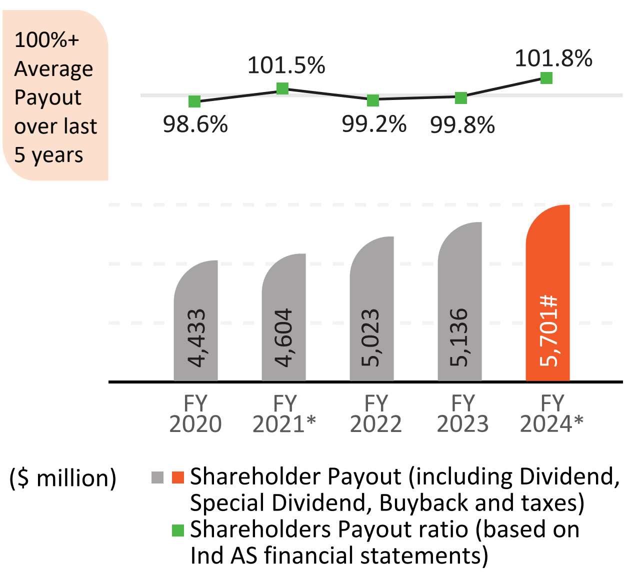


Cash Usage for the last 20 years



For the period FY 2005 to FY 2024 (based on amount in ₹)

Shareholder Payouts



includes proposed final dividend

* Excludes provision (in FY 2021) and settlement (in FY 2024) of legal claim

Human Capital

Best in Class Talent Management

601,546 Employees

Workforce
Globally distributed, highly localized

12.5% LTM attrition in IT services

Talent Retention
Revert to normal range in FY 2024

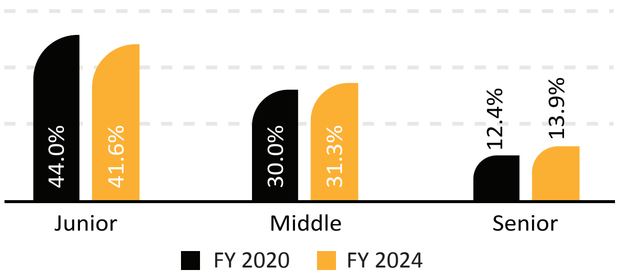
Talent Diversity and Inclusion

152 Nationalities

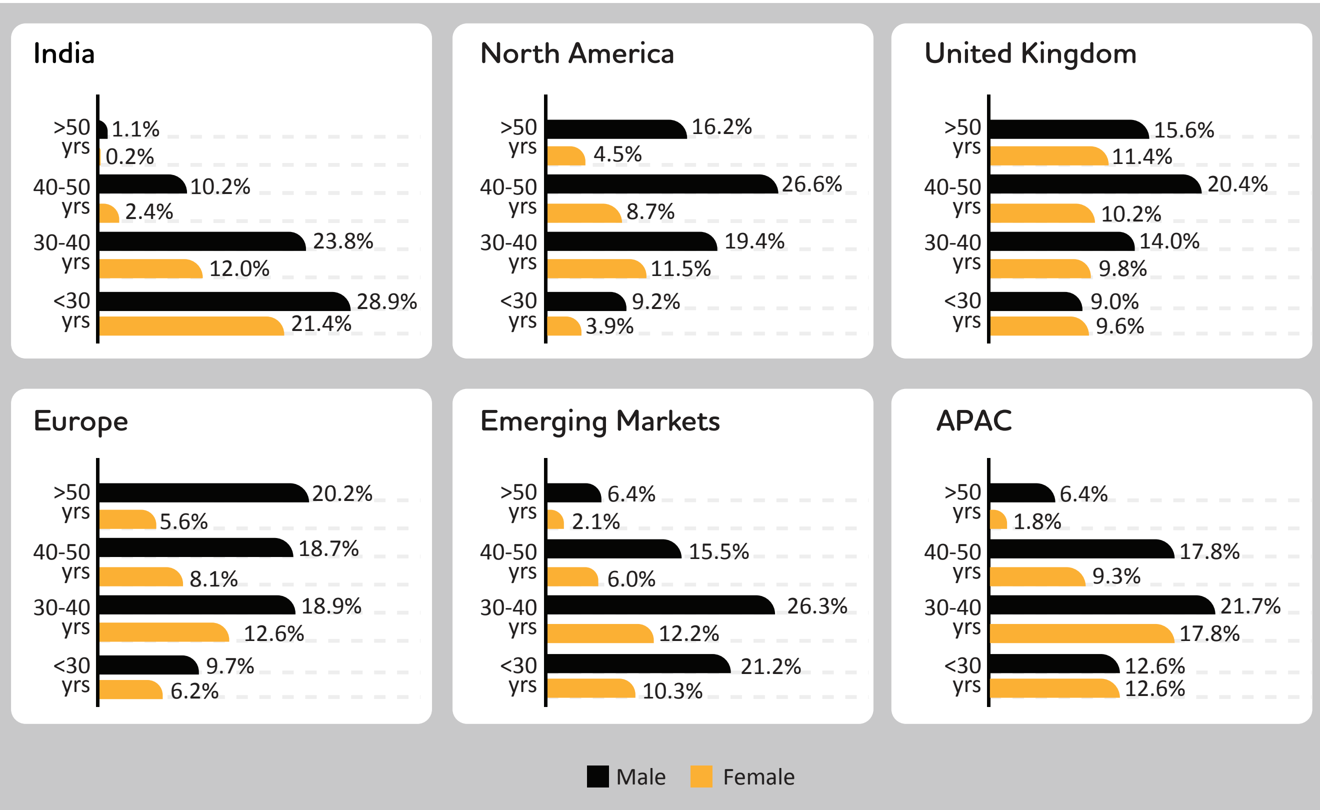
3 Generations
89% Millennials

~214,000+ Women
35.6% of workforce
58%+ Increase in senior women executives over last 5 years
797 Unique patents filed by women

Rising up the ranks
% Women improved at mid- and senior levels over last 5 years



TCS Employees by Region, Age and Gender



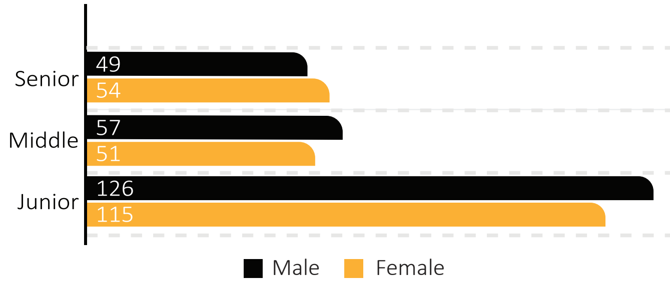
Talent Development

TCS is invested in its people for the long term, supporting them to build meaningful careers they aspire to, supporting the development of its people, providing them with opportunities and tools for them to continuously develop and reinvent their skills and careers, so they remain at the cutting edge of innovation.

51 million Learning Hours

5 million Competencies acquired

Average Learning Hours per employee **87.1 hrs**



Engagement with Purpose

TCS Elevate
423,000 employees pursued learning linked to career growth

Contextual Masters
73,000 CMs
27% Women

Focused Training
Building a strong **Engineering culture** with focus on Software and Secuware Training

Initial Learning Program
Resumed 100% in-person training for freshers

AI. Cloud Certification
Goal to make **"Every TCSer Gen AI Ready by 2025".** Over half of the workforce already trained on AI/ML including Gen AI.

Mid-level Training
65,000 completed since inception
25,000 deployed in opportunities matching their skills

Intellectual Capital

Highlights

5,500+
Researchers and Innovators

3,919 / 8,040
Patents Granted / Filed (cumulative)

257
Tier-1 Publications

40+
Research and Innovation centers

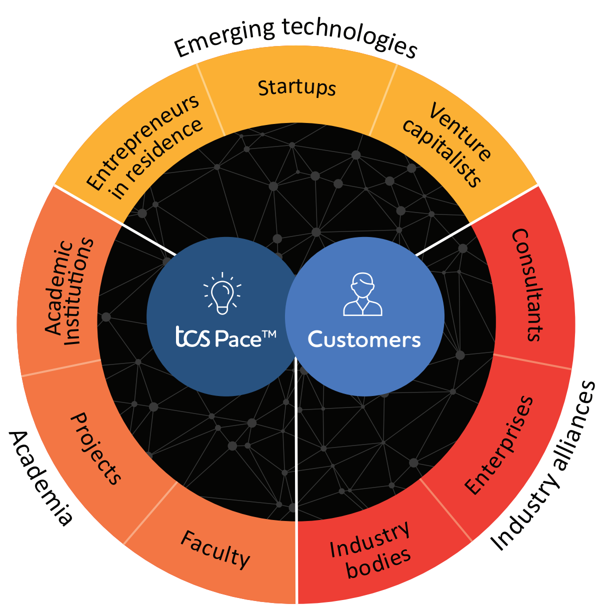
70+
Academic Partners

6 Pace Ports Co-Innovation Hubs
New York, Amsterdam, Toronto, Pittsburgh, Tokyo, London

2,900+
Start-up Partners

The TCS Pace Innovation Ecosystem

A platform that brings together these three rings and the layers within them to create a comprehensive and engaged ecosystem of innovation. Pace is geared toward building innovation experiences and systems of rigor in innovation to create tangible business outcomes for customers speedily and at scale.



Focus Areas of TCS' R&I:

Purposeful AI

Computing Futures

Digital Sciences

Sustainable Futures

Physical Sciences

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

Behavioural and Business Sciences

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

Life Sciences

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

Computing / Data Sciences

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

Products and Platforms

TCS BaNCS™

- 29 new wins and 38 go-lives in FY 2024, including 5 large insurance platform wins
- Services more than 30% of the global population for Banking, 100+ Countries covered
- 8 out of top 10 custodian and asset management firms run on TCS BaNCS
- Largest independent solution provider in financial market infrastructure, serving over 20 countries with mission critical systems
- Market leader in Indian brokerage and trading system, with 35% volume market share, across front, back office, risk and professional clearing
- Largest BpaaS provider, delivering digital transformation to the UK Life & Pension industry, serving 1 in 3 UK citizens
- Services more than 140 million property and casualty policies globally; also leading India's general insurance segment

ignio

- Market leading autonomous enterprise platform encompassing unified observability, AI platform and end to end closed loop automation
- 130+ deals closed, 20 new customers went live in FY 2024 with AI and GenAI use cases
- Business Health Monitoring (BHM), Business Transaction Monitoring (BTM), hybrid and multi CloudOps with FinOps capabilities

TCS iON

- 425+ new wins in FY 2024
- 65 million candidates assessed
- More than 2,900 question papers delivered in FY 2024, 54% increase YoY
- Over 3,100 corporates have access to fresher talent pool through TCS iON NQT

TCS ADD™

- Comprehensive suite, powered by AI, for digital transformation of drug development and clinical trials
- 1250+ studies onboarded by TCS ADD Platform
- More than 1 million adverse event case processed by TCS ADD Platforms using AI.
- 2 new wins and 4 go-lives in FY 2024

TCS HOBS™

- Plug and play SaaS based business platform to digitally transform business, network and revenue management domains of subscription-based businesses
- 3 new wins and 5 go-lives in FY 2024

TCS Optumera™

- AI /ML powered merchandise optimization platform that enables retailers to unlock exponential value by optimizing space, mix, price in an integrated manner
- 1 new win in FY 2024

TCS TwinX™

- AI powered enterprise digital twin covering customer, product and process to help business leaders simulate and optimize enterprise decisions, predict and proactively manage outcomes
- 13 new wins and 8 go-lives in FY 2024
- Helps businesses achieve:
  - Enhanced and accelerated cashflows upto 10%
  - Upto 10-15% increase in revenues
  - Upto 2X faster time to market
  - Build a sustainable competitive advantage
  - Enhanced customer experience
  - Improved asset utilization by 5%

TCS OmniStore™

- AI powered composable commerce platform that provides a unified, personalized and 'always on' checkout experience for shoppers across channels, helping businesses roll out omnichannel customer journeys and new services quickly without worrying about channel constraints
- 2 wins and 1 go-live in FY 2024

TCS MasterCraft™

- Digital platform to optimally automate and manage IT processes.
- GenAI driven digital products to optimally and securely modernize legacy applications and data.
- Processed 325 billion records for data privacy and 15 billion records for data quality
- Automated generation of 60+ mn lines of Java and JavaScript code, with over 50% productivity gains
- Analyzed 600 million lines of legacy code, delivering a productivity improvement of 20-30%
- 110 new wins in FY 2024

jile

- Scalable Agile DevSecOps platform to accelerate software development and delivery
- 29 new wins in FY 2024

QUARTZ

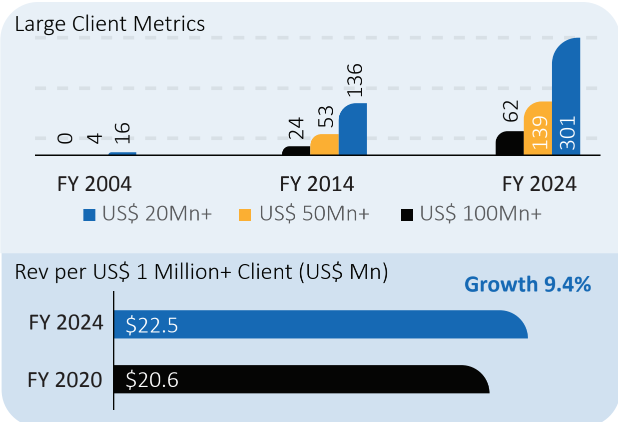
- Business solutions, foundational technology and tools that bring together combinatorial power of next-gen technologies including DLT/AI, across varied industries like BFSI, Supply Chain, Energy, Utilities and eGovernance.
- 6 new wins and 3 go-lives in FY 2024

Social **Capital**

TCS' business model and strategy have resulted in fostering long term relationships with its customers, suppliers, a highly skilled workforce, continuous increase in market share, maintain integrity and strong ethics as a responsible corporate citizen and transform industries through a proven track record in longer term value creation. All of this has significantly enhanced the company's brand value, which is a quantifiable measure of its social capital with stakeholders.

Customers

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



TCS hosted customer summits across North America, Europe, Japan and APAC, bringing together distinguished C-suite executives, partners and thought leaders, with the focus shifting to face-to-face interaction and collaboration in FY 2024.

Outcomes

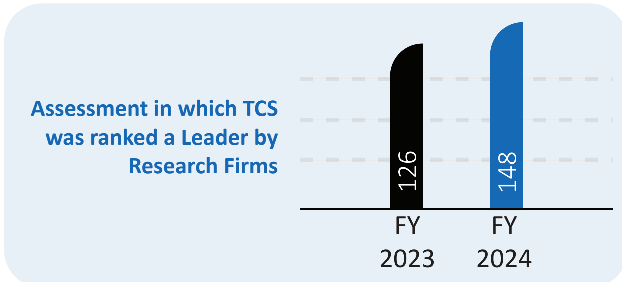
- Expanding participation across broad range of stakeholders across the enterprise including business heads, CMOs, CROs, COOs, CFOs and even CEOs
- Continual expansion of customer relationships in terms of services consumed
- Highly satisfied customers

Investors

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

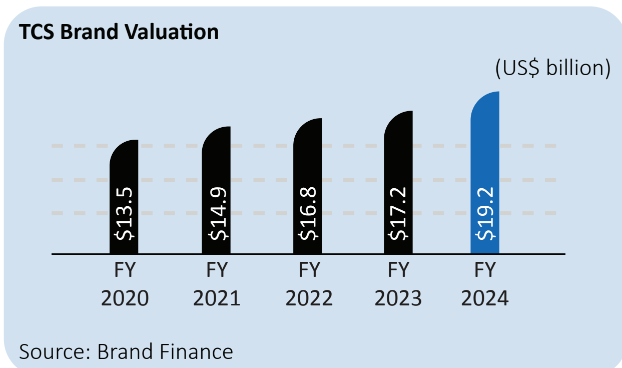
Industry Analysts

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



Branding

TCS posted the highest growth in brand value in the IT Services sector this year, increasing the value of its brand by US$ 2 billion according to **Brand Finance**. Its current brand valuation of **US$ 19.2 billion** cements its position among the Top 2 Brands globally in its industry. The Kantar BrandZ **'Most Valuable Global Brands 2023'** report also ranked TCS among the Top 50 brands globally, across all industries.



[1] includes multiple investors in group meetings

Community

Education

Ignite My Future

Over **312K** students and **6K** educators gained computational thinking and 21st century skills

goIT

Over **118K** students and **3.6K** educators applied digital innovation skills'

SDGs: 1 No Poverty; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 17 Partnerships for the Goals

Literacy

Literacy as a Service (Laas)

Over **20K** adults gained literacy and access to government entitlements

SDGs: 1 No Poverty; 4 Quality Education; 5 Gender Equality; 10 Reduced Inequalities; 17 Partnerships for the Goals

Entrepreneurship

BridgeIT

348 active entrepreneurs in FY 2024

Providing valuable rural India serving **312K** beneficiaries

SDGs: 1 No Poverty; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities

Employment

Youth Employment Program (YEP)

23K marginalized youth gained industry readiness

SDGs: 1 No Poverty; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 17 Partnerships for the Goals

Health & Wellness

Tata Medical Center, Kolkata and Cancer Institute, Chennai

Over **173K** new patient consultations

SDGs: 3 Good Health and Well-Being; 6 Clean Water and Sanitation; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals

Business with purpose

Engaged over **345** customers, creating **138** purpose partnerships

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

3.4x

Enhancement in income for women who complete YEP and get employment in comparison to an average worker in rural area

4.6x

Higher earnings for women BridgeIT participants compared to other self-employed in rural India

96%

Students who completed goIT demonstrated understanding of how technology can be used to improve their community

90%

LaaS program participants encouraged their own children especially girls to go to school

$131.2 million CSR Spend

7.1 million beneficiaries

143K+ volunteers **6.7** million hours

Natural Capital

TCS combines its strong sense of purpose with digital expertise and innovation to drive not only its own sustainability journey, but also that of its customers, business partners and stakeholders.

The company's environmental stewardship rests on four pillars: carbon footprint mitigation, water conservation and recycling, waste reduction and recycling, and preserving biodiversity.

Energy Management and GHG Emissions Reduction

Target:

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

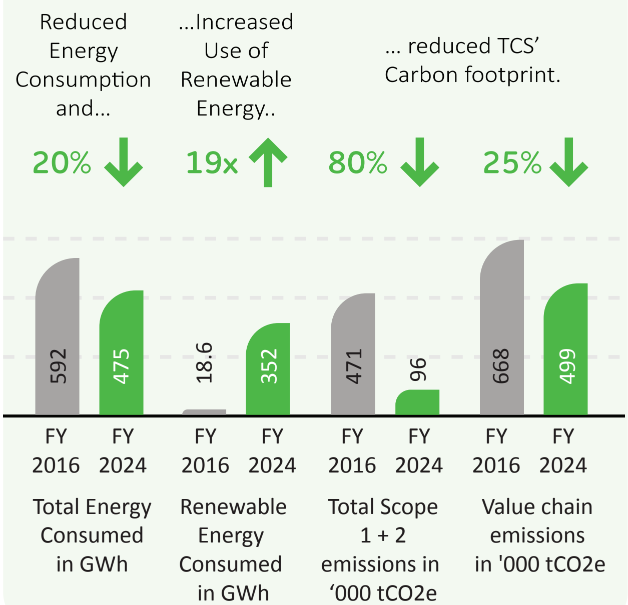
Initiatives for reduction of Scope 1 and Scope 2 emissions:

- Energy Efficiency and Optimization
  - New campuses designed as per green building standard and innovative technology used.
  - Optimize operational energy efficiency with real-time monitoring and controls.
  - Upgrade legacy equipment/utilities
- Green IT
  - Procurement of energy efficient IT equipment.
  - Data center and distributed IT power management.
- Greater use of Renewable Energy
  - Maximize roof top solar capacities and RE procurement.

Initiatives for reduction of Scope 3 emissions:

- Employee Commute:
  - Transition to transport fleet of cabs and buses with EV.
  - EV charging facility for private vehicles of employees.
  - Employee engagement for use of public transport.
- Business Travel:
  - Reduce business travel through use of collaborative tools and technology.
  - Use of flights having sustainable aviation fuel (SAF) or other options, as and when these are commercially available.

Outcomes



Achievements

We have reduced our absolute carbon footprint across Scope 1 and Scope 2 by 80% in FY 2024 over a baseline of 2016, exceeding our target achievement by 10%, one year ahead of time

67.3%
% total office space (for India) as per Indian Green Building Council standards.

74%
Renewable energy as % of total energy consumed

1.7 PUE
weighted average PUE at TCS data centers

10.2 MWp
Rooftop solar generation capacity across TCS campuses

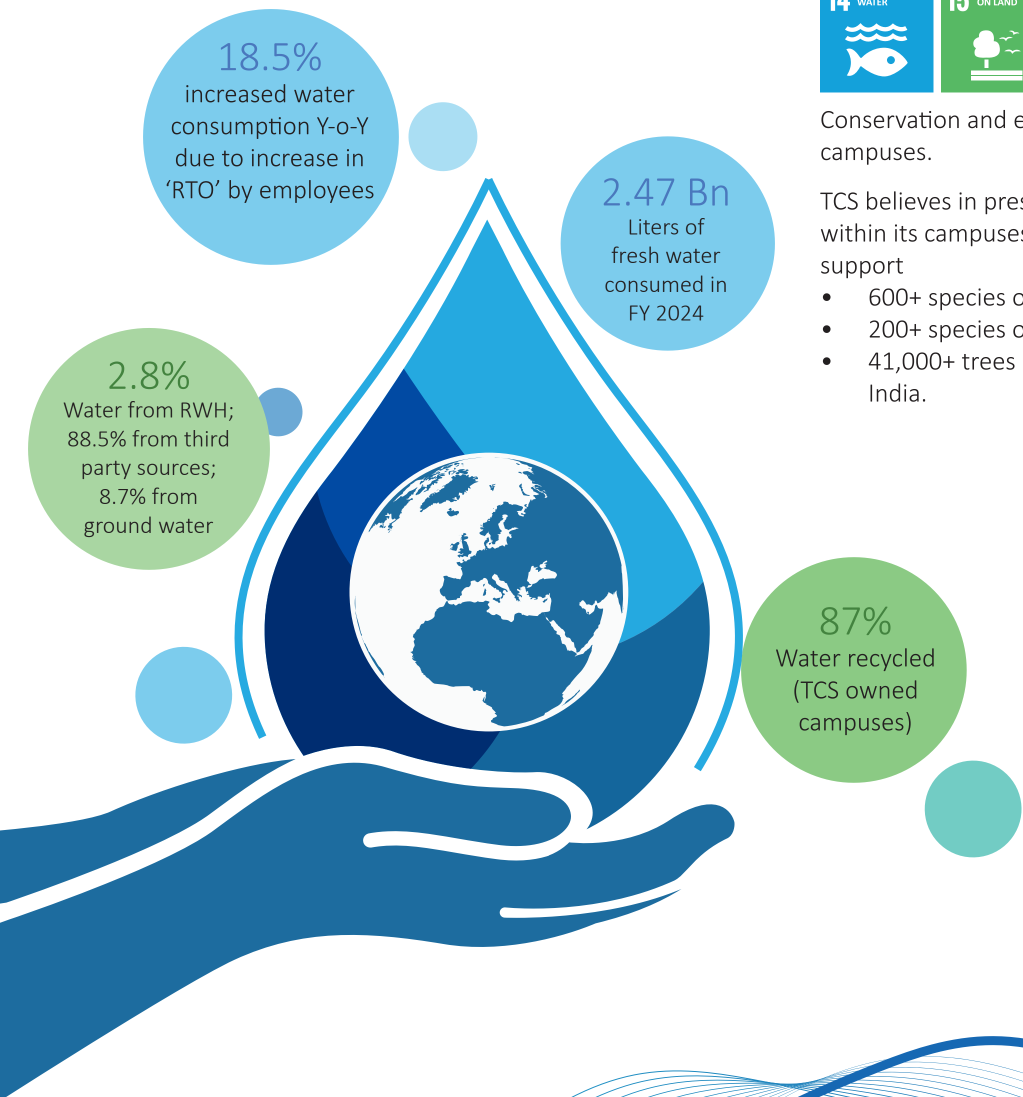
Water Conservation

Target:

3% YoY reduction in freshwater consumption across owned campuses

Initiatives:

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



Waste Reduction and Reuse

Target:

Reduction in waste generation, maximizing recycling and reuse to divert waste to landfill

Maximize recycling of all recyclable waste like e-waste, office paper, packaging and plastic wastes

95%

Food waste treated in biodigesters and organic waste converters in owned campuses

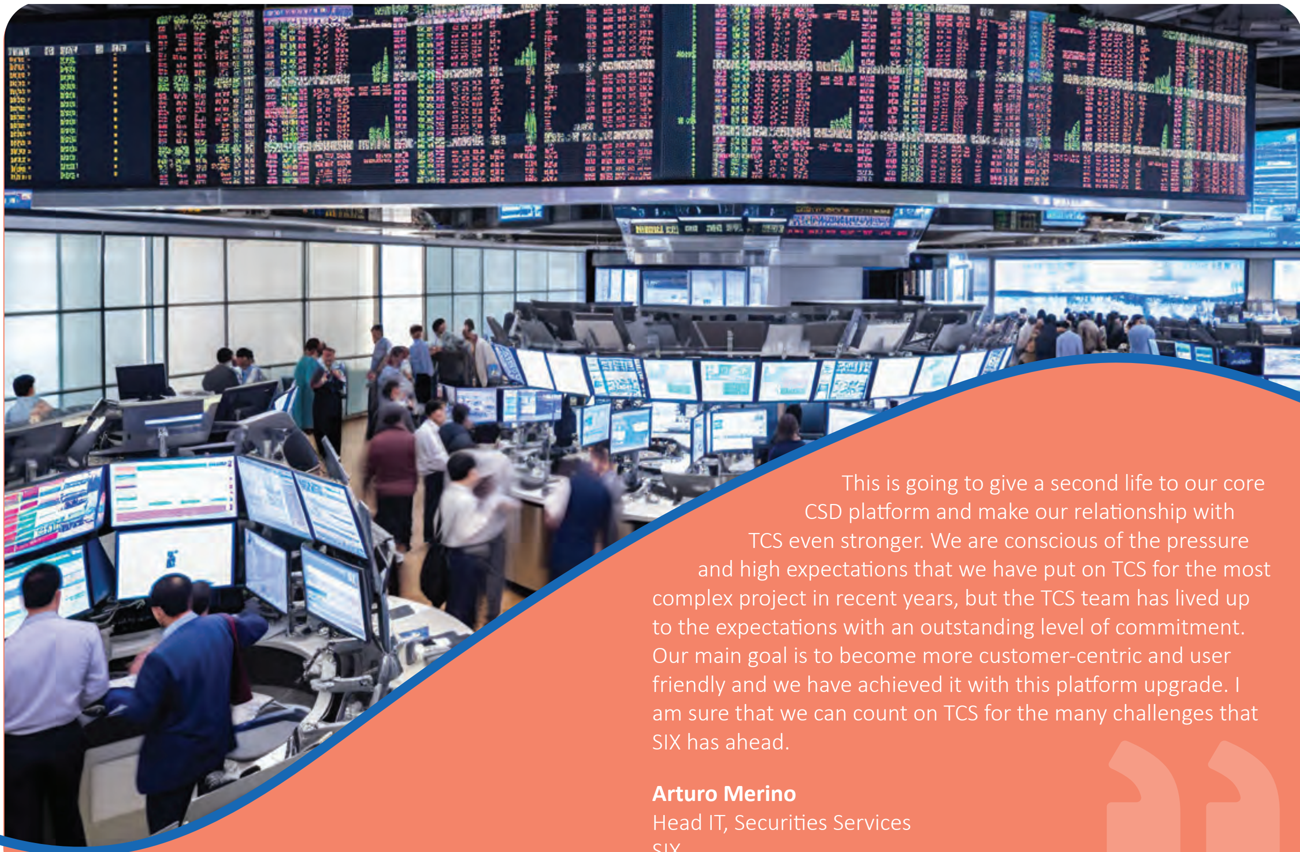
Biodiversity

Conservation and enhancement initiatives within TCS campuses.

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

- 600+ species of flora
- 200+ species of fauna
- 41,000+ trees present across 18 TCS campuses in India.

CUSTOMER STORIES



This is going to give a second life to our core CSD platform and make our relationship with TCS even stronger. We are conscious of the pressure and high expectations that we have put on TCS for the most complex project in recent years, but the TCS team has lived up to the expectations with an outstanding level of commitment. Our main goal is to become more customer-centric and user friendly and we have achieved it with this platform upgrade. I am sure that we can count on TCS for the many challenges that SIX has ahead.

Arturo Merino
Head IT, Securities Services
SIX

Trading old for new: SIX unveils an advanced post trading platform

With 13,500 trade legs per minute, 13 million transactions per day and few trillion USD worth of securities in custody, SECOM is the electronic post trading system used by SIX for automated processing and settlement of transactions. Built by TCS, SECOM was one of the world's first real-time gross settlement (RTGS) systems and formed the backbone of the Swiss capital market. But can a three-decade old system meet the strenuous demands of modern times? TCS and SIX both knew the answer was 'no'. SIX decided to embark on a journey of transformation yet again, backed by three decades of relation and trust it shares with TCS.

Back in 1990, when SIX was looking to enhance the scalability of its batch system to meet the market demands of the future, TCS proposed a new platform called SECOM. This platform would be real time, cutting-edge, scalable, and modular with robust architecture. Enabling straight-through processing, it was amongst the most sophisticated systems of its time. Over the years, TCS continued to manage this system for SIX.

Three decades later, SIX partnered with TCS to accomplish another mega feat. TCS executed a PoC to demonstrate the feasibility of modernizing the existing system. TCS showed how this transformation would serve SIX for decades to come – making it more efficient, enabling speed and growth for the firm. Placing trust in TCS' execution capabilities, SIX decided to go ahead with the transformation. Thus, the next journey from mainframe to an open and more resilient system began.

To take this forward, TCS tapped into its design labs to create a platform that reimagined the user experience and enabled faster response to queries. TCS was able to fast-track this development with an ingenious automation solution which migrated over 500 billion records in record time, saving 10-12 months' time from the overall process.

The flexible, secure, and cloud-ready platform is economical and makes SIX' internal operations and process more efficient. The ability to customize individual post trade processes depending on market requirements in different parts of the world has set SIX on a steady path of growth and expansion. With this new and advanced system, SIX became more modern, up to date and market-friendly – boosting customer-centricity and overall competitiveness – and maintaining its pole position in the Swiss financial market.

CUSTOMER STORIES

TCS has been a critical partner of Experian in this initiative from day 1, working closely with the Support Hub team to structure our requirements and design an intuitive, accessible solution that could be deployed quickly. We're proud of Support Hub and its impact in supporting vulnerable consumers, and it's been a pleasure to have TCS join us on this journey.

Paul Lamont
Product Director
Experian Consumer Information Services

Shaping a future of accessibility and financial inclusion

With a commitment to empower all individuals to access financial services equitably, Experian PLC, a global leader in consumer and business credit reporting services, has taken a significant step towards bridging the gap in financial inclusion for differently abled people in the UK.

As the Dublin, Ireland headquartered company helped differently abled people take control of their credit with complete access to their data and offers, it discovered that this demographic is mostly under-served. Organizations across utilities, retail and banking are not aware or not able to cater to their support needs effectively, providing the company an opportunity to get closer to its customer and deliver more accessible products and services.

With TCS as a partner, Experian developed the Support Hub to help vulnerable people get easier access to essential services like banking, utilities, telecom and retail. For the first time, consumers can disclose their support needs to multiple organizations at the same time and have complete control over their data with an intuitive and accessible UX designed exclusively for them.

Leveraging the TCS Pace™ and TCS Accessibility Centre of Excellence from design to testing, Support Hub is instrumental in improving Experian's user engagement. The Experian Support Hub allows people to share their support needs with multiple service providers in a simple, standardized way. For instance, the end customer can now define their needs like requesting statements in Braille or getting longer appointments or more support when visiting a branch.

Through this unique initiative, Experian has been able to expand its partner ecosystem which will help them enter new markets and make a pivotal advancement in fostering financial inclusion. By 2030, Experian aims to help seven million consumers connect with over 200 organizations.

CUSTOMER STORIES

Connecting India, Faster: BSNL 4G/5G Network roll-out

In response to the Government of India's *'Atmanirbhar Bharat'* call, TCS collaborated with Centre for Development of Telematics (C-DOT) and Tejas Networks Limited (Tejas) to design and develop an indigenous telecom stack. This complex initiative was undertaken with significant efforts to design the equipment, establish a lab and testing infrastructure of scale besides building the entire manufacturing ecosystem in India. The resultant solution of EPC Core, RAN, IMS, and the cognitive NMS was proven by integrating it in the state-owned Bharat Sanchar Nigam Limited's (BSNL) existing network through a well-structured proof of concept. The indigenously designed equipment are programmable and the overall network will be 'Software Defined' and highly configurable. With this, India became only the fifth country in the world to have developed this complex technology end to end.

Post the satisfactory evaluation of the indigenous telecom stack, BSNL awarded TCS the mandate to supply, install and commission the pan India 4G/5G mobile network across 100,000 sites. The contract involves the following key dimensions:

- Establishing modern cloud native data centers with geographical redundancies for each of the four zones and about 30+ edge data centers closer to the clients.
- Deploying the EPC Core and IMS software supplied by C-DOT integrating it with the existing BSNL landscape in a high scalable cloud architecture along with TCS' Cognitive Network Operations (CNOPS) to efficiently manage and configure the network.
- Install, commission, and optimize the Radios (RAN) meeting the specifications of BSNL and global standards, supplied by Tejas.
- Extend Operations and Maintenance support to the network on an on-going basis.

This project is governed as a 'mission-mode' project by TCS, BSNL and the Department of Telecommunications. As of April 2024, TCS has delivered 11,000 sites and are well on its way to complete the roll-out by end of this year. BSNL has already added to the scope another 22,000 sites to further densify the coverage and to include 'saturation' sites. This is to ensure digital inclusivity to rural and remote areas of India.

This is a historic and significant leap towards bridging the digital divide, ushering in the benefits of a powerful voice and data network to all corners of the country. With this, TCS along with its partners is enabling BSNL to enhance its competitiveness, increase revenues, offer a compelling enterprise proposition, and explore new business opportunities.

CUSTOMER STORIES

A joint venture gives rise to a digitally powered insurance firm

What happens when two companies with a shared vision join forces? We have a greenfield insurance firm that is digital-first, always available and provides gold standard customer experience to its members.

Irish bank, AIB and Great West Life Co entered a joint venture to transform the life, pensions, and investment market in Ireland. They also wanted to address the 35% gender gap in pensions. TCS was selected as a strategic partner for the newly launched AIB life in Ireland, including greenfield operations set up in Letterkenny. TCS helped create a modern, cloud-based technology stack from the ground up with its unique insurance-in-a-box solution.

In Ireland, insurance offerings mainly follow a tiring process where the sales process can take weeks. TCS and AIB life re-imagined the entire journey, with a digital first ambition and customers at the heart of everything.

The entire system was built on a public cloud. The scalable, resilient, and future-ready system was up and running within 15 months and AIB life had exceeded 5,000 new policy sales by the end of 2023.

A dedicated, cloud-enabled contact center and back-office in Ireland supports AIB life's operations – allowing their distributor to advise customers on 12 different product offerings. Further differentiated products are envisaged to enable AIB life to respond to market changes.

TCS continues to support the firm in its mission of creating truly omnichannel experience, while handling 100+ policy activations on an average day, with self-service capabilities and straight through processing.

After an extensive review of the market, it was clear that TCS' contextual industry knowledge, European cloud-based technology and global delivery team based in Letterkenny was a great fit for us. As we build and scale what is a new greenfield life company, it is key that we start on a foundation of cutting-edge technology, and from the outset, establish a digital business with a partner that shares our vision, with the capacity and experience to back our ambition to build our new company at pace, while being committed to delivering the very best for our customers. In addition, TCS' investment in Ireland through their Global Delivery Centre in Letterkenny, from where we are servicing AIB life customers, enables us to deliver customer service excellence as we support the financial wellbeing of our customers, their families, and their businesses. Being able to do that from within Ireland was particularly important.

Bryan O'Connor
Chief Executive Officer
AIB life

AI for Business Study

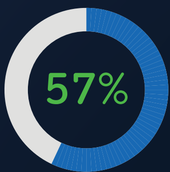
From potential to performance by design

The advent of GenAI expands the arc of traditional machine learning and AI, which is one of recognition and reasoning intelligence, to create an operative intelligence that partners with humans to create new possibilities and new opportunities that have the potential to dramatically reshape business. Today's AI delivers far more than just cost savings or improvements in productivity or quality. When combined with human creativity and strategic thinking, companies can continuously improve customer value chains through differentiation and consistent, high-quality organizational output designed to deliver elite outcomes. The recent GenAI technology revolution has taken the world, including business, by storm. The advent of GenAI tools raises the potential of "traditional AI" to a new level for TCS clients, especially those seeking to embrace a strategic approach to its adoption and integration.

To understand how companies are approaching AI in the next few years, the TCS Thought Leadership Institute surveyed nearly 1,300 CEOs and senior executives in large cross-industry enterprises in 24 countries.

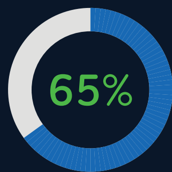
Survey highlights and takeaways

Executives weigh in about the potential impact of AI on their business



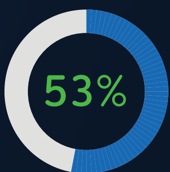
are excited or cautiously optimistic about AI's potential impact.

AI's impact on organizations' competitive positioning and decision-making



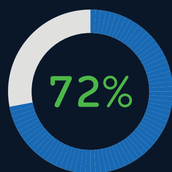
say human strategic decision making, intuition, and creativity will remain essential to their company's competitive advantage.

Assessing the best approach to AI adoption



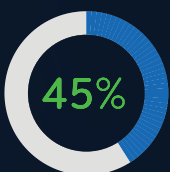
want to take a strategic approach to AI, whether it's an AI-first or business-model-first approach to maximize benefits to their companies.

AI impact to strategy and operating models



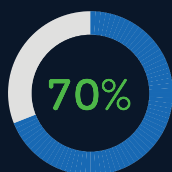
are reworking or planning to rework their company's strategy, operating model or offerings to extract the most benefits from and to mitigate any risks of AI implementations.

Many employees will come to rely on GenAI in the near future



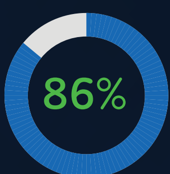
think up to half their employees will be using GenAI daily in the near future.

Current focus of AI is innovation



are more focused on using AI to spur innovation than on lowering costs and optimization.

AI impact on revenue streams



are already using AI in some way to enhance current revenue streams or to create entirely new revenue streams.

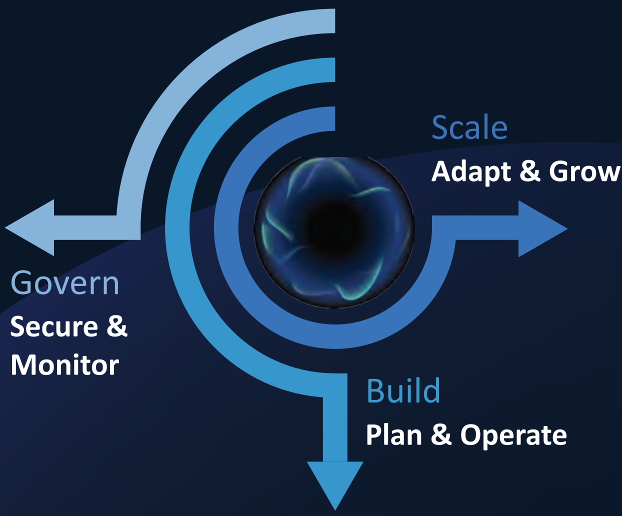
Top 3 challenges to AI adoption

#1 – Current IT infrastructure

#2 – Customers' expectations

#3 – Current IT service providers

TCS Methodology for AI Adoption with a multilayered approach



Where do we start?

Start with value (the why and what); identify use cases, not technology. Create a blueprint in the context of the overall value chain.

How do we scale?

Design and build for constant change. Maximize stakeholder collaboration and an enterprise network of continuously evolving purposive agents.

How do we drive organizational changes?

Create space for adaptation and establish a culture of innovation. Evolve talent and redefine roles on an ongoing basis.

How do we manage the risks?

Make the model safe. Establish a governance model for information security, regulatory compliance, and bias mitigation guardrails. Monitor primary metrics/KPIs with stakeholders at frequent intervals.

By design: Accelerating better decisions, performance, and innovation

Getting the most from AI will require a multilayered strategy that creates a foundation designed for accelerated productivity, innovation, and performance. This means using AI strategically to:

Assist

Machines boost human capabilities through knowledge discovery and summarization

AI can supplement tacit knowledge with contextual knowledge to boost work effectiveness.

Augment

Humans and machines collaborate by optimizing activities

AI can accelerate elite performance through collaborative intelligence, where humans and machines complement and magnify each other's talents.

Transform

Machines elevate, humans ideate to redefine value chains

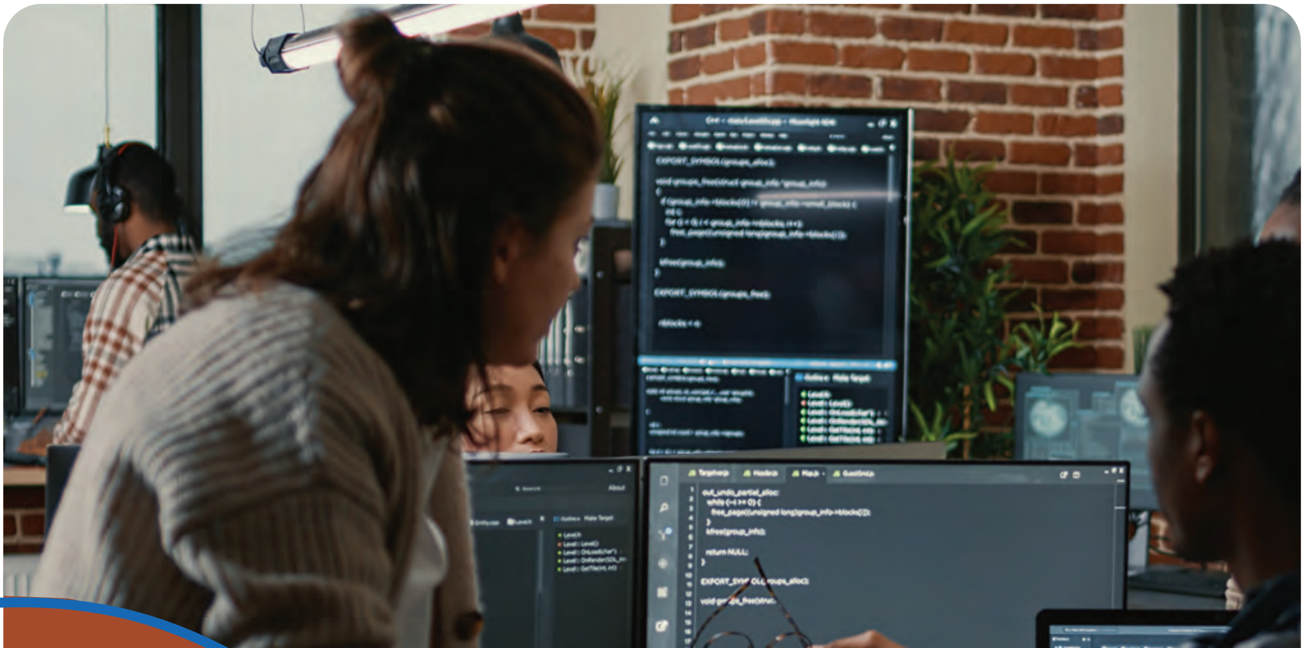
Leap from systems of record to a knowledge-driven superstructure with fast, consistent, and high-quality decision output to deliver new ways of working and the full realization of "enterprise-wise" AI.

CUSTOMER STORIES

Disrupting Industry Boundaries from Transactions to Interactions

In partnership with TCS, Ingram Micro, an innovative, US-based global technology distribution company, successfully completed an unprecedented industry transformation to a digital experience company through its groundbreaking platform, Xvantage™. This business model transformation leverages proprietary AI/ML-enhanced technologies and a global, real-time data mesh containing many years of operational and transactional data to enhance operational efficiencies, streamline supply chain processes, and provide world-class, unified experiences for its customers, vendors and associates.

The team at TCS was instrumental in the revolutionary build and implementation of Xvantage, resulting in end-to-end transformation across design, architecture, product development, AI, and cloud platform technologies. By embracing a customer-centric approach and fostering innovation in distributed channels with optimized value chains, Xvantage is serving as Ingram Micro's digital twin in helping their customers boost efficiency, increase revenue opportunities, and grow their businesses.



Embarking on this transformation journey has been incredibly exciting. With unparalleled dedication, the teams have pioneered a monumental shift within a short timeframe, which has been recognized throughout the industry. And with Xvantage—every day, every week—we're iterating, adding new capabilities, further eliminating complexity for our customers. From building a data lake to empowering all users of the platform with data-driven technologies, our TCS colleagues have been integral to the massive strides we've taken together.

Sanjib Sahoo
EVP & Chief Digital Officer
Ingram Micro

AI and GenAI STORIES

Travel better with a Next GenAI Solution

A leading North American airline customer wanted to drive operational efficiency throughout the airport operations control domain by enabling key stakeholders with operations information in real time. In addition, their objective was also to improve customer experience through next GenAI technologies.

For all **US airlines, 116 million** are the **delayed minutes** every year. With an average of 100 passengers on each flight, this results in 11.6 billion minutes of passenger delays and frustration. *Travel better during delays* was the core around which the airline customer and TCS embarked on a GenAI journey to help their end customers reach their destination by seamlessly capturing contextual data along with their preferences. TCS' solution provided a conversational experience to deliver contextualized personalized message while apologizing for the flight delay, leveraging GenAI to ask about preferences including final location, drive time, earliest arrival, or least waiting time along with an end-to-end integration to provide options and rebooking for a seamless passenger experience.

The boarding twin continuously monitors boarding progress and its deviations in real time by merging camera vision data with enterprise events and contextualizing the user experience with proactive and relevant notifications on boarding progress of all flights.

Warranty Claims Anomaly Detection Solution

The warranty claims received by a global manufacturer of engines and power system products, for its service network included a mix of structured data, narratives/ notes. The notes were used by experts to determine the validity and the warrantable items in a manually adjudicated claim process. In auto adjudicated claims, there were certain anomalous claims that got cleared for payment if met the criteria of a standard claim.

TCS conceptualized and implemented an Intelligent adjudication and anomaly detection solution that automated the review of all claims using Machine Learning for structured data, Natural Language Processing for unstructured data and a scenario-based modelling approach for anomalies, in combination with business rules to provide informed inference to adjudicators or adjust claims wherever apparent before further adjudication.

TCS solution provides a scalable model for all types of claims including traceability needed for decision support, and could automate **91% of claims' approval,** resulting in efficient utilization of adjudicator's time and improved realization time for the service providers. The solution delivered an increase in productivity hours, an **annual savings of over US$5 million in terms of warranty costs and identification of anomalous claims.**

AI and GenAI STORIES

Agent Assist for Travel Insurance Policy Servicing

TCS customer is a leading Global Insurance and Asset Management Provider. The customer's contact center agents need to respond to user queries related to travel insurance policies' terms & conditions across various states it is presently servicing. Agents had to search through many T&C, resulting in high wait time for the customer.

TCS designed a GenAI led solution to generate quick yet consistent and contextual responses for end users. The state-wise T&C and insurance plans were extracted and semantically chunked to provide context to GenAI models based on user query. Prompt templates were created to extract contextual information needed for agents to generate responses to the end user query. Guardrails have been implemented using responsible AI principles. Agents can review, validate, and fine tune responses as needed.

The solution can help **reduce the average handling time by 40%** and thereby result in an overall improvement in customer satisfaction.

Built Proactive maintenance Paradigm for Gas Turbine Compressor casing

TCS customer is a leading electricity generating and gas retailing company in ANZ, whose strategy is to develop new power generation infra and improve existing assets to drive long-term growth while meeting sustainability. Currently, significant fuels used to generate electricity are natural gas and coal and three gas turbines are being used to meet peak load of grid. One of the gas turbine compressor casing had developed crack and functionally failed which resulted in shut down. The customer wanted to avoid these unwanted shutdowns by predicting the survival probability for combustor casings.

TCS' IP2™, an intelligent power plant solution that uses AI, IoT, and digital twin technologies was deployed to extract operational life experience profile from timeseries sensors' information of the gas turbine process including more than seven years of historical data. The solution summarizes the data and predicts and validates crack length based on the same for other gas turbines.

TCS solution has helped in ensuring that the gas turbines operate efficiently and in **preventing costly unplanned maintenance** and helps in reducing plant O&M costs while **reducing carbon emissions.**

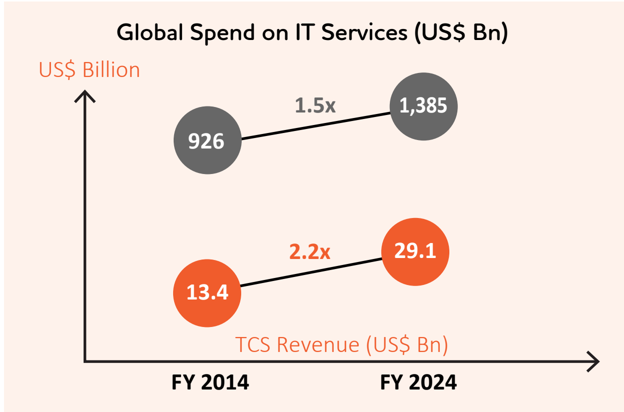
Management Discussion and Analysis

Overview of the Industry

The journey over the past few years has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, the Russia-Ukraine war that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. The global GDP is estimated to have grown at 3.2% in CY 2023, lower than 3.5% in CY 2022[1], led by fears of a hard recession. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Economic growth has been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. However, the rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive sectors.

Unmet revenue expectations have ushered in a new wave of pragmatism where maintaining a healthy profit margin has become pivotal for corporations due to the uncertain macro-outlook. In extreme cases, organizations resorted to cost-cutting measures, such as reducing headcount and cutting discretionary spending, including IT services. Organizations taking a more rational approach are simply shifting the emphasis of ongoing IT projects toward cost control, efficiencies and automation while curtailing IT initiatives with longer RoIs. Global technology spending on Enterprise software and IT services was close to the US$2.3 trillion[2] mark in CY 2023, with IT services growing at 6.1% YoY to US$1.4 trillion.

The global IT services industry continues to be a highly fragmented one, with even the largest provider having a mid-single digit market share. TCS is among the largest IT services providers globally, with a market share of **2.1%**. TCS' outperformance is significantly higher over the last decade.



The outperformance may be attributed to market share gains resulting from TCS' strategy on customer centricity, its agile organization structure, and a very stable leadership team; its investments in organic talent development, research and innovation, intellectual property, brand building, and in building newer capabilities that have helped expand wallet share with clients; and better execution resulting in greater customer satisfaction.

TCS' Business

An Overview

TCS is an IT services, consulting and business solutions organization partnering many of the world's largest businesses in their transformational journeys for the last 56 years. It has a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped under consulting and service integration, application services, digital transformation services, AI and cloud services, engineering services, cognitive business operations, and products and platforms – targeting every C-suite stakeholder.

The company leverages all these capabilities and its profound contextual knowledge of its customers' businesses to create bespoke, high quality, high impact solutions designed to deliver

[1] Nasscom, World Economic Outlook, IMF, April 2024
[2] Gartner

differentiated business outcomes. These solutions are delivered using its operating model which enables a highly distributed, Location Independent Agile™ delivery.

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

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

Strategy for Sustainable Growth

TCS has successfully navigated through multiple technology cycles since its inception, transforming and adapting each time to build relevant new capabilities and helping its clients realize the benefits of that innovative technology. TCS' responsiveness, agility and adaptability to change have been core to its longevity.

Customer-centricity is at the heart of TCS' strategy, organization structure and investment decisions. TCS has been broadening and deepening customer relationships by continually looking for new opportunities and newer areas in their businesses to add value, proactively investing in building capabilities, reskilling its workforce, and launching innovative services, solutions, products, and platforms to address those opportunities.

TCS is reinventing itself at a time of unprecedented change in the IT Services industry. Digital, AI and Cloud technologies are now business enablers, and core to the success of business, fueling the need for enterprise-wide transformation and continuous innovation.

Technology disruption is blurring traditional industry lines, making cross-industry expertise an imperative. Adaptation is *the* key to survival. TCS believes in the power of inspiration and invention to build greater futures and help in transforming industries. The company's research and innovation team apply scientific rigor and a collaborative mindset to solve pressing problems faced by industries and society.

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

Enabling Investments

TCS has been at the forefront of every technology adoption cycle over the past several decades. The company has anticipated every technology change and invested in innovation, talent, intellectual property, and partnerships well in advance. TCS pioneered[3] the 'Default is Digital' approach to leverage the new family of technologies that emerged in the last decade. TCS was early to identify that decision making in enterprises would increase in complexity and would require novel uses of digital technologies. Its research into Enterprise Digital Twins enables it to simulate enterprises in hi-fidelity and use AI for decision making. Backed by 10 years of research (started in 2013) and over 40 publications in top-tier journals, TCS launched an Enterprise Digital Twin product offering called TCS TwinX™. The multiple award-winning product today simulates enterprise decision making for several TCS customers.

Quick to recognize the potential of cloud, the company made investments ahead of time in launching new platform-based business models as far back as in 2009[4], reskilling the workforce, research and innovation, building collaborative workspaces and innovation centers, intellectual property, and alliances and partnerships. TCS created a separate research group focused on 'Deep Learning and AI' in 2017 and identified 'AI' as a critical skill that every researcher should acquire. TCS has doubled down on partnerships in areas such as AI, Quantum Computing and Cybersecurity. These early investments have given TCS a head-start in being a partner in its customers' technology adoption lifecycles.

The exploration of innovative uses of GenAI has been a focal point for TCS Research this year. More details on TCS R&I investments during the year are available on Page 61 of Directors' Report in the section on **'Technology absorption, adoption and innovation'**.

TCS' dedication to innovation is evident with its dynamic intellectual property (IP) portfolio, which saw continual enhancement through the filing and granting of patents and the publication of research papers. TCS' IP portfolio has grown by a CAGR of over **13%** over the past decade. TCS is the largest patent filer in the industry category in India and has been honored with **42 IP awards** in the last 10 years, including winning the National IP Award 4 times in the last 7 years.

TCS' dedicated practice units around major hyperscalers have been steadily investing in training, certifications, credentials and in building solutions and intellectual property on their respective hyperscaler stacks. AI.Cloud Academy was launched to bring together initiatives from all Cloud and AI partners, and to drive talent transformation at scale with a theme "Making AI REAL" for TCS' customers. As on 31st March 2024, TCS had one of the world's largest AI/ML and GenAI trained workforce. AI Experience Zone, TCS's indigenous, multi-platform AI playground continues to develop employees with higher competencies in GenAI through Industry specific use cases integrated into programs and hackathons. One of the significant investments has been in building a multi modal, hyperscaler agnostic, domain catalogue enabled, pattern driven, multi orchestrator GenAI platform called TCS AI WisdomNext to help customers accelerate their GenAI journey.

In addition to the hyperscalers, TCS has also invested in building key partnerships with other major cloud and AI ecosystem partners, to bring best of GenAI offerings to TCS' customers. TCS has invested in deep dive technical training along with hands-on sessions to help upskill existing employees thereby empowering them to leverage technology as part of ongoing delivery. TCS has launched AI Academy and the AI Experience Zone platform for

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

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

experiential AI/ML and GenAI talent development. TCS has launched several PoVs on how the industry value chains including personas involved can be transformed using the power of GenAI. TCS also has significantly invested in onboarding 150+ horizontal and vertical solutions on hyperscaler platforms in a cloud native manner augmented with GenAI capabilities.

As TCS transforms industries, building momentum requires continuous perseverance, flawless execution against the company's strategic priorities: **Customer Centricity and Employee Empathy.**

TCS' Strategic Responses to Opportunities and Threats

Opportunity / Threat	TCS Approach	Outcomes
Macroeconomic uncertainty and geopolitical volatility impacting decision making and prompting an increased mix of cost optimization and cloud transformation-led deals and reduced discretionary spend	• Proven track record in helping enterprises reduce their cost of operations. • Proactive pitching of IT and business operating model transformations that deliver greater efficiency, enhance enterprise agility, resilience and better output. • Leveraging full services capability and deep client relationships to propose product-aligned operating models. • Use of TCS Cognix™ to accelerate operations transformation, using over 600 pre-built automation components that infuse AI/ML and other technologies into IT and business processes to reduce human intervention, increase velocity and productivity.	• Strong deal flow resulting in a robust order book that gives better visibility of medium to long-term growth. • Market share gains in vendor consolidation led deals. • Efficiency gains helping fund client's transformation programs in some instances. • TCS Cognix recognized as a means of driving quicker realization of RoI.
Greater interest in using technology to drive business growth and differentiation	• Focused on developing contextual knowledge and applying that for inside-out transformations. • Continued investments in research and innovation, TCS Pace Ports, and intellectual property. • Dedicated practice with domain experts to bring together TCS' differentiated capabilities from across the organization to stitch together comprehensive solutions. • Proactive pitching of solutions to customers' most pressing business problems. • Refocused on industry expertise, as well as technology and service lines, increased investment in regional markets to diversify portfolio. • Nation building programs which add to capabilities and credentials. • Deepened partner ecosystem for joint go-to-market strategy.	• Expansion of addressable market. • Higher quality revenue, lending margin resilience. • More deeply embedded in the client's business. • Engaging with a broader set of buyers in the client organization. • Higher visibility within C-Suites.
Strategic technology investments	• Set up the **AI.Cloud** unit bringing both Cloud and AI capabilities together to drive transformations for the customer under a **'Responsible AI'** framework; invested in **Intrapreneurial teams** to discover the art of the possible. • Continued investment in skill building, certifications, credentials, IP and accelerators. • Made available TCS products and solutions on public clouds.	• Strong growth in cloud migration and transformation revenues. • Working on 250+ PoCs and PoVs in Assist and Augment use cases, few programs moving into production. • Top tier partner to each of the hyperscalers. • Preferred partner to clients seeking to use cloud native capabilities to power their business transformation. • Over half of the workforce trained in AI/ML and GenAI technologies.

Opportunity / Threat	TCS Approach	Outcomes
Greater acceptance of as-a-Service platforms	• Strengthened alliances and launched new offerings around the popular and new SaaS products. • Helped ISV* clients upgrade their products to launch new SaaS versions. • Partnering with product manufacturers to help launch innovative as-a-Service offerings using TCS Bring Life to Things IoT framework. **TCS IP:** • Promoted SaaS versions of in-house product portfolio, now available on hyperscaler platforms. • Used IP portfolio to launch new platforms that bundle IP and shared services on the cloud.	• Outperformance and differentiated growth compared to peers. • Stronger win-win partnerships. • Expansion of addressable market. • Strong growth in SaaS sales. • Platforms drive stickier relationships, with long term revenue visibility.

* Independent Software Vendor

Talent Management

TCS is a talent and innovation led organization that aims to attract, develop, motivate, and retain diverse talent, which is critical for its competitive differentiation and continued success. TCS strives to create a vibrant workplace and an engaged workforce by encouraging four behaviors: *follow your passion, stay hungry, commit to lifelong learning, and thrive together.*

In FY 2024, the total employee base of TCS was **601,546**, representing 152 nationalities, with 35.6% women in the workforce.

Talent Acquisition

The company remains the preferred employer and one of the largest job creators in IT services in several major markets, for both freshers and lateral hires. FY 2024 has been yet another vibrant year for Talent Acquisition with strong business partnerships to meet talent requirements proactively, at scale and on-demand.

Key Achievements:

- **Hiring during the year**: During the year, the company's hiring strategy included a mix of physical campus visits, candidates hired through its National Qualifier Test (NQT) and focused hiring from top B-schools. TCS continues with internship and placement offers as part of the Strategic Leadership Program.

- **TCS Academic Interface Program (AIP)** continued to engage with faculty and students through focus group connections, workshops, faculty development programs and other campus outreach activities. In FY 2024, TCS engaged with over **194,000 students** and about **17,500 faculty members** in nearly **1,200** partner academic institutes across the world. More than **1,500** interns were engaged during the year.

- **TCS Sangam**: "Meeting of Minds" is TCS' flagship event celebrating industry-academia collaboration. Sangam 2024 saw participation from more than **80** leading academicians including distinguished Vice Chancellors and Directors representing a diverse group of institutions including IITs, NITs, IIMs, and premium institutions.

Talent Development

Building a future-ready workforce is one of the top priorities for Talent Development. In FY 2024 several key initiatives were launched to inculcate a strong engineering culture among the company's employees and build deeper skills in market relevant technologies and create an AI ready workforce.

Few notable programs:

- ***#IamGenAIReady*** – Intense focus on building GenAI capabilities with a goal to make *"Every TCSer GenAI ready by 2025".* TCS exceeded its initial targets and now has one of the world's largest AI/ML and GenAI Ready workforce across the world.

- **Building a Strong Engineering Culture:**
    - o **Software Engineering -** Reinforcing clean coding and assuring best engineering practices.
    - o **Secuware** training program to create deep understanding of secure coding and configuration practice across Application, Network, Cloud and Data Systems.

- **TCS Elevate**: TCS' pioneering program linking learning to career growth and reward covered over **423,000** employees. More than **35,200** employees were identified as high talent and saw an increase in their compensation.

- **TCS Contextual Masters:** TCS' program to identify tenured employees with contextual knowledge of the customer's business and technology landscape, continues to expand with over **73,000** Contextual Masters who are being groomed to be next generation transformation leaders.

Key Metrics:

- More than **147,000** external certificates were acquired in FY 2024.
- TCS continued its focus on leveraging internal talent through upskilling and cross skilling for growth opportunities. In FY 2024, **33%** of job requirements were fulfilled through grooming its internal talent.

Talent Transformation

TCS is building a culture of mentoring and promoting it through systemic intervention programs, and the company now has over **36,000** mentors.

TCS has multiple initiatives to help employees achieve career growth and aspirations.

- **iConnect** – Collaboration tool designed to help employees reach out to senior mentors for guidance on career paths. More than **103,000** iConnect sessions were initiated.
- **Xcelerate**- TCS' in-house career guidance system, which guides TCSers to share their career aspirations. The portal saw more than **462,000** aspirations recorded in FY 2024, and over **26,300** have met their aspirational roles.
- Over **135,000** TCSers initiated their **360-degree inclusive feedback** process, with team members, peers and managers being nominated as participants to give feedback on their skills and attributes. This engagement provides strong impetus toward overall talent transformation at each individual level.

Competitive Compensation

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

Across the enterprise, remuneration is the same for men and women working full-time, in the same grade, in the same role, and at the same location.

Talent Engagement

In FY 2024, focus was on value-driven, and positive wellbeing of the employees to increase pride and belongingness. The key initiatives driven for impact were manager sensitization workshops for culture assimilation, joiners' talent integration, career growth and total wellbeing of the employees.

With TCS encouraging 100% employees returning to work, various programs are being run to enable higher levels of engagement. Employees were engaged through town halls and project confluences with an emphasis on **Living my Values, Build my Career and Lifelong Learning**. The company enabled more than **33,000** one-on-one mentoring sessions and over **255,000** one-on-one HR career conversations.

Family Day: The Family Day Fiesta is a well-thought-out endeavor to strengthen bonds, instill pride, and propagate the #OneTCS culture. The event provides an open invitation for family members to step into TCS offices, allowing them to experience the work environment firsthand. It was celebrated across 14 India locations, with over 300,000 people taking part with great enthusiasm.

Other engagement and collaboration platforms in TCS include:

- **Knome, KnowMax, GEMS**: Platforms for social collaboration within the organization, learning, sharing and for rewards and recognition.
- **Safety First**: Initiative focused on employee safety and security.
- **TCS Cares**: Aims to build an emotionally strong and mentally resilient workforce through sensitization, easy access to self-help and counselling. More than **24,000** counselling sessions were availed globally and over **40,000** employees attended TCS Cares webinars globally.
- **Fit4life**: Builds a fraternity of health and fitness conscious employees and creates a culture of fitness.
    - **Health & Wellbeing**: **140,000** active users contributed total 50 million+ kms.
    - **Yoga**: Over **45,000** employees took part in practicing Yoga.
- **PULSE**: Pulse 2023 recorded an enthusiastic participation with more than **82%** of employees taking the survey. TCS has achieved a Satisfaction Index of **79.0** and Engagement Index of **80.0**.

Purposeful People Policies

Key policies introduced in FY 2024 include:

- **Policy on Flexible Work Arrangements** extended the scope of the existing policy to provide necessary support and flexibility to all employees (inclusive of fathers/non-birthing parents) who are primary caregivers of young children, post childbirth or adoption of a child.
- Considering TCS has a considerable workforce below 40 years of age, TCS encouraged employees to prioritize their health and fitness, and revised its **TCS India Policy – Preventive Health Screening**, to extend the scope of the existing policy to employees under the age of 40 years.

Employee Retention

TCS' values-driven culture, progressive HR policies, and philosophy of investing in people and empowering them have been integral in creating a culture of belonging. The company's philosophy of grooming leadership from within and giving the first right of refusal to internal talent for new open positions, inspires higher levels of loyalty to the organization. This has resulted in a very strong, deeply acculturated mid-layer with long tenures in the company. They have played a pivotal role in integrating new talent and have added significant value through their contributions and contextual knowledge.

The company's employee friendly policies and processes, collaborative and inclusive work environment, investment in learning platforms and providing vibrant learning and career growth opportunities have helped it remain a benchmark in talent retention. IT services' attrition trended down throughout the year and was **12.5%** for FY 2024. At TCS, three months' notice is required from either side for termination.

Return to Office

TCS is built on deep engagement with its diverse and distributed workforce, instilling in them a sense of purpose as well as a sense of belonging and pride. Return to Office (RTO) is a key priority to better integrate new joiners and stay deeply engaged with all its people, thereby fostering 'TCS Culture' and the 'TCS Way'. This is vital for employees to "experience" the workplace ecosystem. RTO has been the key priority to better integrate new joiners and stay deeply engaged with all its employees.

TCS has approximately 55% of its employees working from the office on all working days of the week.

Culture and Diversity

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

TCS recognizes that a diverse and inclusive workforce is necessary to drive innovation, foster creativity, and guide business strategies. Other highlights include:

- **iExcel**: TCS' flagship executive leadership development program for women completed 24 editions, benefiting over **1,700** women leaders.
- **Client engagement**: Allies of Diversity is a program where senior leadership from client organizations are invited to share diversity best practices. Engagement with 100 C-Suite leaders and 80 different client organizations has been completed to date.
- **Education and Sensitization**: TCS has mandatory online training designed to sensitize employees on key concepts of DEI. More than **500,000** employees completed this in FY 2024.
- **Employee Resource Groups:** Platforms for under-represented communities and their allies to share concerns, experiences, stories and strategic solutions. TCS has 13 voluntary, employee-led groups that have come together based on shared diversity identity characteristics or interest.
- **Champions of Equity**: This campaign was created to ensure a fair and inclusive culture in the workplace. A Champion of Equity is someone who treats everyone with fairness and transparency and holds a strength-based approach towards every individual, culture, and system.
- **Supplier Diversity**: TCS has a Supplier Diversity Program that identifies certified diverse suppliers that can provide competitive, high-quality goods and services whose business model is aligned with the company's business strategy.

Occupational Health and Safety

TCS has a well-defined Occupational Health and Safety (OHS) policy and supporting processes to ensure the safety and well-being of its employees. Safety lead and lag indicators are measured across the organization and reported. The Stakeholders' Relationship Committee in the Board reviews the company's health and safety performance half-yearly. **89.6%** of the workforce is represented in joint management-employee health and safety committees that monitor, advise, and drive occupational, health and safety initiatives.

TCS is certified to ISO 45001:2018 Occupational Health and Safety Management System standard across **129** of its facilities worldwide covering **84.9%** of delivery centers corresponding to 89.6% of people footprint operating from these locations. General safety awareness (fire safety, office safety, road safety etc.) and safety incident reporting awareness was provided to employees through monthly themes and campaign initiatives. The company continued to focus on creating ergonomic awareness including correct postures and workstation stretches for an office-based work environment through the ergonomic campaigns and periodic webinars. There were also several fitness programs, including yoga and meditation practices, mental health and wellbeing which drew employee participation.

Financial Performance Overview

The discussions in this section relate to the consolidated, Dollar-denominated financial results pertaining to the year that ended March 31, 2024. The financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as 'TCS' or 'the Company') are prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

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

($ Million)

	FY 2024*			FY 2024		FY 2023	
	Amount	% of Revenue	% Growth	Amount	% of Revenue	Amount	% of Revenue
Revenue from operations	29,080	100.0	4.1	29,080	100.0	27,927	100.0
Earnings before interest and tax (EBIT) (Before other income)	7,158	24.6	6.6	7,043	24.2	6,714	24.1
Profit after tax attributable to shareholders of the company	5,623	19.3	7.7	5,542	19.1	5,219	18.7
Earnings per share (in $)	1.54		8.0	1.52		1.43	

Analysis of revenue growth and margin performance

On a reported basis, TCS' revenue grew **4.1%** in FY 2024, compared to 8.6% in the prior year. The company's performance showed a remarkable resilience against the backdrop of macro uncertainty and geo-political volatility. Demand for TCS' services, particularly around cloud adoption, cost optimization, vendor consolidation and operating model transformation, resulted in record deal wins. The newly won deals conversion into revenue continued as expected, but the revenue inflows kept getting neutralized by reduction in the existing revenue base as some of the earlier projects got completed, optimized, or in some cases, downsized. This led to overall muted revenue growth in FY 2024.

EBIT margins were **24.6%*** in FY 2024, compared to 24.1% in the previous year. Margin improvement was led by improved productivity, better utilization and reduction in subcontractor expenses.

Average currency exchange rates during FY 2024 for the three major currencies are given below:

Currency	Weightage (%)	FY 2024 ₹	FY 2023 ₹	% Change YoY
USD	53.3	82.83	80.74	2.6
GBP	14.4	104.07	96.98	7.3
EUR	11.1	89.80	84.01	6.9

Movements in currency exchange rates through the year resulted in a positive impact of **0.7%** on the reported revenue. The constant currency revenue growth for the year, which is the reported revenue growth stripped of the currency impact, was **3.4%.**

Growth attributable to	FY 2024 (%)	FY 2023 (%)
Business growth	3.4	13.7
Impact of exchange rate	0.7	(5.1)
Total Growth	**4.1**	**8.6**

Overview of Funds Invested

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

($ Million)

	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
	Current		Non-current		Total funds invested	
Investments in mutual funds, Government securities and others	3,776	4,487	30	27	3,806	4,514
Deposits with banks	1,201	1,000	270	162	1,471	1,162
Inter-corporate deposits	20	103	-	21	20	124
Cash and bank balances	336	258	-	-	336	258
Total	**5,333**	**5,848**	**300**	**210**	**5,633**	**6,058**

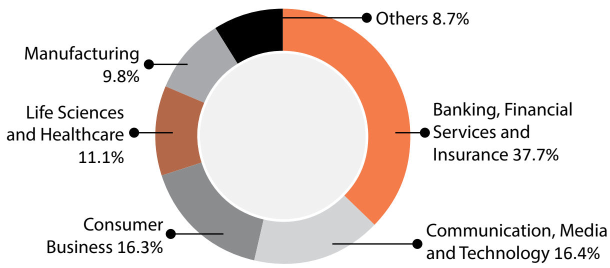
Total invested funds include $309 million and $252 million for FY 2024 and FY 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

* Excludes settlement of legal claim

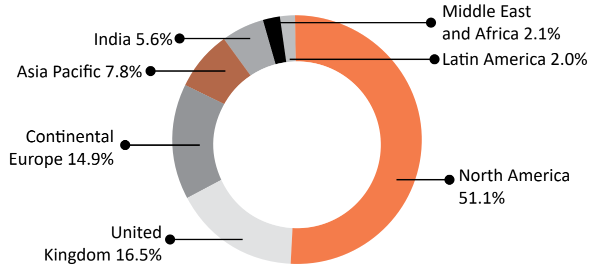
Segmental Performance

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

Revenue by Industry Vertical



Revenue by Geography



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

Industry Vertical	Segment Revenue FY 2024 *(FY 2023)* $ million	YoY Revenue Growth %	Key Demand Drivers[5]	Segment Margin FY 2024 *(FY 2023)* %
Banking, Financial Services and Insurance	10,978 *(10,670)*	2.9	• Customer journey transformation, payment modernization, new products and services creation with simultaneous transformation of core systems, legacy modernization, and systems of engagement. • GenAI / AI for hyper personalization, fraud detection, AI-driven advisory and customer support. • Sustainability and climate change initiatives, green lending, ESG regulatory compliance. • Service Reliability Engineering, implementation of future-ready target operating model.	25.9 *(26.0)*
Communication, Media and Technology	4,755 *(4,664)*	2.0	Communication, Media and Information Services: • 5G and fiber rollout, digital product innovation, smart bundling, network virtualization, product and platform engineering. • Steady adoption of GenAI, autonomous networks, automated content creation, contact center transformation, marketing personalization, field operations productivity, software engineering, ecosystem play. Technology and Services: • Product innovation- Digital platform led businesses, Next-gen communication tech (5G and Satellite Communication), AI platforms, faster and efficient chips, cloudification of the engineering environment. • Enabling new business models- Everything-as-a-service (XaaS), Subscription-based services (SaaS), transition to direct channels. • Digital core transformation- Next generation cloud ERPs, PLM, CRM to standardize, simplify and scale business, cloud data engineering and analytics.	27.7 *(28.3)*

[5] Only industry specific drivers are listed. In addition, every industry vertical saw demand for TCS' services arising from IT estate rationalization, core platform simplification, application and data modernization, ERP modernization, cloud adoption and infrastructure modernization, hybrid cloud strategies, hyper automation, cloud enablement, cloud migration, data democratization, data compliance and protection, IT infrastructure modernization, employee experience redesign, digital workplace transformation, cyber security, intelligent automation, business and IT operating model transformation, agile and DevOps adoption, digital marketing and analytics, mergers, acquisitions and divestitures, supply chain transformation, vendor consolidation and cost optimization. Also, there is an increasing interest in Gen AI led value chain transformation.

Industry Vertical	Segment Revenue FY 2024 *(FY 2023)* $ million	YoY Revenue Growth %	Key Demand Drivers[5]	Segment Margin FY 2024 *(FY 2023)* %
Consumer Business	4,751 *(4,647)*	2.2	Retail and Consumer Packaged Goods: • Marketplace, social commerce, future stores, Retail media networks, payments. • Smart checkout, smart shelves, smart manufacturing, sustainability, AI-enabled pricing. • Resilient and intelligent supply chain, track and trace, last-mile delivery, intelligent inventory management, green labelling. • Seamless and unified customer experience across channels (omni-channel), hyper personalization, CX and recommendations, AI for apparel design. Travel, Transportation and Hospitality: • Retailing in airlines, new distribution capability, decision intelligence. • Automation and self-service, touchless experience, digital identity solutions, maintenance drones, autonomous vehicles, and robotics. • Warehouse robotics, intelligent shipment planning, last mile delivery, real-time insights driven operations, AI-enabled pricing, end-to-end shipment visibility in logistics. • Safe and sustainable travel.	26.1 *(25.7)*
Life Sciences and Healthcare	3,229 *(3,047)*	6.0	Life Sciences: • Modernization of clinical landscape to accelerate launch of new medicines, repurpose medicines and reduce cost of clinical trials. • Digital twin for manufacturing and factory of the future. • GenAI to empower knowledge synthesis and high precision in contextual information discovery. • S/4 Hana led enterprise transformation. Health Care: • AI driven agility in decision making and increasing efficiency across the ecosystem. • Patient experience, new business models in value-based care, remote care, and care in new settings. • Structural changes to address access to care, experience, quality and affordability, transparency and trust, holistic health.	28.5 *(28.0)*

Industry Vertical	Segment Revenue FY 2024 *(FY 2023)* $ million	YoY Revenue Growth %	Key Demand Drivers[5]	Segment Margin FY 2024 *(FY 2023)* %
Manufacturing	2,836 *(2,632)*	7.8	• Sustainable fuels, sustainable transportation, sustainable materials, circular economy. • Connected Autonomous Vehicles, Advanced Driver Assistance Systems. • Resilient supply chain, parts track and trace, D2C. • Vertical farming, precision agriculture. • Battery technology, Electric vehicles. • Connected assets and smart plants, factory twin, plant safety and modernization, energy efficiency and decarbonization, emission tracking and monitoring. • GenAI as an enabler across the value chain, specifically in the areas such as sales cycles, product design and development.	30.9 *(27.5)*
Others	2,531 *(2,267)*	11.6	• Renewable integrations in the grid and associated system changes. • Asset performance management. • Accommodate the next generation of field workers.	22.2 *(21.0)*

Business Outlook

Global growth estimated at 3.2 percent in 2023 is projected to continue at the same pace in 2024 and 2025[6]. With disinflation and steady growth, the likelihood of a hard landing seems to have receded, and risks to global growth seem broadly balanced.

The uncertainty seen through last year is expected to persist for the next few quarters. Capex investments are projected to remain subdued as enterprises focus on maximizing returns from existing investments, resulting in muted spending on infrastructure, software, and services. Cessation of hostilities and successful control of inflation can be the triggers for recovery which will stimulate global demand. This, in turn, should prompt customers to resume spending on discretionary products and services.

Despite challenges, spending on IT services has been resilient so far. Cloud technologies have become the mainstay of an enterprise's agenda and key to achieving sustainable growth. As a unifying digital hub that brings multiple other technologies to life, cloud has accelerated digital and business transformation over the last fiscal. The higher level of uncertainty in the business environment has made clients more receptive to proactive proposals around IT and business operating model transformations that can not only deliver significant efficiencies but also help them become more agile and resilient. All this has resulted in a record order book for FY 2024, at US$42.7 billion. Global IT Spending is expected to increase 8% in 2024[7], with enterprises emphasizing on organizational efficiency and optimization.

Last year saw GenAI seemingly at the heart of every strategic discussion. Fueled by cloud, this combination of AI capabilities is creating new possibilities and new opportunities. Firms will continue to invest heavily in technology to enhance efficiency, security, and customer experience. Rise in spend is expected in cloud computing, ecosystem play and GenAI leading to better resilience and new customer value creation. Cybersecurity will remain a top priority, driving demand for advanced threat detection and prevention solutions.

All the above factors provide growth visibility over the medium to long term amid near-term uncertainty. If the delayed decision-making and cash conservation seen in some segments through FY 2024 continues into the next fiscal year, it could lead to a moderation in growth in FY 2025.

Key demand drivers expected to power the company's growth in FY 2025 include:

- **Technology transformation:** IT infrastructure modernization, cloud enablement, application and data estate modernization, cloud migration and transformation; data centre and collocated data support; SaaS adoption; digital workplace; digital twins; cyber security; ERP modernization; low-code no-code; 5G/Edge and AI adoption.

- **Business Transformation:** Customer experience transformation using personalization, omnichannel implementation, immersive experiences using XR/ Metaverse; product and business model innovation; supply chain modernization; M&A integration / divestitures; sustainability, new business model enablement, by harnessing GenAI.

- **Operations:** Plain vanilla outsourcing, vendor consolidation and multi-services deals; AI/ML-led transformation of IT / business operations for greater resilience and leaner operating models; managed services models and real time operation visibility.

6 IMF World Economic Outlook Update, April 2024

7 Gartner

Enterprise Risk Management

TCS understands the importance of effectively managing and mitigating risks to protect the company's business, its clients, to add value for all its stakeholders, and ensuring that the company's reputation is intact.

The company follows a comprehensive enterprise risk management framework (based on best practices from COSO 2017 and ISO 31000:2018) that encompasses risk identification, risk assessment, risk response planning and actions, risk monitoring and overall risk governance. Fostering a risk aware culture and empowering leaders to take intelligent risks to maximize value are crucial. TCS regularly conducts risk reviews, assessments, and scenario planning to anticipate potential challenges and develop mitigation plans. Key risk indicators and control indicators are used to assess risks, provide early warnings, and consider effectiveness of the mitigation actions, respectively. Furthermore, the company engages with all stakeholders, including customers, employees, suppliers, partners and regulatory authorities, to ensure transparent and collaborative risk management practices.

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

By proactively managing and mitigating these risks, the company's aim is to ensure the long-term sustainability and success of the company. TCS is confident that its robust risk management initiatives, coupled with its commitment to innovation and excellence, will enable the company to navigate the challenges of the IT industry and capitalize on the opportunities that lie ahead.

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

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk or opportunity, approach to adapt or mitigate	Financial implications of the risk or opportunity
Volatile global political and economic environment (R)	**Impact On: <u>Human Capital, Financial Capital</u>** • Geo-politics and macroeconomic volatility can affect demand for the company's services. The Russia-Ukraine war and the Israel-Hamas conflict in the last 2 years has continued to lead to supply chain disruptions, energy crises, food and merchandise scarcities and impact on inflation. • Persistent high inflation in major economies could affect consumer confidence. The current high interest rate environment could result in economic slowdowns, affecting not only spending, but also squeezing liquidity. • All of these could affect clients' business outlook and result in reduced demand for TCS' services. It could also increase TCS' costs of doing business. • In addition, there could be risks to service delivery, business continuity, cybersecurity, sanctions compliance and human rights risks in geo-politically sensitive zones, all of which could increase costs or affect the company's revenue growth.	• Broad-based business mix, well diversified across geographies and industry verticals. • Monitor changing geopolitical scenarios and strengthen internal controls to further safeguard against secondary risks. • Country-level business continuity plans in place to address potential conflicts in the region. • Offerings and value propositions targeting all CxOs (in addition to the CIO) in the customer organization. • Focus on cost and optimization propositions, including vendor consolidation initiatives in the near term to improve their business efficiency, when the customer's discretionary budgets are uncertain. • Participate in the customer's business transformation initiatives through breadth and depth of services and offerings. • Enter more long-term contracts. • Proactively invest in infrastructure and resourcing to meet anticipated customer demand for flexible products, AI/GenAI offerings, platforms-based solutions and subscription-based services to gain market share and new clients and markets.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk or opportunity, approach to adapt or mitigate	Financial implications of the risk or opportunity
Ability to attract and retain top talent; short supply of emerging technical skills (R)	**Impact On: <u>Human Capital, Intellectual Capital</u>** • The company's ability to attract, develop, motivate, and retain talent is critical to its business success. • Inability to scale up experienced professionals with niche digital/AI/GenAI skills from the market or lack of these skills in-house, can also impact TCS' ability to grow. • Talent scarcity can lead to poaching of the company's employees and result in higher attrition. This can disrupt ongoing projects, slow down planned ramp ups and affect revenue growth.	• Commitment to organic talent development, best in class learning and development, career growth linkage to cross-skilling / upskilling, preference to internal talent for new leadership positions, all incentivize and improved retention. • Massive re-skilling program ***#****IamGenAIReady* to train employees on AI/GenAI and other emerging technologies to be ready for deployment in customer projects. • Focused employee engagement program which includes bringing all employees 'Back to Office', to increase a sense of belonging and foster the TCS culture. • Leverage top employer brand and social networking sites and talent sourcing channels to tap into the passive pool. • Reduce talent acquisition cycle time to improve joining rates through innovative practices. • Engage in various markets through investments in STEM/GoIT programs, campus engagements, local hiring and building reputation to attract local talent.	Negative
Restrictions on global mobility, location strategies (R)	**Impact On: <u>Human Capital, Intellectual Capital</u>** • Distributed software development models require the free movement of people across countries and any restrictions in key markets pose a threat to the global mobility of skilled professionals. • Restrictions due to legislations which limit the availability of work visas, or which apply onerous eligibility criteria or costs, may lead to project delays and increased cost of doing business.	• Material reduction in dependency on work visas through increased hiring of local talent including freshers, use of contractors, local mobility and training in all major markets. • Use of Location Independent Agile to promote systematic collaboration and reduce the need for co-location. • Ongoing monitoring of the global environment, working with advisors, partners, trade bodies, research institutes and governments to promote local talent building efforts, specifically in STEM initiatives. • Greater brand visibility through event sponsorships, community outreach, showcasing of investments, innovation capabilities and employment generation.	Negative
Business model changes in customer environment (R & O)	**Impact On: <u>Financial Capital, Intellectual Capital</u>** Risk: • Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors.	• Investments in innovation and differentiated capabilities at scale on emerging technologies through large scale reskilling, external hiring, R&I, solution development and IP asset creation leveraging deep contextual knowledge across customer specific domain, technologies, and processes.	Negative

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<tr><th>Key Risks (R) / Opportunity (O)</th><th>Impact on the Company</th><th>In case of risk or opportunity, approach to adapt or mitigate</th><th>Financial implications of the risk or opportunity</th></tr>
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- High levels of economic uncertainty can result in clients recalibrating their IT programs and pulling back discretionary spend.
- Increased focus on corporate restructuring and mergers and acquisitions in some industries is driving vendor consolidation and cost reduction pressures.
- Inability to quickly adapt could affect company’s competitiveness and result in loss of customer’s wallet share.

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- Dedicated service unit AI.Cloud set up bringing both cloud and AI capabilities together to drive transformations for the customer under a ‘Responsible AI’ framework providing solutions on leading hyperscaler platforms.
- Constantly scouring the technology landscape using strong partnerships with clients, technology providers, academia, and start-ups, to spot new trends, technologies, and potential threats; invest early in building capabilities to mitigate risks and participate in the opportunities.
- Innovative offerings like operating model transformations using TCS Cognix™ to help deliver significant cost savings quickly.
- Decentralized decision-making, which empowers frontline managers to take decisions, enable the company to react to constantly evolving situations on the ground with agility and speed.
- Differentiated solutions for organization divestiture and integration, catering to M&A induced demand for advisory and business consolidation related services.
- Large portfolio of IP made available on hyperscaler clouds to accelerate clients’ cloud transformation journeys.
- Pace Port co-innovation hubs, Agile innovation cloud framework, and extended innovation ecosystem including partners and start-ups to help clients accelerate their product and business model innovation.
- Bringing Life to Things™ framework to help clients create connected products, launch remote monitoring and maintenance services.
- Focused investments to expand presence in clients’ growth and transformation spending, including programs like Contextual Masters to build industry focused organizational capacity.
- Platform-based business models and AI-based operating models to disrupt conventional labor arbitrage-based constructs, and gain market share.

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Opportunity:

- Increased focus on corporate restructuring and mergers and acquisitions in some industries is creating new opportunities for IT separations and integrations.
- Interest in technology-enabled business model innovation has opened opportunities for the company to participate in clients’ G&T spending.
- Pressure to establish competitive differentiation is driving enterprises to look for partners to speed up and scale up their innovation efforts.
- This is also driving greater interest in pre-built solutions, products and platforms that can accelerate the deployment of transformational solutions.

</td><td>Positive</td></tr>
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Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk or opportunity, approach to adapt or mitigate	Financial implications of the risk or opportunity
Currency volatility (R)	**Impact On: Financial Capital** • Volatility in currency exchange movements results in transaction and translation exposure. TCS' functional currency is the Indian Rupee. Appreciation / depreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and result in collection losses / gains. It can optically mislead revenues and earnings, distorting stakeholder perceptions of the underlying business momentum and profitability.	• Currency hedging policy that is aligned with market best practices, to limit impact of short-term exchange volatility on receivables, forecasted revenue and other current assets and liabilities. • Hedging strategies guided and monitored periodically by the Risk Management Committee of the Board. • Management commentary based on constant currency to enable a currency-neutral understanding of business growth.	Negative / Positive
Breach of data protection laws (R & O)	**Impact On: Financial Capital, Social Capital, Intellectual Capital** Risk: • Focus on privacy and protection of personal data has increased compliance risk. • Many privacy legislations (GDPR[8] in Europe & UKI, DPDPA[9]-India, etc.) carry severe consequences for non-compliance or breach. • Increased adoption of AI models dealing with personal data requires enhanced safeguards. • Violation of data protection laws or security breaches can result in substantive liabilities, fines or penalties and reputational impact.	• Global privacy policy covering all geographies, all areas of operations, and stakeholders, sets out the privacy principles, operational framework and guidance for deployment. • Unified global privacy framework PrivACE adopted across the company to standardize privacy practices while catering to local requirements. Privacy Information Management Systems (ISO 27701:2019) adopted and certified. • Organization structure with the Global Privacy Office to strategize, monitor and guide deployment of data privacy framework. Data Protection Officers appointed as required by local regulations and Business Privacy Leaders appointed to deploy the privacy framework in all geographies, functions and business units. • Continuous monitoring and analysis of changes to regulatory and legal landscape. • Embedded 'privacy by design' and 'privacy by default' principles in design and development of services and products. • Data protection controls, industry standard data masking and encryption technologies, and robust risk response mechanisms to protect personal data in the TCS ecosystem, customer engagements and in case of cross-border transfers. • Vendors and third parties subjected to risk based due diligence and contracted with appropriate privacy obligations.	Negative

[8] General Data Protection Regulation
[9] Digital Personal Data Protection Act

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk or opportunity, approach to adapt or mitigate	Financial implications of the risk or opportunity
	Opportunity: • Enterprises are increasing their investments in enhancing Data Privacy, given the regulatory landscape in every industry, presenting a fast-growing business opportunity for TCS.	• Mandatory trainings, workshops and continuous awareness campaigns through privacy day events. • Periodic reviews and internal and external audits for assurance. • TCS' data security solutions leverage advanced data protection techniques to meet diverse global regulatory requirements and elevate data privacy for customer's business	Positive
Cyber Attacks (R & O)	**Impact On: Financial Capital, Social Capital, Intellectual Capital** Risk: • Risks of cyber-attacks are on the rise due to the fast-evolving nature of the threat. There is also an increased risk due to various pandemic-themed cyber threats and attack due to geo-political drivers. • Security breach could result in reputational damage, penalties, and legal and financial liabilities, in addition to impact on business operations.	• Best in class enterprise-wide training and awareness programs using simulations and the enterprise-wide communication and collaboration platforms accessed through mobile or desktop channels. • Use of advanced AI/ML based tools to detect and prevent incursions with advanced quarantine capabilities, including perimeter security controls with enhanced internal vulnerability detection, data leak prevention tools, defined and tested incident management and recovery process in compliance with industry best practices. • Continued reinforcement of stringent security policies and procedures (certified against ISO 27001) including enhanced security measures and awareness building to combat phishing attempts and soliciting for fraudulent causes or charities through social media, text or calls. • Close collaboration with Computer Emergency Response Team (CERT) and other private cyber intelligence agencies, and enhanced awareness of emerging cyber threats, to proactively block IPs used by threat actors. • Strict access controls including non-persistent passwords (OTP) for secure access to enterprise applications/ network, special handling of privileged administrator accounts, rigorous access management on all cloud deployments. • Encryption of data, data back-up and recovery mechanisms for ensuring business continuity. • Ability to isolate TCS enterprise network from client network and defined escalation mechanisms. • Periodic rigorous testing to validate effectiveness of controls through vulnerability assessment and penetration testing. Internal and external audits, red/purple teaming, "breach and attack" simulation.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk or opportunity, approach to adapt or mitigate	Financial implications of the risk or opportunity
		• State of the art security operations center with automated playbooks. • The Cyber Security business unit focuses on specialized offerings in cyber, information security and GRC for TCS' customers. • Investments in expanding global network of cybersecurity delivery centers, for round-the-clock cyber defense and local regulatory requirements. • Leveraging GenAI/AI to strengthen capabilities towards proactive threat detection, quicker analysis and response.	
	Opportunity: • Enterprises are increasing their investments in building cyber resilience and turning to specialized third parties to detect and foil intrusion attempts and limit the impact. TCS aims to become the preferred cyber security partner to its clients.		Positive
Non-compliance to complex and changing global regulations (R & O)	**Impact On: <u>Financial Capital, Social Capital</u>** Risk: • As a global organization, the company must comply with complex regulatory requirements across multiple jurisdictions, covering a broad range of areas including environmental, social and governance themes and technology driven regulations. • The fast pace and complex nature of changes in the regulatory requirements requires quick identification and sound understanding of these requirements along with agility in adapting into business operations. Failure to comply could result in penalties, reputational damage, and criminal prosecution.	• Deployment of a comprehensive global compliance management framework that enables tracking of regulatory changes across various jurisdictions, including new countries of operations and functional areas and management of compliance risks. • In-house digitized regulatory compliance platform enabling clear accountability, tracking of compliance obligations, quarterly regulatory compliance declarations and governance to ensure long-term business sustainability. • Operationalized regulatory requirements through business policies and embedding into business processes. • Effective internal controls, automated and manual, to comply with regulations, keep a check on unlawful and fraudulent activities and internal audits to provide compliance assurance. • Strong focus on fostering ethical and compliance culture; awareness through web-based compliance training courses for all staff and regular notifications/alerts on regulatory changes communicated to stakeholders. • Strong governance at board, executive and management levels through compliance committees and compliance working groups. • Launch of new Governance, Risk and Compliance (GRC) offerings for the customer CROs and CCOs. • Building Risk and Compliance practice within industry verticals, to provide industry specific solutions.	Negative
	Opportunity: • Enterprises are increasing their investments in monitoring the regulatory environment and ensuring they are compliant to regulations in their global operations; TCS can provide products and services for ensuing compliance.		Positive

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk or opportunity, approach to adapt or mitigate	Financial implications of the risk or opportunity
Intellectual Property (IP) infringement and leakage (R)	**Impact On: <u>Financial Capital, Intellectual Capital</u>** • Risk of infringement of IP of third parties including suppliers, partners and alliance organizations by TCS may lead to potential liabilities, increased litigation and impact reputation. • Inadequate protection of TCS' IP may lead to potential loss of ownership rights, revenue and value.	• Establishment of an industry leading IP management framework (IP 4.0) with institutionalized frameworks, processes and procedures that address the risk of infringement of third-party IP while ensuring safeguarding of TCS' own IP assets. • Centralized IP and Software Product NFR Assessment group that fosters an IP-led culture and IP related awareness effectively. • Well-defined (software) asset lifecycle governance framework that incorporates policy guidance and risk mitigation guidelines on IP, legal, software product engineering and business-related risks. • IP Governance program that ensures that there is right access and right use of TCS IP, customer IP, partner IP, and third-party IP in service and partner engagements. • Other key controls include employee confidentiality agreement, training and awareness for IP protection and prevention of IP contamination and infringement. Digitized system to enable strict controls around movement of people and information across TCS' product teams and customer account teams.	Negative
Litigation risks (R)	**Impact On: <u>Financial Capital, Social Capital</u>** • Litigation risks might arise from commercial disputes, alleged violation of intellectual property rights/trade secret personal data/information breach incidents/claims and employment related matters. • The company's rising profile and scale also makes it an attractive target for meritless lawsuits. • Litigations garner negative media attention and pose reputation risk, in addition to the distraction and legal expenses. Adverse rulings can result in substantive damages.	• Strengthening internal processes and controls to adequately ensure compliance with contractual obligations, information security and compliance with IP policies and procedures for protection of intellectual property and avoidance of allegations of trade secret violations. • Seeking to include arbitration as a dispute resolution mechanism as against court trials and waiver of jury trial, particularly in the US geography. • Improved governance and controls over immigration process /increasing localization and inclusion of arbitration provisions in employment contracts. • Training and sensitization of business managers to spot the risks and escalate potential disputes within the organization for early mitigation steps. • Team of in-house counsels in all major geographies and a network of reputed global law firms in countries it operates in. • Robust mechanism to track and respond to notices as well as defend the company's position in all claims and litigation.	Negative

<table>
<tr><th>Key Risks (R) / Opportunity (O)</th><th>Impact on the Company</th><th>In case of risk or opportunity, approach to adapt or mitigate</th><th>Financial implications of the risk or opportunity</th></tr>
<tr><td rowspan="2">Sustainability Risks - Climate change and Environmental aspects (R & O)</td><td>Impact On: <u>Natural Capital, Financial Capital, Social Capital</u>

Risk:

• Extreme weather events due to climate change pose a threat to human safety and can cause disruptions especially in customer expectations, business operations and supply chain business disruptions.

• With globally distributed operations, the company faces physical risks to life and property due to extreme weather events; transition risks resulting from disruptions in the market and emerging regulations; disruptions to operations due to water scarcity; risks of inadvertent non-compliance to emerging regulatory requirements around circular economy, e-waste and solid waste regulations, impacting health and safety in local communities, business disruption and reputational damage. All of these could affect TCS' growth, profitability and reputation.</td><td rowspan="2">• Delivery centers are designed to withstand extreme weather events. Business continuity plans are tested periodically to ensure effectiveness.

• Green buildings, efficient operations, green IT, greater use of renewable energy to reduce carbon footprint; adoption of newer technologies and methods to manage waste in line with circular economy principles.

• Operational and engineering controls to minimize freshwater consumption, upgradation of water infrastructure and more water efficient systems.

• Water management through sewage treatment, recycling of treated water and rainwater harvesting.

• Supply chain sustainability through responsible sourcing, including leveraging sustainability ratings platform.

• Year-round associate engagement on environmental awareness and sensitizing them towards nature and conservation of resources.

• Initiatives like TCS Circle4Llife™ and Sustainathons to come up with technology-led innovations to safeguard TCS' environment.

• An environmentally sustainable approach through green policies, processes, frameworks, and infrastructure, on target to achieve net zero carbon emissions.

• Dedicated service unit for major hyperscaler providers, helping clients migrate their workloads from owned data centers to the cloud, thereby reducing the carbon footprint associated with those workloads.

• Steadily expanding suite of sustainability services including designing sustainability strategy, sustainability innovation, sustainable consumer analytics and sustainability dashboards.

• Build and promote TCS products and solutions such as TCS Clever Energy™, Envirozone™ and ESG integration solution, to help accelerate customers' sustainability journeys.</td><td>Negative</td></tr>
<tr><td>Opportunity:

• As enterprises look to reduce their own carbon footprint and cater to the growing demand more environmentally friendly products and services, it opens new business opportunities for TCS to provide technology-led solutions to help them realize their green plans.

• Measures taken by TCS to reduce its environmental footprint and ensuing compliance with evolving regulatory requirements, strengthens the brand and makes it attractive to enterprises looking for an IT partner with a shared purpose. It also helps attract and retain purpose-driven employees.</td><td>Positive</td></tr>
</table>

<table>
<tr><th>Key Risks (R) / Opportunity (O)</th><th>Impact on the Company</th><th>In case of risk or opportunity, approach to adapt or mitigate</th><th>Financial implications of the risk or opportunity</th></tr>
<tr><td rowspan="2">Challenges and Opportunities with Disruptive Technologies (R & O)</td><td>Impact On: <u>Human Capital, Financial Capital, Social Capital, Intellectual Capital</u>

Risk:

Disruptive cutting-edge technologies like Quantum Computing, GenAI and large language models, and Metaverse could impact TCS’ business:
GenAI, large language models and Metaverse could lead to legal liabilities through plagiarism, deep fakes and privacy and copyright infringement issues.
The efficacy of AI models depends on the quality of the data they are trained on. Accuracy, bias/fairness risks could cause reputational damage and legal liabilities.
GenAI technologies could disrupt software development and testing activities, changing customer expectations in the short term.
Quantum Computing may increase exposure to cyberattacks because existing security infrastructure may prove inadequate.</td><td rowspan="2">Ensure controlled use of these technologies through pilots/research.
Restricted access to GenAI technologies on company network until proven safe.
Launched an effective Responsible AI framework based on the core principles of Safe, Secure, Accountable, Explainable and Transparent.
Work with government bodies, regulators and academia to build consensus about policies and guidelines for use of these technologies.
Embark on large-scale skilling of employees to prepare for deployment on market-oriented products and services based on these technologies.
Participate as a member of industry specific large language models consortia.
Proactively invest in research around embedding GenAI capabilities into software development processes to boost productivity.
Utilize the AI infrastructure and capabilities to build and process GenAI applications, while also upskilling TCS employees.
Leverage opportunities to market TCS’ own GenAI tools and services as overall adoption of the technology increases, focusing on ‘Assist, Augment and Transform’ use-cases.
Establish the company as a thought leader in GenAI related technology work and actively participate in use case creation and pilots. Establish active partnerships with leading LLM vendors.
Develop niche skills to tap demand created for Post Quantum Cryptography services as customers seek Quantum safe security algorithms.</td><td>Negative</td></tr>
<tr><td>Opportunity:
These technologies also have the potential to reimagine existing products and services and can also open opportunities in the form of new solutions using those technologies, and new services needing newer kinds of skills.</td><td>Positive</td></tr>
</table>

Internal Financial Control Systems and their Adequacy

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

TCS' internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. TCS has a well-defined delegation of power with authority limits commensurate with the responsibilities for approving engagements with all stakeholders that commits organizational resources and results in creation of assets and liabilities, income and expenditure. TCS uses a state-of-the-art enterprise resource planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes. It has continued its efforts to align all its processes and controls with global best practices.

TCS management assessed the effectiveness of the company's internal control over financial reporting (as defined in Regulation 17 of SEBI LODR Regulations 2015) as of March 31, 2024.

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

TCS has appointed PricewaterhouseCoopers Services LLP to oversee and carry out an internal audit of its activities. Design and operating effectiveness of process controls on financial transactions is also audited by an independent in-house internal audit team. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in the company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes, including the subsidiaries and foreign branches.

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

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Regulation 18 of SEBI LODR Regulations 2015), TCS' audit committee has concluded that, as of March 31, 2024, the company's internal financial controls were adequate and operating effectively.

Awards and Accolades

- Featured by **FORTUNE Magazine** as one of the **World's Most Admired Companies** based on a survey of more than 3,700 business executives, boards of directors and financial analysts.
- Ranked **second** in the **2024 Global 500 IT services** ranking by **Brand Finance** with a brand value of **US$19.2 billion**, improved brand value by **US$2 billion** in one year, the highest value growth across the global IT Services Industry.
- Ranked **first in Customer Satisfaction** in Europe & UK by **Whitelane Research** based on research of over 800 IT companies in UK alone, ranked first in Spain for Customer Satisfaction in Service Delivery.
- Recognized as the most valuable Indian brand by **Interbrand**, topping the **50 Most Valuable Indian Brands 2023 list**.
- Ranked among **America's Best Management Consulting Firm** in 2024 by **Forbes Magazine**, based on recommendations from 1,100 partners and executives at management consulting firms.
- Awarded **Global Top Employer 2024**, one of the 16 companies worldwide, by **the Top Employers Institute** in 32 countries and regions, including Europe, the UK, the Middle East, North America, Latin America, and South-East Asia.
- Won **five** awards at **Microsoft's 2023 Partner of the Year Awards** event. In the global category, TCS won the **MVP Industry Solutions Global Systems Integrator (GSI) award**. TCS also won **three US Partner of the Year awards** in the categories **Global Systems Integrator, Industrials and Manufacturing,** and **Dynamics 365 Sales and Marketing.** Additionally, TCS was named the **Malaysia Customer Success Partner of the Year**.
- Received the **Global** award **Innovator Partner of the Year** at **Dell Tech World 2023**, Las Vegas.
- Won **three Google Cloud Partner of the Year Awards 2023** in the following categories: **Global Talent Development Partner of the Year, Industry Solution Services Partner of the Year-Financial Services & Insurance, and Retail & Consumer Packaged Goods**.

- Received a **Partner of the Year award** from **Microsoft** in the category Global Services: **MVP Industry Solutions GSI/ Advisory – India.**
- Received the **Amazon Web Services (AWS) GSI Partner of the Year 2023 – Global** and the **AWS GSI Partner of the Year 2023 – France awards.**
- Achieved the **2023-2024 Microsoft Business Applications Inner Circle award** for the fourth consecutive year.
- Positioned at the 387th place in **Forbes Global 2000 Rankings** of the largest companies in the world.
- Ranked second by **Business World** in the **Most Respected Companies survey**.
- Recognized in the **World Economic Forum's Diversity, Equity, and Inclusion Lighthouse Report 2024** for **TCS' leadership program for women**.
- Named **'Top Company to work for in India'** by **Business Today** for its employee-friendly policies and positive work environment.
- Ranked among the **Top 10 Sustainable Companies** in the 3rd edition of **Sustainable World Conclave** organized by **BusinessWorld**.
- Recognized at **ET NOW Best Organizations** for **Women Conclave 2024** for fostering inclusivity, gender diversity and sustainable growth.
- Named **India's Most Valuable Brand** by **Kantar BrandZ Top 75 Most Valuable Indian Brand rankings** and **#1** in the category **Business Technology and Services Platforms**.
- Ranked **first** by **Dataquest** in the **DQ Top 20 Awards 2023**, on the basis of revenues.
- Received the **Health & Wellness Award** at the **Diversity in Tech Awards 2023** for championing wellness within the workplace to maintain a positive and productive environment for all employees.
- Awarded the **World Intellectual Property Organization's (WIPO) National Award** for Enterprises at the **National Intellectual Property Award 2023**.
- Won the **Platinum award** in the **Innovators Hall of Fame** category at the **HackerRank Innovator Awards 2023** in collaboration with **ETHRWorld.**
- Won the **Webby People's Voice Award** for the TCS-built New York City Marathon Application, for its livestreaming feature that advances accessibility, equity, and inclusion in professional sports.
- Awarded the **2023 Customer Success Partner of the Year Award** by **Microsoft.**
- Received the **International Green Apple Award** by the UK Houses of Parliament.
- Awarded **Titan Business Awards** & **UK Digital Excellence Awards** for **TCS London Marathon**.
- Recognized with the **Avery Dennison IT Supplier Excellence Award** for Delivery and Performance.
- TCS ranked as a **Top Company** in **LinkedIn's 2023 Top Companies list** across eight countries. Ranked #1 in India for three years in a row.

Corporate Social Responsibility

Empowering Access to Opportunity

Overview

We live in interesting times with technologies like Artificial Intelligence dominating the global conversation, the human impact of natural disasters calling attention to the need for climate adaptation, and a worldwide call to action for inclusive growth as economies transition post the pandemic.

TCS, recognizes the power of technology, innovation, and human ingenuity in building a more equitable world. TCS believes that everyone is born with equal potential, but not equal opportunity and it is the vision of TCS to empower people and communities to build self-reliance while promoting the core values of fairness, equity, and respect for human rights.

This past year TCS has made significant progress in its mission, **empowering over 7 million people through its CSR programs** including big bets aimed at people with highest need, in communities where resources are low, while using its core strengths to make a meaningful impact. This resulted in **upward socio-economic mobility for 797,749 people**, building equitable and inclusive pathways for **405,775 women, 455,692 youth and 547,311 from marginalized groups**.

This was achieved by **scaling TCS' high impact programs across India and 43 countries** around the world, against four strategic themes (and eight focus areas): provide a 21st century education for all (Education and Research, Literacy to Livelihood), help citizens equitably access good jobs of tomorrow (Employment through Skilling, Digital Entrepreneurship), enable delivery of world class front-line services in poorest districts (Healthcare, Digital Inclusion), and accelerate the just transition to a green economy (Water, Climate and Sustainability). No one organization can do this alone, and TCS through its purpose ecosystem engaged the key stakeholders to support the needs of the local communities.

TCS served **20,342 marginalized people through its Literacy as a Service program**, empowering them through functional, financial, and digital literacy. Gaining self-confidence, dignity, and access to key citizen entitlements, they traversed a path from a vicious cycle of poverty, bonded labor, and harsh work conditions to charting their own course of savings and livelihood.

The onus of building Responsible AI rests not with today's companies, workforce, and policy makers, but more so lies in the hands of the next generation of innovators. Empowering **6,209 teachers to inculcate computational thinking**, Ignite my Future program of TCS prepared **312,966 students across five continents** with foundational skills for the age of AI, while the goIT digital innovation program inspired **118,016 students across 42 countries** apply 21st Century Skills and latest technologies like AI, IoT, and App Design to solve real-world problems in their community. The most gratifying aspect is 53% of these students are girls and 76% from underrepresented minorities.

Gaining access to quality jobs in today's digital economy can often be a challenge, even for those educated from leading institutions. TCS imparted marketable skills, credentials, and valuable certifications to **23,297 rural youth from 24 states and union territories across India**, coaching and mentoring them for industry readiness through its Youth Employment Program. Nearly half of these are women, improving their income opportunities and participation in economic growth.

Across **1,735 villages in rural India**, digital entrepreneurs from the TCS program 'BridgeIT', are earning their livelihood while providing much needed last-mile services to **312,175 beneficiaries** such as access to citizen entitlements, banking, financial services, insurance, telehealth, telelaw, logistics, ecommerce and more. Expanding the program to 44 districts, **a new cohort of 1,400 women entrepreneurs** from socially marginalized background are gearing up to be catalysts to strengthen the rural economy.

In a transformational year for community service, **HOPE (Hours of Purpose by Employees), a TCS program saw volunteers contribute over 6.7 million hours** to support the poor with basic necessities, to create better health outcomes for those who need help, to preserve and protect the environment, to empower better education, employment, entrepreneurship, and livelihoods for the marginalized. TCSers also built capacity and capability for **over 50 social sector organizations** through skills-based volunteering, providing in-kind digital, advisory and technology consulting services.

TCS jointly served needy communities around the world through **138 purpose partnerships**, working alongside other Tata Group companies, its customers, and like-minded organizations through its Business with Purpose program. TCS harnessed the wisdom of over **1,800 cross-sector leaders** through 11 Digital Empowers thought leadership forums, using their collective wisdom to help advance advocacy and policy efforts globally.

Literacy as a Service (LaaS)

Beneficiaries: 19,761 | Preraks: 581
Vulnerable & marginalized: 99%

Inadequate adult literacy is a problem preventing India from achieving its full economic potential. Majority of the non-literate population comprises women, and from marginalized communities. TCS' Literacy as a Service (LaaS) program addresses non-literacy among adults and creates awareness of key citizen entitlements. It serves the dual purpose of improving the literacy rate in the country and promoting social inclusion and financial stability for marginalized communities. LaaS' innovative teaching method leverages technology, the theory of cognition, and the laws of perception. The program's creative means of delivery uses animated graphic patterns for easy visual and auditory learning.

LaaS' modules include functional literacy (50-55 hours), financial literacy (5-7 hours), and awareness of key citizen entitlements (3-4 hours). These are currently available in nine Indian, and three foreign languages.

Democratizing the literacy solution, TCS' Each one Empowers one portal provides TCS, Tata Group employees, and their families, the opportunity to empower non-literates such as security guards, domestic workers, and gardeners in their local community.

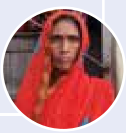
Since its inception, LaaS has successfully paved the way to self-reliance for over **2.43 million** learners and more than **201,600** facilitators through literacy. In FY 2024, LaaS empowered **20,342** learners (~99% women) with functional literacy, financial literacy, and awareness of key citizen entitlements.

The program's transformational impact offers beneficiaries a path to financial independence, raises their self-esteem, and provides them the opportunity to be role models for their children. In addition, the program has also given neo-literates better access to government benefit schemes, and financial systems.

Literacy as a Service (LaaS) Case Study
Lighting up the Musahar Community with literacy

Tara Devi, from Bhaipurkhurd village, in Mirzapur, Uttar Pradesh, used to work at a brick kiln, for 14-16 hours every day, along with her husband and children. The owner of the brick kiln exploited them and paid them inadequately. Lacking basic education, Tara and her family were unable to accurately calculate their wages and were dependent on middlemen. TCS' Literacy as a Service (LaaS), in partnership with Manav Sansadhan Evam Mahila Vikas Sansthan (MSEMVS), started a literacy program in Bhaipurkhurd. Tara Devi was rescued by MSEMVS, and she joined the TCS' literacy center at Bhaipurkhurd.

Attending TCS' LaaS sessions every day, Tara Devi learned how to read basic Hindi and do simple arithmetic. MSEMVS assisted Tara in setting up a small general shop. She is now able to operate her microenterprise independently and personally maintain her book of accounts. Realizing the transformative power of education, Tara Devi inspires her children to take their education seriously.



"I had never thought that I would be able to leave the work at the brick kiln and open my own shop. Thanks to TCS' Literacy as a Service, I learned basic arithmetic, and today I can manage the accounts of my shop. Now I send my children to school every day.

Tara Devi
Bhaipurkhurd village, Mirzapur, Uttar Pradesh

Youth Employment Program (YEP)

Trained: 19,900 | Under Training: 3,397 | Placed: 2,845
Vulnerable & marginalized: 49%

The high unemployment rate among the youth, particularly from marginalized communities is a significant issue in modern India. Their employment prospects and their ability to participate in the digital economy are impacted by challenges such as limited opportunities, deficient communication skills, and a lack of technical expertise.

TCS' Youth Employment Program (YEP) empowers the youth with its "Teach, Coach, Mentor and Place" model. Industry leaders and subject matter experts collaborate to deliver comprehensive training on business communication, aptitude, computer programming, and domain-specific skills.

The program facilitates a seamless transition between the academic and professional worlds and elevates the beneficiaries' social and economic standing. By providing career guidance, mentoring, and offering access to market-relevant certifications and real-time projects, YEP equips the youth to navigate opportunities in the Indian job market.

Since its inception, the program has:

- Provided youth from marginalized groups across the country access to opportunities.
- Enhanced the socio-economic status of more than 1,76,000 youth and their families.
- Created specific career paths for the youth in Hospitality, Banking, Retail, and IT domains, to name a few.
- Facilitated anytime and anywhere learning through the one-stop YEP portal.
- Advanced the reputation of, and provided visibility to, YEP partner institutions.
- Enabled continuous availability of a highly skilled talent pool for the industry.

The program currently runs in **24** states and union territories of India. In FY 2024, **19,900** students were trained, of which 49% were women and from groups qualified for affirmative action programs. Over **2,845** students have gained employment in the IT/ITES and other domains.

Youth Employment Program (YEP) Case Study

Puja Bhairu Kamble, is from Solapur. After her graduation, she embarked on her dream to join the police force. However, she failed the examinations and was left disappointed, her dreams shattered.

Her father who was a security guard at Tata Consultancy Services, informed her about a program designed to assist recent graduates find employment. Puja was advised to send her resume to see if she qualified for the training. Soon after, she received an invitation to the "Youth Employment Programme" (YEP) orientation. There she met other enthusiastic young individuals who shared similar career dreams.

YEP helped enhance her analytical, numerical, and communication skills. Throughout the training, she also acquired fundamental skills such as time management, work-life balance, and corporate etiquette. She learned the significance of creating an outstanding resume and received guidance on conduct during interviews.

Upon completing the training, she appeared for the TCS recruitment drive and was selected for a position at TCS's Vikhroli office. Her feeling of joy was immeasurable. Puja dedicates her success to YEP and all the TCSers who helped her.

BridgeIT

Entrepreneurs: 348
Beneficiaries served by enterpreneures: 312,175
Vulnerable & marginalized: 88%

Launched a decade ago, TCS' BridgeIT program addresses the socio-economic divide in India by creating rural digital entrepreneurs. These digipreneurs use information technology to help citizens in local communities avail government entitlements by providing financial and digital services in education, employment, and adult literacy, enabling social integration.

Operating in 29 districts across 10 states, the program focuses on addressing social inequities, particularly among women and marginalized communities. By creating entrepreneurs in rural India, BridgeIT solves for rural India, in rural India.

A major achievement of BridgeIT in FY 2024 was the agreement between TCS and Humana People to People India (HPPI), to empower 1,400 rural youth from socially and economically marginalized communities across 14 districts of Bihar, Jharkhand, and Rajasthan, by building their capacities to become digital entrepreneurs.

A TCS Entrepreneur Network (TEN) was created to encourage collaborative knowledge sharing and revenue generation ideas among existing and future entrepreneurs. The TCS team connects regularly with the entrepreneurs for this purpose. Training modules were created and conducted on topics such as Cyber Security, Cyber Crime, DTP, and Canva.

An in-house guidebook to learn and adopt new ways to generate income has also been developed. Additionally, Digital Entrepreneur Learning Intervention (DELI), the TCS in-house training curriculum, and content for future training programs has also been created.

In FY 2024, **348** active digital entrepreneurs (of which 41% comprise women and 77% hail from marginalized communities) served 1,735 villages, offering services to **312,175 beneficiaries** like document generation, government scheme enrollment, online form filling, and banking transactions, among others.

BridgeIT Case Study
Shashi Kujur -Digital Mukhiya

Shashi Kujur is today a beacon of empowerment in Kura. While Shashi like many women from her community married young, she was different. Driven by the ambition to achieve something significant in life, she delayed starting a family with her husband. In 2020, on hearing news of TCS's BridgeIT, Shashi decided to enroll in the program. Equipped with training, a laptop, and determination, she transformed a room in her home into a digital service hub.

Initially offering a few services, Shashi gradually expanded to offer 24 services to her community, including PAN cards and financial services. With time, Shashi gained recognition in her village. Her success propelled her to run for Mukhiya in Jharkhand, earning the moniker of "Digital Mukhiya."

Shashi's journey exemplifies the enabling and transformative potential of women's agency and entrepreneurship in shaping and uplifting their communities.

> I started with apprehensions, but with determination, I became the 'Digital Mukhiya' of my village. Proud to empower women, bring change, and make an impact through entrepreneurship.

Shashi Kujur
Kura village, Latehar, Jharkhand

go Innovate Together (goIT)

Students: 118,016 | Educators: 3,632
Vulnerable & marginalized: 76%

Around the world, there are more jobs in STEM and the computer sciences than there are qualified candidates to fill them. There is also a lack of understanding of what goes into becoming a STEM or computer science professional. The National Science Foundation predicts that 80% of the jobs that will be created in the next decade will require skills in mathematics and science. TCS' flagship digital innovation and career readiness program, go Innovate Together (goIT), prepares students with the skills and capabilities required to pursue careers of the future.

Through engaging design workshops and custom mentorship experiences, goIT helps students by challenging stereotypes and inspiring these future leaders to pursue the careers of tomorrow. goIT helps students develop core skills in partnerships with school districts, using a four-pronged model which includes, in-person or virtual volunteer-driven engagements, round the year goIT online connects, monthly challenges centered around the UN SDGs and mentorship by industry professionals from TCS. The impact metrics from participating students reinforce the success of the program, with 89% aspiring to pursue STEM careers post-program, 96% believing they can -create positive community impact, and 99% learning new skills from TCS mentor volunteers. goIT's transformative journey helps shape the future of STEM education. Since its launch in 2009, goIT has benefitted **263,282** students with a growing presence across 42 countries. FY 2024 was the most impactful year for goIT, benefitting **121,648** students and educators around the world.

go Innovate Together (goIT) Case Study
Record-breaking female participation in Honolulu

Statistics reveal that women represent fewer than 28% of the world's technology workforce, a fact echoed by even lower numbers in the U.S. That is why goIT's achievement in one middle school in Honolulu, Hawaii, sends such a strong message. goIT's first-ever classroom program in Hawaii, with a group that comprised 75% girls, featured the highest ratio of attending girls ever achieved in a goIT co-ed offering. TCS partnered with St. Andrews schools to bring goIT to 4th and 6th grade students, who spent three months working their way

through the goIT Artificial Intelligence curriculum. The engagement gave them hands-on experience with machine learning and classification modelling. It also helped them employ creativity and problem-solving skills to create potential sustainable solutions to problems in their community. Demonstrating how computer science topics are increasingly gaining appeal with girls gives TCS hope for the future of the industry.

Ignite My Future (IMF)

Students: 312,966 | Educators: 6,209
Vulnerable & marginalized: 64%

The world is evolving at a tremendous pace, and now more than ever, young people require 21st-century skills, such as computational thinking, to keep abreast with the changing times, create avenues for new jobs, and explore possibilities for economic equity. Emerging technologies like GenAI highlight how core school subjects alone will no longer be enough.

Computational thinking is a foundational skill that prepares students to think, solve, and create. TCS' Ignite My Future (IMF) is a pioneering endeavor to empower educators through a transdisciplinary approach that integrates computational thinking into core subjects like mathematics, science, art, and social studies. Offered for free, IMF enables educators to teach students equitably. The program highlights the importance of computational thinking as a critical skill in a changing world with complex problems that require thoughtful solutions. Through TCS volunteering and customer engagements with program partners, IMF brings career pathways to life by creating awareness for students on potential careers. IMF consistently engages with educators and students through the Learning Leaders network, family STEM nights, and special student projects.

This year, IMF introduced a new offering: Behind the Scenes, a virtual field trip model that empowers teachers with high-quality video and activity content to inspire students as they become today's problem solvers in tomorrow's world. The first-ever Behind the Scenes content is designed in partnership with a fellow Tata Group company, Jaguar Land Rover, through Jaguar TCS Racing partnership via the ABB FIA Formula E World Championship.

Since its inception in 2017, IMF has positively impacted over **2.32 million** teachers and students around the world. In FY 2024, IMF benefited **312,966** students and **6,209** educators across ANZ, APAC, India, LATAM, North America, and UK & Ireland.

Ignite My Future (IMF) Case Study - Igniting Futures at full speed: cross-sector efforts that inspire generations

Ignite My Future At Track is a novel program within the IMF universe of resources that offers teachers and students the opportunity to peep behind the scenes and discover how STEM careers can be fully compatible with someone's passion for something, like motor sports. Thanks to cross-sector efforts, TCS gave IMF alumni and IMF Learning Leaders the opportunity to witness firsthand how the Jaguar TCS Racing Team uses problem-solving strategies in computational thinking to ensure a successful race. Students interest in STEM careers grew by 40%. 75% felt more likely to use computational thinking strategies in real-life situations, and 100% of teachers in the immediate community showed newly acquired interest in the program. It is said that "it takes a village to raise a child" and Ignite My Future's efforts make sure no child is left behind.

"Since I was introduced to Ignite My Future by my teacher in the classroom, I felt there was a difference in my day to day living. Computational Thinking was something I could use in my daily problems too. Then, when I realized I was going to be given the chance to be part of Ignite My Future At Track, I discovered how interesting the world of STEM is and how it's not just what you see in a book. Not only am I a big fan of race cars now, but I am also sure I am going to pursue a career in STEM now.

Tomás F
Middle School Student, IMF alumni, México

Employee Volunteering Program

Volunteering has a new home at TCS. Hours of Purpose by Employees (HOPE) is a transformational movement that allows TCS' growing, highly skilled, and diverse personnel to champion purpose projects and give back to society.

The program transformed volunteering from an occasional activity into a strategic force for positive change. Through HOPE, employees can choose activities in different localities, along with corporate-driven programs, primarily focused on the 17 UN SDGs. All HOPE projects are guided, monitored, and driven by 'Purpose Councils' comprising leaders from regions and business units who believe in the Tata Ethos of giving back to society. TCS believes that HOPE's strong, purpose-driven ecosystem is vital to create change that will stand the test of time and generate positive impact.

TCS: #1 company for volunteers

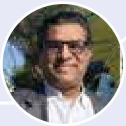
Through HOPE, TCS became the leading company for volunteers. For the first time, multiple volunteering events (over 250) were organized under one platform, allowing 182,000 volunteers to choose what they volunteer for, how they volunteer (DIY/virtual/in-person), and who they volunteer with (friends and family).

And miles to go…

In FY 2024, HOPE resulted in a collective impact of **6.72 million** volunteer hours, primarily addressing six SDGs. The platform reached **11.17 PCVH** (Per Capita Volunteering Hours) and positively impacted **5.41 million** lives. As more TCSers and their friends and family join hands with HOPE, striving to be purposeful stewards of their communities, this movement is set to continuously grow and touch more lives.

Hours of Purpose by Employees (HOPE) Volunteer Testimonial

Hours of Purpose by Employees (HOPE) is a wonderful initiative to celebrate the efforts of people who work selflessly to bring about positive change in society. Personally, participating and contributing hours to HOPE initiatives allowed me to be a part of the community and provided me with a sense of belonging. Going to NGOs and working with the team members helped unite my teams of young volunteers who want to build a better society and put a smile on the faces of beneficiaries. I get a feeling of satisfaction every time I look back at the work I did, to serve my community and my family. I strongly encourage young people to volunteer and help others, because just as volunteering helps others, it also helps us discover skills we didn't know we had, such as communication, team building, and interpersonal skills.



MSR Murthy
TCS Hyderabad

Hours of Purpose by Employees (HOPE) Volunteering Story

Prachi Nawale has been actively volunteering for the SGNP Adivasi Child Education Program to support underprivileged children by providing educational sponsorship. Her mission is to take education to marginalized children from indigenous communities and help them make the transition to a brighter future. Prachi and her team at TCS collaborated with DoorStepSchool, an NGO, to identify children and provide academic tuition, sponsored by a TCS Purpose Partner, a global energy organization, to provide primary and secondary education to children from indigenous regions or Adivasi Padas at the Sanjay Gandhi National Park, Mumbai. The team also celebrates festivals and organizes various activities for these children like donation drives with clothes, stationery, and toys, as well as food distribution events. Prachi finds it heartening that in the 10 years of their association with this group, many of the children have completed their secondary and higher secondary education. She is particularly proud of one of the students, who is now pursuing her higher studies with support from Prachi and the team. A dedicated volunteer and a shining ray of HOPE, Prachi believes that sharing is caring.

I believe in the philosophy of “sharing is caring.” Early in life, my parents cultivated in me the value of generosity. This encouraged me to work for societal well-being. I am blessed to have a wonderful family who always supports me and participates in HOPE activities along with me. Giving back to society gives me immense joy and fills me with a sense of fulfillment. I feel blessed and grateful for all that I have.

Prachi Nawale,
TCS Mumbai

I used to be shy, now I can speak English”. These words were said by a young adult who attended FlyHigh, a soft skills development volunteering program for underprivileged students in a government school in Indore. TCS employees went to the school for 15 days to take classes and help the students gain confidence in speaking English. During the valedictory ceremony, students spoke about their experience of attending FlyHigh and shared how the program helped them overcome their shyness and fear of speaking in English.

I got the opportunity to volunteer for FlyHigh. Witnessing the enthusiasm and growth in these young minds was truly inspiring. The experience not only enriched their lives but also taught me the profound impact a small effort can have on shaping the future. I encourage others to join in, to create positive change through education and mentorship.

Ayush Shrivastava
CIU/Indore

Tech4HOPE

Through Tech4HOPE, TCS provides pro-bono advisory and technology consulting services to organizations and non-profits that seek to create socio-environmental impact.

Non-profits are enabled to use technology to enhance their reach and become sustainable.

Working closely with key stakeholders, TCS understands their needs and builds software tools to help them establish a digital presence, build operational transparency, raise funds easily, and improve efficiency. Tech4HOPE has generated millions of dollars of 'social value' since its inception.

In Australia, the Indigenous population is most affected by urbanization. According to the Closing the Gap report, Aboriginal and Torres Strait Islander people have on average shorter lifespan of 10-17 years, primarily due to lack of proper nutrition. Using environmentally sustainable technology, TCS developed a website for Food Ladder, an organization that provides communities access to fresh, nutrient-rich produce. The development of this new website enables Food Ladder to reach anyone, anywhere, and on any device.

TCS provided pro bono data governance consulting services to First Book, a non-profit based in Washington, D.C., that provides books and other resources to classrooms, libraries, and programs serving children in need. Through a deep-dive inquiry, TCS recommended quick-to-implement improvements and long-term strategic solutions to bring First Book's data governance efforts up to best-practice standards. It marked a beneficial step in helping First Book ensure stronger stakeholder relations and greater availability of funding and books for the children.

TCS has joined forces with the KidsRights Foundation in Amsterdam to introduce an innovative digital platform aimed at inspiring young changemakers and promoting awareness of children's rights. The platform, named State of Youth Kids, was launched globally in September 2023. The edutainment platform expands on the existing KidsRights' platform for youth between the ages of 12 to 24 years and now offers a dedicated space for children aged 6 to 12 years, who have the passion and courage to learn how to change the world for the better. The free learning portal provides age-tailored videos about the most pressing issues faced by the youth such as bullying, food waste, sexism, physical punishment, mental health, greenhouse gases, and more.

Leaders with Purpose (LwP)

Leaders with Purpose (LwP) is a nine-month immersive civic leadership learning and practice journey. It is designed to nurture the skills of TCS employees to lead societal change. The program equips participants with leadership, communication, and project management skills required for a sustained commitment to social impact. Through interactive classes and capstone projects, LwP cultivates a sense of social responsibility among participants. Upon graduating, participants are empowered to conduct their professional lives focusing on generating positive social change.

In FY 2024, 65 "LwP's" from Canada and the U.S. and 11 from U.K & Ireland graduated after intense in-classroom and online learning, followed by five months of hands-on work on real-world social impact projects.

Business with Purpose (BwP)

Business with Purpose (BwP) is an accelerator for social good and creates impact-driven 'Purpose Partnerships' through its unique framework. These partnerships address societal needs including education, skill development, and employment with TCS' customers, Tata Group companies, and other like-minded organizations. Business with Purpose helps partner organizations meet their purpose commitment and give back to society. This provides collaborating organizations social positive opportunities in sync with their community goals.

TCS leverages its expertise to develop contextual solutions for pressing societal issues and fosters partnerships with customer leaders to generate wide-reaching, long-term, and sustainable impact. Bringing the company's strategic programs, like go Innovate Together (goIT), Ignite My Future (IMF), and Youth Employment Program (YEP) to Purpose Partnerships helps TCS serve underserved communities further.

In FY 2024, more than 345 customer leaders, including 70 senior executives, participated in different Corporate Social Responsibility initiatives, globally.

Digital Empowers

The Power of Digital Transformation: Inspiring Collaboration and Empowering Change

Digital Empowers is a collaborative platform of impact that brings renowned industry experts, business leaders, government officials, non-profit organizations, and academia together from across the world. Being a thought leadership initiative, the ingenuity and resources of the private sector, the innovative capacity of technologists, and the collective assets of governments, non-profit organizations, and civil society are brought together to create social impact.

The platform fosters innovation, drives societal growth, and unlocks the potential of the digital age, allowing community leaders to co-create and co-innovate solutions for social impact.

Through the 11 dynamic convenings and forums, attended by around 1877 visionary leaders over the last year, TCS has driven impactful conversations and collaborations on pressing issues including, bridging the digital divide, informing national policies in India to promote education and entrepreneurship, and equipping adults and the youth with AI. A comprehensive report was released to highlight key digital empowerment insights and advancements from the past year.

In the autumn of 2023, Digital Empowers orchestrated a transformative webinar, “Seeds of Change: Cultivating Generational Shifts through Literacy.” The lineup featured distinguished speakers including, the Joint Secretary of the Department of School Education and Adult Literacy, the CEO of Pratham Education Foundation, and the Chief Social Responsibility Officer of TCS.

The virtual gathering brought an audience of more than 700 together. The participants included central and regional government representatives of India, Tata Group employees, members of NGOs, foundations, corporate entities, students, and more. In the webinar, along with showcasing the essence of its CSR initiatives, TCS underscored the profound impact of its cross-sector collaborations in positively transforming the lives of countless individuals.

Social Innovation

Social Innovation at TCS is based on the belief that social change and inclusion are critical to people everywhere. TCS utilizes its intellectual and technological capital to generate transformational impact globally by providing digital services to social organizations, pro bono. TCS leverages its vast contextual knowledge, as well as the collective knowledge from a diverse network of subject matter experts, to deliver innovative solutions for specific problems that are unique to the community in question.

In FY 2024, TCS in Australia completed two projects that digitally enabled the Indigenous communities. TCS is working with the Indigenous partnerships team and research teams at the Australian Institute of Marine Science (AIMS) at Bindal Country (Townsville), Larrakia Country (Darwin) and Whadjuk Noongar Country (Perth) to build a “Northern Australia Marine Monitoring Alliance (NAMMA)” digital platform. This platform will leverage AIMS’ research and operations in alliance with Aboriginal and Torres Strait Islander groups to provide training and build capacity in marine monitoring. It will enable Traditional Owners to understand changes to their sea country better and sustain their determination in preserving marine environments across Australia.

In FY 2024, the program has impacted **227,413** people from underprivileged communities and enabled them with better livelihoods.

Digital Impact Square (DISQ) - Zero Project Awardee 2024

DISQ, a TCS Initiative, is an incubation program for early-stage startups which focuses on community inclusion. Young innovators are provided skill-building, mentorship and seed funds for solutions including assistive technology for persons with disabilities. Since 2017, DISQ has nurtured and supported several Assistive Tech startups and impacted 100,000+ disabled and their caregivers. DISQ received the #zeroprojectaward - Innovative Solution 2024 at the #ZeroConference for removing barriers and improving accessibility for disabled people and participated in the #ZeroConference. The award ceremony was held at the United Nations Office in Vienna where TCS shared the stage with awardees from 43 countries globally. This recognition acknowledges the ground-breaking work done by TCS’ Assistive Tech Startups.

Health and Wellness

TCS inculcates a healthy lifestyle among its employees and communities by offering work-life balance and providing support for emotional wellness. When people feel psychologically safe, they build positive workplace relationships, realize their potential, proactively take on responsibilities, and make meaningful contributions to society.

Programs like HOPE, Fit4Life, SafetyFirst, and TCS Cares help create awareness about physical and emotional well-being. These programs also provide employees the opportunity to engage with the community purposefully.

Statista forecasts that by 2050, seniors will account for a third of Singapore's population. TCS launched Seniors Lab, a pilot digital program for integrated senior care to help seniors live and age with confidence, in partnership with Sree Narayana Mission (SNM) in Singapore. Designed to address rising healthcare costs, Seniors Lab leverages technology to create an integrated care delivery system that lowers the cost of delivering care while helping the seniors of SNM lead safer, more comfortable, and independent lives.

As part of the CANSupport initiative, TCS Malaysia joined hands with the National Cancer Society Malaysia (NCSM), to develop the first-ever digital solution to improve care for children with cancer. This groundbreaking initiative is in partnership with the Ministries of Health and Transport of Malaysia. TCS worked with NCSM to develop a technologically driven one-stop platform for all cancer-specific services connecting doctors and caregivers in Malaysia. The new digital solution can be accessed by any caregiver or newly diagnosed cancer patient.

TCS’ transformations at Tata Medical Center, Kolkata, and Cancer Institute, Chennai, facilitated **173,449** new patient consultations in FY 2024.

Contributions to Disaster Relief Efforts

Disaster relief efforts are crucial in mitigating the impact of natural and human-made catastrophes. TCS extended its support by mobilizing resources and offering aid to several affected areas to help restore stability and hope.

TCS continued its partnership with the American Red Cross, providing disaster response training on Mass Care, Sheltering and Feeding as well as on Hands Only CPR awareness and Fire Safety. TCSers supported the community in the aftermath of the Hawaii Wildfire, bringing relief to over 1,600 residents. The TCS NYC Marathon also saw the largest ever fundraising in support of the Greater NY Region chapter of the Red Cross.

In Canada, TCS volunteers participated in MapSwipe sessions helping pinpoint where critical infrastructure and populations are located for mappers. This helps disaster responders offer efficient and effective responses. Volunteers also supported Red Cross' Mobile Food Clinic to fill hampers and pack food items.

In February 2024, a large fire affected the communes of Valparaíso, Viña del Mar, Quilpué and Villa Alemana, in the Valparaíso Region in Chile. This has been categorized as one of the largest disasters in the country in the last 30 years. TCS Chile joined the aid campaign with the Chilean Red Cross, generating aid for non-perishable food and cleaning supplies that helped provide immediate assistance to multiple families affected by the wildfire.

Consolidated Financial Statements

Independent Auditors' Report

The Board of Directors
Tata Consultancy Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Tata Consultancy Services Limited and its subsidiaries (the Company), which comprise the Consolidated statements of financial position as of March 31, 2024 and 2023, and the related Consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the Consolidated financial statements.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise significant doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

KPMG Assurance Consulting Service LLP

Mumbai, India
April 12, 2024

Consolidated Statement of Financial Position

	Note	As at March 31, 2024	As at March 31, 2023
		(In million of USD)	
ASSETS			
Current assets			
Cash and cash equivalents	9(a)	1,081	866
Bank deposits		456	392
Investments	9(b)	3,776	4,487
Trade receivables			
Billed	9(c)	5,328	4,992
Unbilled		1,096	1,083
Other financial assets	9(d)	320	405
Income tax assets (net)		18	1
Other assets	11(d)	1,475	1,185
Total current assets		**13,550**	**13,411**
Non-current assets			
Bank deposits		270	162
Investments	9(b)	34	32
Trade receivables			
Billed	9(c)	15	18
Unbilled		2	24
Other financial assets	9(d)	123	120
Income tax assets (net)		192	314
Deferred tax assets (net)	15	405	399
Property, plant and equipment	11(a)	1,346	1,410
Right-of-use assets	10	946	919
Goodwill	11(b)	478	488
Other intangible assets	11(c)	61	105
Other assets	11(d)	394	326
Total non-current assets		**4,266**	**4,317**
TOTAL ASSETS		**17,816**	**17,728**
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Lease liabilities		180	181
Trade payables		1,197	1,278
Other financial liabilities	9(e)	1,003	1,103
Unearned and deferred revenue		437	467
Other liabilities	11(e)	782	595
Provisions	11(f)	17	42
Employee benefit obligations	16	542	495
Income tax liabilities (net)		1,371	1,136
Total current liabilities		**5,529**	**5,297**
Non-current liabilities			
Lease liabilities		781	754
Other financial liabilities	9(e)	44	44
Employee benefit obligations	16	82	66
Deferred tax liabilities (net)	15	117	96
Unearned and deferred revenue		58	122
Total non-current liabilities		**1,082**	**1,082**
TOTAL LIABILITIES		**6,611**	**6,379**
Equity			
Share capital	9(j)	68	68
Retained earnings		13,980	14,536
Other equity		(2,944)	(3,352)
Equity attributable to shareholders of the Company		**11,104**	**11,252**
Non-controlling interests		101	97
TOTAL EQUITY		**11,205**	**11,349**
TOTAL LIABILITIES AND EQUITY		**17,816**	**17,728**

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Year ended March 31, 2024	Year ended March 31, 2023
		(In million of USD, except shares and per share data)	
Revenue	12	29,080	27,927
Cost of revenue		17,335	16,884
GROSS PROFIT		**11,745**	**11,043**
Operating expenses			
Selling, general and administrative expenses			
Settlement of legal claim	19	115	-
Others		4,587	4,329
Total Selling, general and administrative expenses		**4,702**	**4,329**
OPERATING PROFIT		**7,043**	**6,714**
Other income			
Finance and other income	14(a)	462	406
Finance costs	14(b)	(94)	(96)
Other gains (net)	14(c)	73	22
Other income (net)		**441**	**332**
PROFIT BEFORE TAXES		**7,484**	**7,046**
Income tax expense	15	1,919	1,808
PROFIT FOR THE YEAR		**5,565**	**5,238**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(2)	34
Net change in fair value of investments in equity shares carried at fair value through OCI		(1)	-
Items that will be reclassified subsequently to profit or loss			
Net change in fair value of investments other than equity shares carried at fair value through OCI		24	(57)
Net change in intrinsic value of derivatives designated as cash flow hedges		-	(2)
Net change in time value of derivatives designated as cash flow hedges		1	3
Exchange differences on translation of foreign operations and translation to presentation currency		(159)	(902)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES), NET OF TAX		**(137)**	**(924)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,428**	**4,314**
Profit for the year attributable to:			
Shareholders of the Company		5,542	5,219
Non-controlling interests		23	19
		5,565	**5,238**
Other comprehensive income for the year attributable to:			
Shareholders of the Company		(128)	(917)
Non-controlling interests		(9)	(7)
		(137)	**(924)**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		5,414	4,302
Non-controlling interests		14	12
		5,428	**4,314**
Earnings per share			
Weighted average number of equity shares		3,646,851,755	3,659,051,373
Basic and diluted earnings per share in USD	17	1.52	1.43

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

	Number of shares	Share capital	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve		Investment revaluation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
						Intrinsic value	Time value				
	(In million of USD, except share data)										
Balance as at April 1, 2023	**3,659,051,373**	**68**	**14,536**	**1,565**	**(4,899)**	**(9)**	**(12)**	**3**	**11,252**	**97**	**11,349**
Profit for the year	-	-	5,542	-	-	-	-	-	5,542	23	5,565
Other comprehensive income / (losses)	-	-	(2)	-	(150)	-	1	23	(128)	(9)	(137)
Total comprehensive income	**-**	**-**	**5,540**	**-**	**(150)**	**-**	**1**	**23**	**5,414**	**14**	**5,428**
Dividend	-	-	(3,042)	-	-	-	-	-	(3,042)	(10)	(3,052)
Buy-back of equity shares (Refer note 9 (j))	(40,963,855)	-*	(2,039)	-	-	-	-	-	(2,039)	-	(2,039)
Tax on buy-back of equity shares (Refer note 9 (j))	-	-	(475)	-	-	-	-	-	(475)	-	(475)
Expenses for buy-back of equity shares (Refer note 9 (j))	-	-	(6)	-	-	-	-	-	(6)	-	(6)
Transfer to Special Economic Zone re-investment reserve	-	-	(1,192)	1,192	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	658	(658)	-	-	-	-	-	-	-
Balance as at March 31, 2024	**3,618,087,518**	**68**	**13,980**	**2,099**	**(5,049)**	**(9)**	**(11)**	**26**	**11,104**	**101**	**11,205**

Consolidated Statement of Changes in Equity

	Number of shares	Share capital	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve		Investment revaluation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
						Intrinsic value	Time value				
	(In million of USD, except share data)										
Balance as at April 1, 2022	**3,659,051,373**	**68**	**14,943**	**1,008**	**(4,004)**	**(7)**	**(15)**	**60**	**12,053**	**95**	**12,148**
Profit for the year		-	5,219	-	-	-	-	-	5,219	19	5,238
Other comprehensive income / (losses)		-	34	-	(895)	(2)	3	(57)	(917)	(7)	(924)
Total comprehensive income	**-**	**-**	**5,253**	**-**	**(895)**	**(2)**	**3**	**(57)**	**4,302**	**12**	**4,314**
Dividend	-	-	(5,102)	-	-	-	-	-	(5,102)	(8)	(5,110)
Purchase of non-controlling interests	-	-	(1)	-	-	-	-	-	(1)	(2)	(3)
Transfer to Special Economic Zone re-investment reserve	-	-	(1,039)	1,039	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	482	(482)	-	-	-	-	-	-	-
Balance as at March 31, 2023	**3,659,051,373**	**68**	**14,536**	**1,565**	**(4,899)**	**(9)**	**(12)**	**3**	**11,252**	**97**	**11,349**

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Amount less than $0.50 million.

Loss of $2 million and gain of $34 million on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2024 and 2023, respectively.

Retained earnings include statutory reserve of $28 million and $26 million as at March 31, 2024 and 2023, respectively.

Total equity (primarily retained earnings) includes $193 million and $195 million as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Consolidated Statement of Cash Flows

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	5,565	5,238
Adjustments for:		
Depreciation and amortisation expense	602	622
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	14	17
Income tax expense	1,919	1,808
Net gain on lease modification	(1)	-
Unrealised foreign exchange gain	(2)	(23)
Net gain on disposal of property, plant and equipment	-	(2)
Net gain on disposal / fair valuation of investments	(4)	-
Dividend reinvested	(2)	-
Operating profit before working capital changes	**8,091**	**7,660**
Net change in		
Trade receivables		
Billed	(402)	(805)
Unbilled	(1)	(146)
Other financial assets	(132)	11
Other assets	(383)	(6)
Trade payables	(76)	252
Unearned and deferred revenue	(89)	5
Other financial liabilities	(75)	176
Other liabilities and provisions	239	(31)
Cash generated from operations	**7,172**	**7,116**
Taxes paid (net of refunds)	(1,510)	(1,606)
Net cash generated from operating activities	**5,662**	**5,510**
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(1,145)	(555)
Inter-corporate deposits placed	-	(1,044)
Purchase of investments*	(17,017)	(16,051)
Payment for purchase of property, plant and equipment	(266)	(314)
Payment including advances for acquiring right-of-use assets	(4)	(26)
Payment for purchase of intangible assets	(54)	(44)
Proceeds from bank deposits	973	788
Proceeds from inter-corporate deposits	103	1,673
Proceeds from disposal / redemption of investments*	17,731	15,127
Proceeds from disposal of property, plant and equipment	1	5
Proceeds from disposal of intangible assets	1	-
Net cash generated from / (used in) investing activities	**323**	**(441)**

Consolidated Statement of Cash Flows

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(195)	(188)
Dividend paid	(3,042)	(5,102)
Dividend paid to non-controlling interests	(10)	(8)
Transfer of funds to buy-back escrow account	(51)	-
Transfer of funds from buy-back escrow account	51	2
Expenses for buy-back of equity shares (Refer note 9 (j))	(6)	-
Tax on buy-back of equity shares (Refer note 9 (j))	(475)	(553)
Buy-back of equity shares (Refer note 9 (j))	(2,039)	-
Net cash used in financing activities	**(5,767)**	**(5,849)**
Net change in cash and cash equivalents	**218**	**(780)**
Cash and cash equivalents at the beginning of the year	866	1,650
Exchange difference on translation of foreign currency cash and cash equivalents	(3)	(4)
Cash and cash equivalents at the end of the year	**1,081**	**866**
Components of cash and cash equivalents		
Cash at banks and in hand	336	258
Bank deposits (original maturity less than three months)	745	608
	1,081	**866**
Supplementary cash flow information		
Interest paid	84	96
Interest received	361	381
Dividend received	3	2

*Purchase of investments include $36 million and $20 million for years ended March 31, 2024 and 2023, respectively, and proceeds from disposal / redemption of investments include $20 million and $20 million for years ended March 31, 2024 and 2023, respectively, held by trusts and TCS Foundation held for specified purposes.

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Consolidated Financial Statements

1) Corporate information

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

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai- 400001. As at March 31, 2024, Tata Sons Private Limited, the holding company owned 71.74% of the Company's equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2024 and authorised for issue on April 12, 2024.

2) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

3) Basis of preparation

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

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

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

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

The material accounting policy information used in preparation of the consolidated financial statements have been discussed in the respective notes.

4) Basis of consolidation

The Company consolidates all entities which are controlled by it.

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

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

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

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

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

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the dates of statement of financial position. Statement of profit or loss and other comprehensive income of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation

Notes to Consolidated Financial Statements

is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

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

5) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented.

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

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

(a) Revenue recognition

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

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

(b) Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (Refer note 11 (a)).

(c) Impairment of goodwill

The Group estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies (Refer note 11 (b)).

(d) Fair value measurement of financial instruments

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

(e) Impairment of financial assets (other than at fair value)

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

(f) Provision for income tax and deferred tax assets

The Group 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 Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(g) Provisions and contingent liabilities

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

The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the

Notes to Consolidated Financial Statements

amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

(h) Employee benefits
The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note (Refer note 16).

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

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

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

6) Nature and purpose of reserves

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

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

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

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

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

7) Recent accounting standards

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

Amendments to 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 Group does not expect this amendment to have any significant impact in its financial statements.

Notes to Consolidated 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 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 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.

8) Business combinations

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

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

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

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

9) Financial assets, financial liabilities and equity instruments

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

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

Notes to Consolidated Financial Statements

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

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

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

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

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

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

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

Derivative accounting

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

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

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

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

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

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

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

Notes to Consolidated Financial Statements

Impairment of financial assets (other than at fair value)

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

(a) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Cash at banks and in hand	336	258
Bank deposits (original maturity less than three months)	745	608
Total	**1,081**	**866**
Held within India	307	115
Held outside India	774	751
Total	**1,081**	**866**

(b) Investments

Investments consist of the following:

Investments – Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Investments carried at fair value through profit or loss		
Mutual fund units	283	279
	283	**279**
Investments carried at fair value through OCI		
Government bonds and securities	2,968	3,178
Corporate bonds	408	378
	3,376	**3,556**
Investments carried at amortised cost		
Corporate bonds	4	1
Certificate of deposits	-	359
Commercial papers	113	292
	117	**652**
Total	**3,776**	**4,487**

Investments – Current includes $24 million and $8 million as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Government bonds and securities includes bonds pledged with bank for credit facility amounting to NIL and $201 million as at March 31, 2024 and 2023, respectively.

Notes to Consolidated Financial Statements

Investments - Non-current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Investments designated at fair value through OCI		
Equity shares	4	5
	4	**5**
Investments carried at amortised cost		
Government bonds and securities	23	23
Corporate bonds	7	4
	30	**27**
Total	**34**	**32**

Investments – Non-current includes $30 million and $27 million as at March 31, 2024 and 2023, respectively, pertaining to trusts held for specified purposes.

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

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Balance at the beginning of the year	**3**	**60**
Net loss arising on revaluation of investments in equities carried at fair value through other comprehensive income	(1)	-
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	29	(87)
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(4)	30
Net cumulative gain reclassified to profit or loss on sale of investments other than equities carried at fair value through other comprehensive income	(1)	-
Balance at the end of the year	**26**	**3**

(c) Trade receivables - Billed

Trade receivables - Billed consist of the following:

Trade receivables - Billed – Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Trade receivables- Billed	5,394	5,057
Less: Allowance for expected credit losses	(66)	(65)
Total	**5,328**	**4,992**

Trade receivables - Billed – Non-current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Trade receivables- Billed	92	100
Less: Allowance for expected credit losses	(77)	(82)
Total	**15**	**18**

Above balances of trade receivables- billed include balances with related parties (Refer note 20).

Notes to Consolidated Financial Statements

(d) Other financial assets

Other financial assets consist of the following:

Other financial assets - Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Security deposits	41	46
Fair value of foreign exchange derivative assets	17	23
Interest receivable	92	88
Earmarked balances with banks	57	83
Loans and advances to employees	77	58
Inter-corporate deposits	20	103
Others	16	4
Total	**320**	**405**

Other financial assets - Non-current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Security deposits	90	75
Earmarked balances with banks	26	23
Interest receivable	7	-
Inter-corporate deposits	-	21
Others	-	1
Total	**123**	**120**

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

Inter-corporate deposits yield fixed interest rate and are placed with financial institutions, who are authorised to accept and use such inter-corporate deposits as per regulations applicable to them. Inter-corporate deposits include $13 million and $113 million as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Interest receivable includes $13 million and $8 million as at March 31, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(e) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Capital creditors	75	89
Fair value of foreign exchange derivative liabilities	14	17
Liabilities towards customer contracts	181	138
Accrued payroll	691	833
Unclaimed dividends	6	6
Others	36	20
Total	**1,003**	**1,103**

Notes to Consolidated Financial Statements

Other financial liabilities - Non-current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Capital creditors	8	15
Others	36	29
Total	**44**	**44**

Others include advance taxes paid of $27 million and $28 million as at March 31, 2024 and 2023, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

(f) Financial instruments by category

The carrying value of financial instrument by catergories as at March 31, 2024 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
	(In million of USD)					
Financial assets						
Cash and cash equivalents	-	-	-	-	1,081	1,081
Bank deposits	-	-	-	-	726	726
Investments	283	3,380	-	-	147	3,810
Trade receivables						
Billed	-	-	-	-	5,343	5,343
Unbilled	-	-	-	-	1,098	1,098
Earmarked balances with banks	-	-	-	-	83	83
Other financial assets	-	-	6	11	343	360
Total	**283**	**3,380**	**6**	**11**	**8,821**	**12,501**
Financial liabilities						
Trade payables	-	-	-	-	1,197	1,197
Lease liabilities	-	-	-	-	961	961
Other financial liabilities	-	-	-	14	1,033	1,047
Total	**-**	**-**	**-**	**14**	**3,191**	**3,205**

Other financial assets include inter-corporate deposits of $20 million, with original maturity period within 24 months.

Notes to Consolidated Financial Statements

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

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

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

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, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is $146 million and $679 million as at March 31, 2024 and 2023, respectively.

(g) Fair value hierarchy

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

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

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

Notes to Consolidated 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

	Level 1	Level 2	Level 3	Total
	(In million of USD)			
Financial assets				
Mutual fund units	283	-	-	283
Equity shares	-	-	4	4
Government bonds and securities	2,990	-	-	2,990
Corporate bonds	419	-	-	419
Commercial papers	113	-	-	113
Fair value of foreign exchange derivative assets	-	17	-	17
Total	**3,805**	**17**	**4**	**3,826**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	14	-	14
Total	**-**	**14**	**-**	**14**

As at March 31, 2023

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

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

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Balance at the beginning of the year	**5**	**5**
Impairment in value of investments	(1)	-
Balance at the end of the year	**4**	**5**

(h) Derivative financial instruments and hedging activity

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

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

Notes to Consolidated Financial Statements

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

Foreign currency	As at March 31, 2024			As at March 31, 2023		
	No. of contracts	Notional amount of contracts (In million)	Fair value (In million of USD)	No. of contracts	Notional amount of contracts (In million)	Fair value (In million of USD)
US Dollar	19	475	1	8	225	2
Great Britain Pound	29	230	3	22	200	2
Euro	28	235	2	22	203	1

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

	Year ended March 31, 2024		Year ended March 31, 2023	
	Intrinsic value	Time value	Intrinsic value	Time value
	(In million of USD)			
Balance at the beginning of the year	**(9)**	**(12)**	**(7)**	**(15)**
(Gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	(16)	30	(48)	60
Deferred tax on (gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	3	(7)	10	(18)
Change in the fair value of effective portion of cash flow hedges	17	(28)	46	(56)
Deferred tax on change in the fair value of effective portion of cash flow hedges	(4)	6	(10)	17
Balance at the end of the year	**(9)**	**(11)**	**(9)**	**(12)**

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2024 and 2023, the notional amount of outstanding contracts aggregated to $6114 million and $5,776 million, respectively and the respective fair value of these contracts have a net loss of $2 million and net gain of $2 million.

Exchange gain of $14 million and loss $145 million on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in profit or loss for years ended March 31, 2024 and 2023, respectively.

Net foreign exchange gain / (loss) include loss of $14 million and $12 million transferred from cash flow hedging reserve to profit or loss on occurrence of forecasted hedge transactions for the years ended March 31, 2024 and 2023, respectively.

Net loss on derivative instruments of $20 million, recognised in accumulated other comprehensive income as at March 31, 2024, is expected to be transferred to profit or loss by March 31, 2025. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2024.

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

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
10% Appreciation of the underlying foreign currencies	-	-
10% Depreciation of the underlying foreign currencies	109	66

(i) Financial risk management

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

Notes to Consolidated Financial Statements

Market risk

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

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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

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

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

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

  The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2024:

	USD	EUR	GBP	Others
	(In million of USD)			
Net financial assets	330	62	19	421
Net financial liabilities	(855)	(30)	(262)	(91)

  10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately $41 million for the year ended March 31, 2024.

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

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

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

- **Interest rate risk**

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

Notes to Consolidated 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. Refer note 5 for methods, assumptions and information used to measure expected credit losses.

Financial instruments that are subject to credit risk consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of $20 million are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of $632 million held with two banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at March 31, 2024. None of the other financial instruments of the Group result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was $13,233 million and $13,285 million as at March 31, 2024 and 2023, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, contract assets and other financial assets.

  The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables and contract assets as at March 31, 2024 and 2023.

- **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	
	Gross%	Net%	Gross%	Net%
United States of America	42.07	42.67	43.65	44.31
India	16.56	16.86	16.05	16.37
United Kingdom	18.68	17.44	15.45	14.06

Geographical concentration of trade receivables (gross and net of allowances) and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit losses on trade receivables for the years ended March 31, 2024 and 2023 was $12 million and $15 million respectively. The reconciliation of allowance for expected credit losses is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Balance at the beginning of the year	**147**	**176**
Change during the year	12	15
Bad debts written off	(14)	(31)
Translation exchange difference	(2)	(13)
Balance at the end of the year	**143**	**147**

Notes to Consolidated Financial Statements

Liquidity risk

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

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

As at March 31, 2024	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	(In million of USD)				
Non-derivative financial liabilities					
Trade payables	1,197	-	-	-	1,197
Lease liabilities	235	205	403	368	1,211
Other financial liabilities	990	6	9	29	1,034
	2,422	**211**	**412**	**397**	**3,442**
Derivative financial liabilities	14	-	-	-	14
Total	**2,436**	**211**	**412**	**397**	**3,456**

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

(j) 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
	(In million of USD)	
Authorised		
Equity shares of ₹1 each (4,600,500,000 shares and 4,600,500,000 shares)	86	86
Preference shares of ₹1 each (1,050,250,000 shares and 1,050,250,000 shares)	20	20
	106	**106**
Issued, Subscribed and Fully paid up		
Equity shares of ₹1 each (3,618,087,518 shares and 3,659,051,373 shares)	68	68
Total	**68**	**68**

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

Notes to Consolidated Financial Statements

The Board of Directors at its meeting held on October 11, 2023, approved a proposal to buy-back upto 4,09,63,855 equity shares of the Company for an aggregate amount not exceeding ₹17,000 crore (USD equivalent $2,045 million), being 1.12% of the total paid up equity share capital at ₹4,150 (USD equivalent $49.91) per equity share. The shareholders approved the same on November 15, 2023, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 4,09,63,855 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on December 13, 2023. The excess cost of buy-back of ₹17,046 crore (USD equivalent $2,045 million) (including ₹46 crore (USD equivalent $6 million) towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹3,959 crore (USD equivalent $475 million) were offset from retained earnings.

10) Leases

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

Group as a lessee

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

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

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

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

Group as a lessor

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

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

Notes to Consolidated Financial Statements

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

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

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

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

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Leasehold land	1	1
Buildings	192	190
Leasehold improvements	1	1
Computer equipment	6	4
Furniture, fixtures, office equipment and other assets	3	2
Software licences	4	5
Total	**207**	**203**

Interest on lease liabilities is $63 million and $61 million for years ended March 31, 2024 and 2023, respectively.

The Group incurred $43 million and $39 million 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 $305 million and $314 million for the years ended March 31, 2024 and 2023, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Group has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is $98 million and $96 million as at March 31, 2024 and 2023, respectively.

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

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

Notes to Consolidated Financial Statements

11) Non-financial assets and non-financial liabilities

(a) Property, plant and equipment

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

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

The estimated useful lives are as mentioned below:

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

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

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

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

Notes to Consolidated Financial Statements

Property, plant and equipment consist of the following:

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

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

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

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

Notes to Consolidated Financial Statements

(b) Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider economic uncertainties, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill consists of the following:

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Balance at the beginning of the year	**488**	**520**
Translation exchange difference	(10)	(32)
Balance at the end of the year	**478**	**488**

Goodwill of $257 million and $260 million as at March 31, 2024 and 2023 has been allocated to TCS business process services (BPS) CGU.

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

Goodwill of $83 million and $83 million as at March 31, 2024 and 2023 has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 8.67%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of $138 million and $145 million as at March 31, 2024 and 2023, respectively, (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

(c) Other intangible assets

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

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

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

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

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

Notes to Consolidated Financial Statements

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

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

Intangible assets consist of the following:

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

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

Function wise amortisation of intangible assets is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Cost of revenue	49	52
Selling, general and administrative expenses	9	9
Total	**58**	**61**

Notes to Consolidated Financial Statements

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

(₹ crore)

Year ending March 31,	Amortisation expense
	(In million of USD)
2025	37
2026	13
2027	9
2028	2
Total	**61**

(d) Other assets

Other assets consist of the following:

Other assets – Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Advances to suppliers	137	11
Contract assets	701	683
Prepaid expenses	246	184
Contract fulfillment costs	190	126
Indirect taxes recoverable	154	128
Others	47	53
Total	**1,475**	**1,185**

Other assets - Non-current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Contract assets	35	26
Prepaid expenses	307	260
Contract fulfillment costs	30	14
Others	22	26
Total	**394**	**326**

Non-current – Others includes advance of $21 million and $22 million towards acquiring right-of-use of leasehold land as at March 31, 2024 and 2023, respectively.

Contract fulfillment costs of $101 million and $120 million for the years ended March 31, 2024 and 2023, respectively, have been amortised in the profit or loss. Refer note 12 for changes in contract assets.

(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Advances received from customers	221	66
Indirect taxes payable and other statutory liabilities	519	501
Others	42	28
Total	**782**	**595**

Notes to Consolidated Financial Statements

(f) Provisions

Provisions consist of the following:

Provisions – Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Provision towards legal claim (Refer note 19)	-	25
Provision for foreseeable loss	12	12
Other provisions	5	5
Total	**17**	**42**

12) Revenue recognition

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

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

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

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

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

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

Notes to Consolidated Financial Statements

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

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

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

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

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

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

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

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

Revenue disaggregation by nature of services is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Consultancy services	28,747	27,665
Sale of equipment and software licences	333	262
Total	**29,080**	**27,927**

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

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

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is $19,826 million out of which 47.69% 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 Consolidated Financial Statements

Changes in contract assets are as follows:

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Balance at the beginning of the year	**709**	**584**
Invoices raised that were included in the contract assets balance at the beginning of the year	(475)	(412)
Increase due to revenue recognised during the year, excluding amounts billed during the year	505	563
Translation exchange difference	(3)	(26)
Balance at the end of the year	**736**	**709**

Changes in unearned and deferred revenue are as follows:

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Balance at the beginning of the year	**589**	**627**
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(504)	(383)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	419	385
Translation exchange difference	(9)	(40)
Balance at the end of the year	**495**	**589**

13) Cost recognition

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

Cost of revenue

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

Selling, general and administrative expenses

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

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

Notes to Consolidated Financial Statements

Expenses by nature

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Employee cost	16,918	15,799
Fees to external consultants	1,911	2,646
Facility expenses	374	329
Depreciation and amortisation expense	602	622
Cost of equipment and software licences	446	231
Travel expenses	359	331
Communication expenses	273	278
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	14	17
Settlement of legal claim	115	-
Other expenses	1,025	960
Total	**22,037**	**21,213**

Refer note 16 for function wise bifurcation of employee cost.

14) Other income

(a) Finance and other income

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

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Dividend received	5	2
Interest on bank balances and bank deposits	91	36
Interest on financial assets carried at fair value through OCI	265	264
Interest on financial assets carried at amortised cost	48	81
Others	53	21
Total	**462**	**406**

(b) Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Interest on lease liabilities	63	61
Interest on tax matters	4	6
Other interest costs	27	29
Total	**94**	**96**

Notes to Consolidated Financial Statements

(c) Other gains (net)

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Net gain on disposal of property, plant and equipment	-	2
Net gain on lease modification	1	-
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	36	27
Net gain on disposal of financial assets other than equity shares carried at fair value through OCI	1	-
Net foreign exchange gain / (loss)	27	(19)
Others	8	12
Total	**73**	**22**

15) Income taxes

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

Current income taxes

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

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

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

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

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

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Notes to Consolidated Financial Statements

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

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

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

The income tax expense consists of the following:

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	**(In million of USD)**	
Current tax expense for current year	1,966	1,905
Current tax benefit pertaining to prior years	(51)	(78)
	1,915	**1,827**
Deferred tax		
Deferred tax expense / (benefit) for current year	-	(16)
Deferred tax expense / (benefit) pertaining to prior years	4	(3)
	4	**(19)**
Total	**1,919**	**1,808**

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

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Profit before tax	7,484	7,046
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	2,615	2,462
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(773)	(633)
Income exempt from tax	(63)	(29)
Undistributed earnings in branches and subsidiaries	13	34
Tax on income at different rates	108	63
Tax pertaining to prior years	(47)	(81)
Effect of tax rate change under new regime	53	-
Others (net)	13	(8)
Total income tax expense	**1,919**	**1,808**

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

Notes to Consolidated Financial Statements

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

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / Utilisation	Exchange difference	Closing balance
	(In million of USD)					
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	**82**	6	-	-	(1)	**87**
Provision for employee benefits	**132**	10	(2)	-	(2)	**138**
Cash flow hedges	**1**	-	(2)	-	-	**(1)**
Receivables, financial assets at amortised cost	**53**	(2)	-	-	(1)	**50**
Branch profit tax	**(16)**	4	-	-	-	**(12)**
Undistributed earnings of subsidiaries	**(64)**	(18)	-	-	1	**(81)**
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	**(10)**	-	(4)	-	-	**(14)**
Lease liabilities and right-of-use assets	**30**	2	-	-	-	**32**
Others	**95**	(6)	-	-	-	**89**
Total deferred tax assets / (liabilities)	**303**	**(4)**	**(8)**	**-**	**(3)**	**288**

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2024	Assets	Liabilities	Net
	(In million of USD)		
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	100	13	87
Provision for employee benefits	141	3	138
Cash flow hedges	(1)	-	(1)
Receivables, financial assets at amortised cost	50	-	50
Branch profit tax	-	12	(12)
Undistributed earnings of subsidiaries	-	81	(81)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(14)	-	(14)
Lease liabilities	157	-	157
Right-of-use assets	(125)	-	(125)
Others	97	8	89
Total deferred tax assets / (liabilities)	**405**	**117**	**288**

Notes to Consolidated Financial Statements

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

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

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2023	Assets	Liabilities	Net
	(In million of USD)		
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	94	12	82
Provision for employee benefits	133	1	132
Cash flow hedges	1	-	1
Receivables, financial assets at amortised cost	53	-	53
Branch profit tax	-	16	(16)
Undistributed earnings of subsidiaries	-	64	(64)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(10)	-	(10)
Lease liabilities	140	-	140
Right-of-use assets	(110)	-	(110)
Others	98	3	95
Total deferred tax assets / (liabilities)	**399**	**96**	**303**

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

Notes to Consolidated Financial Statements

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

March 31,	**Unabsorbed business losses**
	(In million of USD)
2029	-
Thereafter	5
Total	**5**

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

Deferred tax liability on temporary differences of $896 million as at March 31, 2024 associated with investments in subsidiaries has not been recognised as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Direct tax contingencies

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the other jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. Contingent liability in respect of tax demands received from direct tax authorities in India and other jurisdictions is $224 million and $187 million as at March 31, 2024 and 2023, respectively. These demand orders are being contested by the Company and its subsidiaries based on the management evaluation and advise of tax consultants. In respect of tax contingencies of $38 million and $39 million as at March 31, 2024 and 2023, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2022 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2020 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2019 and earlier.

16) Employee benefits

Defined benefit plans

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

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

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

Defined contribution plans

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

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

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

Function wise employee cost consists of the following:

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Cost of revenue	13,189	12,284
Selling, general and administrative expenses	3,729	3,515
Total	**16,918**	**15,799**

Employee cost consist of the following:

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Salaries, incentives and allowances	15,145	14,168
Contributions to provident and other funds	1,323	1,195
Staff welfare expenses	450	436
Total	**16,918**	**15,799**

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Compensated absences	537	490
Other employee benefit obligations	5	5
Total	**542**	**495**

Notes to Consolidated Financial Statements

Employee benefit obligations – Non-current

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Gratuity liability	1	1
Foreign defined benefit plans	60	46
Other employee benefit obligations	21	19
Total	**82**	**66**

Employee benefits plans consist of the following:

Gratuity and pension

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

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

	Year ended March 31, 2024					Year ended March 31, 2023				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Change in benefit obligations										
Benefit obligations, beginning of the year	**568**	**-**	**223**	**35**	**826**	**591**	**-**	**303**	**36**	**930**
Translation exchange difference	(8)	-	-	1	(7)	(47)	-	(11)	-	(58)
Plan participants' contribution	-	-	2	-	2	-	-	2	-	2
Service cost	59	-	4	10	73	64	-	5	6	75
Interest cost	44	-	7	2	53	41	-	4	1	46
Remeasurement of the net defined benefit liability	20	-	(1)	1	20	(19)	-	(78)	(5)	(102)
Past service cost / (credit)	-	-	1	1	2	-	-	(1)	-	(1)
Benefits paid	(46)	-	(7)	(5)	(58)	(62)	-	(1)	(3)	(66)
Benefit obligations, end of the year	**637**	**-**	**229**	**45**	**911**	**568**	**-**	**223**	**35**	**826**

Notes to Consolidated Financial Statements

	Year ended March 31, 2024					Year ended March 31, 2023				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Change in plan assets										
Fair value of plan assets, beginning of the year	**778**	**-**	**234**	**-**	**1,012**	**729**	**-**	**282**	**-**	**1,011**
Translation exchange difference	(11)	-	(1)	-	(12)	(60)	-	(8)	-	(68)
Interest income	60	-	7	-	67	53	-	3	-	56
Employers' contributions	73	-	6	-	79	131	-	2	-	133
Plan participants' contribution	-	-	2	-	2	-	-	2	-	2
Benefits paid	(46)	-	(7)	-	(53)	(62)	-	(1)	-	(63)
Remeasurement-return on plan assets excluding amount included in interest income	13	-	6	-	19	(13)	-	(46)	-	(59)
Fair value of plan assets, end of the year	**867**	**-**	**247**	**-**	**1,114**	**778**	**-**	**234**	**-**	**1,012**

	As at March 31, 2024					As at March 31, 2023				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Funded status										
Deficit of plan assets over obligations	(1)	-	(15)	(45)	(61)	(1)	-	(11)	(35)	(47)
Surplus of plan assets over obligations	231	-	33	-	264	211	-	22	-	233
	230	**-**	**18**	**(45)**	**203**	**210**	**-**	**11**	**(35)**	**186**

	As at March 31, 2024					As at March 31, 2023				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Category of assets										
Corporate bonds	235	-	44	-	279	223	-	35	-	258
Equity instruments	24	-	45	-	69	15	-	43	-	58
Government bonds and securities	380	-	-	-	380	355	-	-	-	355
Insurer managed funds	208	-	73	-	281	169	-	66	-	235
Bank balances	3	-	9	-	12	2	-	11	-	13
Others	17	-	76	-	93	14	-	79	-	93
Total	**867**	**-**	**247**	**-**	**1,114**	**778**	**-**	**234**	**-**	**1,012**

Notes to Consolidated Financial Statements

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

	Year ended March 31, 2024					Year ended March 31, 2023				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Service cost	59	-	4	10	73	64	-	5	6	75
Net interest on net defined benefit (asset) / liability	(16)	-	-	2	(14)	(12)	-	1	1	(10)
Past service cost / (credit)	-	-	1	1	2	-	-	(1)	-	(1)
Net periodic gratuity / pension cost	**43**	**-**	**5**	**13**	**61**	**52**	**-**	**5**	**7**	**64**
Actual return on plan assets	**73**	**-**	**13**	**-**	**86**	**40**	**-**	**(43)**	**-**	**(3)**

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

	Year ended March 31, 2024				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	-	-	-	-	-
Actuarial (gains) and losses arising from changes in financial assumptions	8	-	(5)	1	4
Actuarial losses arising from changes in experience adjustments	12	-	4	-	16
Remeasurement of the net defined benefit liability	**20**	**-**	**(1)**	**1**	**20**
Remeasurement- return on plan assets excluding amount included in interest income	(13)	-	(6)	-	(19)
Total	**7**	**-**	**(7)**	**1**	**1**

	Year ended March 31, 2023				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)				
Actuarial losses arising from changes in demographic assumptions	4	-	-	1	5
Actuarial gains arising from changes in financial assumptions	(20)	-	(78)	(6)	(104)
Actuarial gains arising from changes in experience adjustments	(3)	-	-	-	(3)
Remeasurement of the net defined benefit liability	**(19)**	**-**	**(78)**	**(5)**	**(102)**
Remeasurement- return on plan assets excluding amount included in interest income	13	-	46	-	59
Total	**(6)**	**-**	**(32)**	**(5)**	**(43)**

Notes to Consolidated Financial Statements

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

	Year ended March 31, 2024		Year ended March 31, 2023	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	7.00%- 7.25%	1.57%- 9.40%	7.25%- 7.50%	2.16%- 9.40%
Rate of increase in compensation levels of covered employees	5.00%- 10.00%	1.75%- 7.00%	4.00%- 8.00%	1.50%- 7.00%
Rate of return on plan assets	7.00%- 7.25%	1.57%- 9.40%	7.25%- 7.50%	2.16%- 9.40%
Weighted average duration of defined benefit obligations	2-11 Years	3-27 Years	2-13 years	3-28 years

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Group's defined benefit plan obligations as at March 31, 2024. The Group is expected to contribute $5 million to defined benefit plan obligations funds for the year ending March 31, 2024 comprising domestic component of $1 million and foreign component of $4 million.

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

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

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Increase of 0.50%	(33)	(32)
Decrease of 0.50%	36	35

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

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Increase of 0.50%	20	19
Decrease of 0.50%	(19)	(18)

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

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

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

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

Year ending March 31,	Defined benefit obligations (In million of USD)
2025	114
2026	92
2027	93
2028	92
2029	86
2030-2034	358

Notes to Consolidated Financial Statements

Provident fund

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit or loss under employee cost. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

All eligible employees of Indian subsidiaries of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to the Government administered provident fund plan. A part of the Company's contribution is transferred to Government administered pension fund. This plan is a defined contribution plan as the obligation of the employer is limited to the monthly contributions made to the fund. The contributions made to the fund are recognised as an expense in profit or loss under employee cost.

The details of fund and plan assets are given below:

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Fair value of plan assets	3,498	3,102
Present value of defined benefit obligations	(3,498)	(3,102)
Net excess / (shortfall)	-	-

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligations of interest guarantee under the deterministic approach are as follows:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.25%	7.50%
Average remaining tenure of investment portfolio	6 Years	7 Years
Guaranteed rate of return	8.25%	8.15%

The Group expensed $205 million and $202 million for the years ended March 31, 2024 and 2023, respectively towards provident fund.

Superannuation

All eligible employees on Indian payroll are entitled to benefits under Superannuation, a defined contribution plan. The Group makes monthly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligation beyond its monthly contribution.

The Group expensed $55 million and $49 million for the years ended March 31, 2024 and 2023, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plans

The Group expensed $306 million and $261 million for the years ended March 31, 2024 and 2023, respectively, towards foreign defined contribution plans.

Notes to Consolidated Financial Statements

17) Earnings per share

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

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year attributable to Shareholders of the Company (In million of USD)	5,542	5,219
Weighted average number of equity shares	3,646,851,755	3,659,051,373
Basic and diluted earnings per share in USD	1.52	1.43
Face value per equity share in ₹	1	1

18) Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Group has identified business segments ('industry vertical') as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Consumer Business, 4) Communication, Media and Technology, 5) Life Sciences and Healthcare and 6) Others such as Energy, Resources and Utilities, s-Governance and Products.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

The assets and liabilities of the Group are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments.

Summarised segment information for the years ended March 31, 2024 and 2023 is as follows:

	Year ended March 31, 2024						
	Banking, Financial Services and Insurance	Manufacturing	Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
Revenue	**10,978**	**2,836**	**4,751**	**4,755**	**3,229**	**2,531**	**29,080**
Segment result	**2,847**	**877**	**1,238**	**1,318**	**919**	**561**	**7,760**
Depreciation and amortisation expense							602
Settlement of legal claim (Refer note 19)							115
Total unallocable expenses							**717**
Operating profit							**7,043**
Other income (net)							441
Profit before taxes							**7,484**
Income tax expense							1,919
Profit for the year							**5,565**
Significant non-cash items (allocable)	(2)	3	-	-	1	11	14
Significant non-cash items (unallocable)	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

	Year ended March 31, 2023						
	Banking, Financial Services and Insurance	Manufacturing	Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
Revenue	**10,670**	**2,632**	**4,647**	**4,664**	**3,047**	**2,267**	**27,927**
Segment result	**2,769**	**725**	**1,195**	**1,319**	**853**	**475**	**7,336**
Depreciation and amortisation expense							622
Total unallocable expenses							**622**
Operating profit							**6,714**
Other income (net)							332
Profit before taxes							**7,046**
Income tax expense							1,808
Profit for the year							**5,238**
Significant non-cash items (allocable)	4	1	1	1	3	8	18
Significant non-cash items (unallocable)	-	-	-	-	-	-	-

Information regarding geographical revenue is as follows:

Geography	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Americas		
North America	14,860	14,907
Latin America	586	495
Europe		
United Kingdom	4,811	4,194
Continental Europe	4,318	4,159
Asia Pacific	2,275	2,248
India	1,636	1,396
Middle East and Africa	594	528
Total	**29,080**	**27,927**

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

Geographical non-current assets (property, plant and equipment, right-of-use assets, goodwill, other intangible assets, income tax assets and other non-current assets) are allocated based on the location of assets.

Information regarding geographical non-current assets is as follows:

Geography	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Americas		
North America	402	371
Latin America	115	128
Europe		
United Kingdom	153	170
Continental Europe	304	305
Asia Pacific	123	116
India	2,259	2,408
Middle East and Africa	61	64
Total	**3,417**	**3,562**

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2024 and 2023 respectively.

Notes to Consolidated Financial Statements

19) Commitments and contingencies

Capital commitments

The Group has contractually committed (net of advances) $244 million and $188 million as at March 31, 2024 and 2023, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**
  Refer note 15.

- **Indirect tax matters**
  The Company and its subsidiaries have ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company and its subsidiaries have demands amounting to $139 million and $69 million as at March 31, 2024 and 2023, respectively, from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

- **Other claims**
  Claims aggregating $27 million and $34 million as at March 31, 2024 and 2023, respectively, against the Group have not been acknowledged as debts.

  In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra.

  Pursuant to an initial unfavourable judgment from the District Court, the Appeals court re-affirmed the order of compensatory damages of $140 million and remanded back to the District Court to reassess matter relating to punitive damages (to limit maximum up to $140 million), the Company has already paid the compensatory damages of US $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 $140 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 $140 million was paid on December 1, 2023. The Company has provided the balance punitive damages amount of $115 million in its financial statements for the year ended March 31, 2024 and disclosed the same in the consolidated statement of profit and loss.

- **Letter of comfort**
  The Company has given letter of comfort to banks for credit facilities availed by its subsidiaries. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

  The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

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

Name of the Company	Country of incorporation	% of voting power as at March 31, 2024	% of voting power as at March 31, 2023
Subsidiaries (held directly)			
Tata America International Corporation	USA	100.00	100.00
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00
TCS Iberoamerica SA	Uruguay	100.00	100.00
Tata Consultancy Services Belgium	Belgium	100.00	100.00
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00
Diligenta Limited	UK	100.00	100.00
Tata Consultancy Services UK Limited	UK	100.00	100.00
Tata Consultancy Services Ireland Limited	Ireland	100.00	100.00
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00
TCS FNS Pty Limited	Australia	100.00	100.00

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Name of the Company	Country of incorporation	% of voting power as at March 31, 2024	% of voting power as at March 31, 2023
APTOnline Limited	India	89.00	89.00
C-Edge Technologies Limited	India	51.00	51.00
MP Online Limited	India	89.00	89.00
TCS e-Serve International Limited	India	100.00	100.00
MahaOnline Limited	India	74.00	74.00
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00
Tata Consultancy Services Qatar L.L.C.	Qatar	100.00	100.00
TCS Foundation	India	100.00	100.00
Subsidiaries (held indirectly)			
Tata Consultancy Services Argentina S.A.	Argentina	100.00	100.00
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00
TCS Inversiones Chile Limitada	Chile	100.00	100.00
TCS Solution Center S.A.	Uruguay	100.00	100.00
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00
MGDC S.C.	Mexico	100.00	100.00
TCS Uruguay S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Guatemala, S.A.	Gautemala	100.00	100.00
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
Tata Consultancy Services Italia s.r.l.	Italy	100.00	100.00
Tata Consultancy Services (Portugal) Unipessoal, Limitada	Portugal	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00
Tata Consultancy Services France	France	100.00	100.00
Tata Consultancy Services Saudi Arabia	Saudi Arabia	100.00	100.00
TCS Business Services GmbH	Germany	100.00	100.00
Tata Consultancy Services Bulgaria EOOD	Bulgaria	100.00	100.00
TCS Technology Solutions GmbH	Germany	100.00	100.00
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00
Saudi Desert Rose Holding B.V.	Netherlands	-	100.00
Diligenta (Europe) B.V.	Netherlands	100.00	-
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00
Tata Consultancy Services (China) Co., Ltd.	China	100.00	100.00
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00
Tata Consultancy Services Japan, Ltd.	Japan	66.00	66.00
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00

Note:

1. TCS Technology Solutions AG renamed as TCS Technology Solutions GmbH.
2. Saudi Desert Rose Holding B.V. merged with Tata Consultancy Services Netherlands BV w.e.f. August 29, 2023.
3. Diligenta Limited incorporated a subsidiary, Diligenta (Europe) B.V. in Netherlands on September 14, 2023.

Notes to Consolidated Financial Statements

21) Related party transactions

The Company's principal related parties consist of its holding company Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

Refer note 20 for list of subsidiaries of the Company.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

	Year ended March 31, 2024				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Revenue from operations	6	123	541	-	670
Purchases of goods and services (including reimbursements)	-	167	30	-	197
Brand equity contribution	42	-	-	-	42
Facility expenses	-	2	9	-	11
Lease rental	-	6	6	-	12
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	1	-	-	1
Contribution and advance to post employment benefit plans	-	-	-	455	455
Purchase of property, plant and equipment	-	13	12	-	25
Loans and advances given	-	122	12	-	134
Loans and advances recovered	-	1	1	-	2
Loans and advances taken	-	3	-	-	3
Dividend paid	2,186	1	-	-	2,187
Buy-back of shares	1,268	-	-	-	1,268

	Year ended March 31, 2023				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Revenue from operations	5	145	378	-	528
Facility expenses	-	3	8	-	11
Lease rental	-	7	6	-	13
Brand equity contribution	28	-	-	-	28
Contribution and advance to post employment benefit plans	-	-	-	363	363
Purchases of goods and services (including reimbursements)	-	76	28	-	104
Purchase of property, plant and equipment	-	2	17	-	19
Loans and advances given	-	-	5	-	5
Loans and advances recovered	-	-	2	-	2
Loans and advances taken	-	3	1	-	4
Dividend paid	3,680	2	1	-	3,683

Notes to Consolidated Financial Statements

Balances receivable from related parties are as follows:

	As at March 31, 2024				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade receivables and contract assets	1	49	181	-	231
Other financial assets and other assets	-	148	1	-	149
Total	**1**	**197**	**182**	**-**	**380**

	As at March 31, 2023				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade receivables and contract assets	-	53	122	-	175
Other financial assets and other assets	1	12	10	-	23
Total	**1**	**65**	**132**	**-**	**198**

Balances payable to related parties are as follows:

	As at March 31, 2024				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	43	120	52	-	215
Commitments	-	169	2	-	171

	As at March 31, 2023				
	Tata Sons Limited	Subsidiaries of Tata Sons Limited	Associates / joint ventures of Tata Sons Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	26	46	40	34	146
Commitments	-	2	6	-	8

Notes to Consolidated Financial Statements

Material related party transactions are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Revenue from operations		
Jaguar Land Rover Limited	350	211
Tata Steel IJmuiden BV	72	66
Tata Digital Private Limited	35	62
Purchases of goods and services (including reimbursements) and net of cost recovery		
Tejas Networks Limited	91	-
Advances given		
Tejas Networks Limited	116	-

Material related party balances are as follows:

	As at March 31, 2024	As at March 31, 2023
	(In million of USD)	
Trade receivables and contract assets		
Jaguar Land Rover Limited	108	59
Other financial assets and other assets		
Tejas Networks Limited	115	-
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tejas Networks Limited	73	5

Transactions with key management personnel are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
	(In million of USD)	
Short-term benefits	7	7
Dividend paid during the year	-*	-*
Post-employment benefits	-*	-
Total	**7**	**7**

*Amount less than $0.50 million.

The remuneration of directors and key executives is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

Transactions with key management personnel for the year ended March 31, 2023 did not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid were not available.

Notes to Consolidated Financial Statements

22) The Board of Directors approved post-employment benefits, payable to the outgoing CEO and Managing Director, which has been actuarially valued. Accordingly, the Company has recorded an expense of $6 million during the year ended March 31, 2024.

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

24) Dividend

Dividends paid during the year ended March 31, 2024 include an amount of $0.29 (₹24.00) per equity share towards final dividend for the year ended March 31, 2023 and an amount of $0.55 (₹45.00) per equity share towards interim dividends (including special dividend) for the year ended March 31, 2024. Dividends paid during the year ended March 31, 2023 include an amount of $0.29 (₹22.00) per equity share towards final dividend for the year ended March 31, 2022 and an amount of $1.11 (₹91.00) per equity share towards interim dividends (including special dividend) for the year ended March 31, 2023.

Dividends declared by the Company are based on profits available for distribution. On April 12, 2024, the Board of Directors of the Company have proposed a final dividend of $0.34 (₹28.00) 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 $1,215 million.

Glossary

5G	Fifth generation wireless technology for digital cellular networks. 5G is expected to be much faster and enable much higher volumes of data sharing than earlier generations of cellular networks. Its massive capacity and ultra-low latency are expected to usher in an era of hyper-connectivity, enabling newer use cases such as autonomous cars, and accelerating the adoption of IoT.
ADM	See Application Development and Maintenance
Agile	A collaborative approach for IT and business teams to develop software incrementally and faster. TCS has pioneered the Location Independent Agile™ model that allows for deployment at scale, and helps globally distributed organization execute large transformational programs quickly, while ensuring stability and quality.
Agile Workspaces	These are key enablers of TCS' Location Independent Agile model, and represent the next generation work environment that facilitate greater collaboration among teams. It is characterized by partition-less open offices, informal seating, interactive surfaces for information capture, and modern collaboration devices for increased productivity.
AgilityDebt™	AgilityDebt™ is a simple index developed by TCS, which uniquely indicates the burden carried by an organization that restricts its Agility. The index is arrived at based on a holistic Agile maturity assessment framework that measures the gap against required Agile talent, roles, team composition, delivery practices, Agile culture, Agile technology and DevOps enablers. TCS uses AgilityDebt™ to assess where the customer's teams are in the Agile journey, find the bottlenecks, and accelerate their Agile transformations.
AI	See Artificial Intelligence
AI Assistant	A software agent that uses AI technologies to perform tasks or services for an individual. These assistants can understand and interpret human speech or text inputs, enabling them to execute commands, answer questions, or assist with tasks like scheduling, reminding, or even controlling smart home devices.
AI Copilot	A virtual assistant that offers real-time guidance and feedback to enhance a human being's work.
Algo Retail™	TCS' proprietary approach and suite of intellectual property that enables retailers to seamlessly integrate and orchestrate data flows across the retail value chain, harnessing the power of analytics, AI and machine learning in the areas of personalization, pricing optimization, marketing, online search and commerce to unlock exponential business value.
Amortization	Systematic allocation of the depreciable amount of an intangible asset over its useful life.
Analytics	In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance.
Annuity Contracts	A long-term contract which can guarantee regular payments.
APAC	Acronym for Asia Pacific

API	See Application Programming Interface
APIfication	The process of exposing a discrete business function or data within an enterprise's systems through APIs.
Application Development and Maintenance	Design, development, and deployment of custom software; ongoing support, upkeep, and enhancement of such software over its lifetime.
Application Programming Interface	A set of easily accessible protocols for communication among various software components.
AR	See Augmented Reality
Artificial General Intelligence	A type of artificial intelligence that can perform as well or better than humans on a wide range of cognitive tasks.
Artificial Intelligence	Technology that emulates human performance by learning, coming to its own conclusions, understanding complex content, engaging in natural dialogs with people, augmenting human effort or replacing people on execution of non-routine tasks. Also known as Cognitive Computing.
ASEAN	Acronym for Association of Southeast Asian Nations
Assets Under Custody	A measure of the total assets for which a financial institution, typically a custodian bank, provides custodian services.
Attrition	Measures what portion of the workforce left the organization (voluntarily and involuntarily) over the last 12 months (LTM). Attrition (LTM) = Total number of departures in the LTM / closing headcount
AUC	See Assets Under Custody
Augmented Reality	Technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction.
Automation	The execution of work by machines in accordance with rules that have either been explicitly coded by a human or 'learned' by the machine through pattern recognition of data. Popular types include Robotic Process Automation and Cognitive Automation.
Avatar	An avatar is a digital representation of yourself, whether it's in a video game, the metaverse, or wherever else it might be applicable.
Basis Point	One hundredth of a percentage point, that is, 0.01 percent.
BFSI	Acronym for Banking, Financial Services and Insurance
Big Data	A high volume, high velocity, and/or high variety information asset that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization.
Blockchain	A distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision.
Bp	See Basis Point
BPaaS	See Business Process as a Service
BPS	See Business Process Services
Business Process as a Service	Refers to the delivery of BPS over a cloud computing model. Whereas traditional BPS relies on labor arbitrage to reduce costs, BPaaS aggregates demand using the cloud, servicing multiple customers with a single instance, multi-tenant platform and shared services, thereby delivering significant operating efficiencies. The pricing model is usually outcome based.
Business Process Services	Designing, enabling, and executing business operations including data management, analytics, interactions and experience management.
Buyback	A corporate action in which a company returns excess cash to shareholders by buying back its shares from them and usually extinguishing those shares thereafter. The company's equity share capital and the number of shares outstanding in the market correspondingly reduces.
CAGR	See Compounded Annual Growth Rate
Capital Expenditure (CapEx)	Funds used by a company to purchase property, plant and equipment and intangible assets (net of proceeds from disposal of such assets) and for payment including advances for acquiring right-of-use assets.
Carbon Neutral	Not adding new greenhouse gas (GHG) emissions to the atmosphere through reduction initiatives and where emissions continue, they are compensated by absorbing an equivalent amount from the atmosphere through carbon offset.
Carbon Offset	Market-based instrument used to compensate for the emission of greenhouse gases into the atmosphere because of the organization's activity by reducing them somewhere else. Certified Emission Reductions (CERs) and Verified Emission Reductions (VERs) are some of the popular carbon offsets.
Cash and Cash Equivalents	Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash Flow	Inflows and outflows of cash and cash equivalents.
Cash Flow from Operating Activities	Primarily derived from the principal revenue producing activities. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss.
CBO	See Cognitive Business Operations
CC	See Constant Currency
Chatbots	Computer programs designed to simulate conversation with human users, especially over the internet. They are typically used in dialog systems for various practical purposes like customer service or information acquisition.
Cloud	See Cloud Computing
Cloud Computing	The delivery of easily provisionable computing resources – servers, storage, databases, networking, software, analytics and more – over the internet, consumed on a pay-as-you-go basis.
Cloud Native	A cloud native application consists of discrete, reusable components known as microservices that are designed to integrate into any cloud environment.
CMT	Acronym for Communication, Media and Technology
CMMI-SVC	Acronym for Capability Maturity Model® Integration For Services
Cognitive Automation	The use of AI and machine learning to automate relatively more complex tasks that require reasoning capability and contextual awareness. TCS' ignio™ a leading cognitive automation software product in the market today.
Cognitive Business Operations (CBO)	An integrated offering where TCS takes responsibility for the outcome of an entire slice of the customers' operations including the business processes and the underlying IT infrastructure, and uses cognitive automation to transform that operational stack.
Cognitive Computing	See Artificial Intelligence
COIN	See Co-Innovation Network
Co-Innovation Network	This is an extended, global innovation ecosystem curated by TCS, to harness the innovation efforts of start-ups and academia, and incorporate them into transformational solutions built by TCS for its customers.
Compounded Annual Growth Rate (CAGR)	The annual growth rate between any two points in time, assuming that it has been compounding during that period.
Connected Clinical Trials (CCT) Platform	Part of the TCS ADD suite, CCT is an innovative software-as-a-service platform that enables life sciences companies to significantly transform patient engagement in clinical trials and improve adherence to protocols, as well as the efficiency and accountability of clinical trials.
Constant Currency	The basis for restating the current period's metric at exchange rates applicable for the reference period and reporting growth over the reference period.
Contextual Knowledge	This is tacit knowledge pertaining to, and specific to, the granular nuances of a customer's business and IT landscape, acquired on the job over a period of time. TCS teams use their contextual knowledge to design technology solutions that are uniquely tailored for that customer, and therefore, a potential source of competitive differentiation.
Conversational AI	Conversational artificial intelligence (AI) refers to technologies, like chatbots or virtual agents, which users can talk to. They use large volumes of data, machine learning, and natural language processing to help imitate human interactions, recognizing speech and text inputs and translating their meanings across various languages.
Core Banking System	A back-end system that processes daily banking transactions and posts updates to accounts and other financial records; typically includes deposit, loan and credit processing capabilities, with interfaces to general ledger systems and reporting tools.
Core Transformation	Modernization initiatives that target the one or more elements of the organization's operations stack consisting of business processes, software systems and underlying infrastructure, usually to enable greater agility, scalability, resilience and a superior customer experience. These are typically large in scale and scope, and entail the integrated delivery of multiple capabilities.
CO2e	Acronym for "Carbon dioxide equivalent". It is a standard unit for accounting greenhouse gas (GHG) emissions from carbon dioxide or another greenhouse gases, such as SOX, NOX, methane, etc.
CPG	Acronym for Consumer Packaged Goods
Cyber Security	Technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access.
Data Mining	Data mining is the practice of obtaining valuable information from data sets. The data can be in any form, such as text, audio, or video data. Data mining aims to find actionable insights in the data that can improve business decisions or solve problems. For instance, data mining can discover customer buying patterns and target ads towards people who would likely purchase a product.
Days' Sales Outstanding (DSO)	A popular way of depicting the Trade Receivable relative to the company's Revenue. DSO = Trade Receivable * 365 / LTM Revenue

Deep Learning	Subset of machine learning that uses neural networks with many layers (deep neural networks) to analyze various factors and make decisions.
Depreciation	Systematic allocation of the depreciable amount of an asset over its useful life.
DevOps	Represents a new way of working to rapidly deploy new releases of a software in production using high levels of automation and tooling. TCS recommends adoption of DevOps, along with Agile for speed to market.
Digital	Represents technologies such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things.
Digital Divide	Digital Divide refers to the unequal spread of technology and the opportunities it affords between different socioeconomic groups in a society.
Digital Twin	A digital replica of a physical entity. For instance, a digital twin of a factory is a virtual model of the factory built using its data, process, people information. Impact of any change in a process in the real factory can be studied by simulating the change in the digital twin.
Discretionary Spend	Also known as Change the Business (CTB) spend, it is that portion of the IT budget which is used to fund projects that are not, strictly speaking, essential for day to day operations, but are more transformational in nature. In uncertain economic times, when businesses are forced to cut spends in response to decline in income, discretionary spend is often the first to be scrutinized. However, what is considered discretionary is subjective and may differ considerably amongst businesses even within the same sector.
Distributed Ledger Technology	See Blockchain
Dividend	One form of distribution of profits earned by the Company and is usually declared as an amount per equity share held by the Shareholders. TCS has a policy of declaring quarterly interim dividends and the final dividend is approved by the shareholders in the Annual General Meeting.
DLT	See Distributed Ledger Technology
EACs	Energy Attribute Certificates (EACs) are market-based instruments that can be used by the bearer to claim renewable energy consumption. Each EAC is equivalent to 1 MWh of electricity.
Earnings Per Share (EPS)	The amount of a given period's Net profit attributable to a single share after deducting any preference dividend and related taxes. EPS = [Net profit attributable to shareholders of the company – Preference dividend, if any] / Weighted average number of equity shares outstanding during the period
Edge Computing	Computing and storage that is located on servers on the edge of the network, in close proximity to the users, but not through an on-premises data center; usually reserved for low latency use cases.
Effective Tax Rate (ETR)	The proportion of the Profit Before Tax that is provided towards income taxes. ETR = Tax expense / Profit Before Tax
EIA	Acronym for Environmental Impact Assessment. It is an environmental impact study which needs to be conducted as per Ministry of Environment and Forest (MoEF) requirements for new construction/ expansion projects.
Engineering and Industrial Services	Consists of next generation product engineering, manufacturing operations transformation, services transformation, embedded software and Internet of Things.
Enterprise Agile	The adoption of Agile methods across all the business functions of the enterprise, designed to empower employees, foster collaboration and drive a culture of continuous innovation at scale.
Environment, Social and Governance	Environment, social and governance (ESG) is a system for how to measure the sustainability of a company in three specific categories: environment, social and governance.
EPEAT	Acronym for Electronic Product Environmental Assessment Tool
EPS	See Earnings Per Share
ESG	See Environment, Social and Governance
ETR	See Effective Tax rate
Fair Value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Fine Tuning	Process of slightly adjusting or tweaking the parameters of an existing model, which has already been pre-trained on a large dataset, to perform a specific task.
Fintech	Businesses that use technology to make financial services more efficient. Some fintech developments have improved traditional services, for example mobile banking apps, while others have revolutionized services such as pay per mile car insurance, or created new products, such as Bitcoin.
Framework	A kind of intellectual property, consisting of software which provides generic functionality for a certain business use case, and which is customized for a specific customer's needs with additional code. Use of such pre-built code reduces time to market and results in more stable, reliable solutions.
Free Cash Flow	Represents the cash a company generates through its operations, less the capital expenditure. Free cash flow = Cash flow from operating activities – Capital expenditure
FTE	Acronym Full Time Equivalent

Function Point	A function point is a granular building block of a software, based on a functional view of that system, represented by a code snippet whose logic helps the user accomplish something. The concept is used while estimating the effort for building a new application, by decomposing it into its constituent function points of varying levels of complexity.
Furlough	A temporary cessation of work without pay for the employees, usually implemented by organizations facing under difficult economic conditions, and in lieu of laying off employees.
Gamification	The process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation.
GDPR	Acronym for General Data Protection Regulation, a European Union regulation for data protection and privacy.
Generative AI	Generative AI describes any type of artificial intelligence (AI) that is is capable of generating new content, including text, images, video, audio, simulations, code or synthetic data. It involves the use of machine learning algorithms to learn patterns across a large data set and generate new content based on those patterns.
GHGs	Acronym for Greenhouse Gas. These are gases that trap heat in the atmosphere leading to global warming and climate change.
Global Capability Centers (GCC) / Captive units	Captive units include both MNC-owned units that undertake work for the parents' global operations and the company owned units of domestic firms, set up in offshore locations offering cheaper labor pool, helping the parent to reduce its operational costs.
Green-Tariff	Green tariffs are specialized retail tariffs that electricity distribution companies (discoms) charge for the sale of Renewable Energy (RE) to their consumers. Businesses can sign up for these tariffs and claim RE consumption, while discoms procure electricity on their behalf from RE project developers.
Growth and Transformation	Initiatives launched to improve the enterprise's revenues, leveraging technology to adopt new business models, drive new revenue streams, enhance customer experience or target new customer segments. This is in contrast to traditional outsourcing engagements where the focus is on improving efficiency and saving costs.
G&T	See Growth and Transformation
Hallucination	Tendency of large language models to make things up or provide output that seems plausible but is factually incorrect or unverifiable.
HVAC	Acronym for Heating Ventilation and Air Conditioning System
Hybrid Cloud	An enterprise IT infrastructure model that combines private clouds, public clouds and on premise data centers, to meet the compute and storage needs of the business.
IFRS S2	IFRS S2 is an international ESG reporting framework that requires an entity to disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. Note: IFRS is acronym of International Financial Reporting Standards
Innovation Days	Focused workshops with a TCS customer where researchers and business leaders from both organizations participate to explore emerging technologies for specific customer problems.
Innovation Forum	TCS' thought leadership event that is held in major and emerging markets. It brings together researchers from academia, innovators from the start-up ecosystem, technology watchers, futurists and customers to brainstorm around emerging technologies.
Inorganic Growth	Growth in revenue due to mergers, acquisitions or takeovers, rather than due to an increase in the company's own business activity.
Intellectual Property	An asset that is the result of a creative design or idea, such as patents, copyrights, reusable code, software products and platforms, and gives the owner exclusive rights over its usage, such that no one can copy or reuse the creation without the owner's permission.
Interactive Technology	Allows for a two-way flow of information through an interface between the user and the technology; the user usually communicates a request for data or action to the technology with the technology returning the requested data or result of the action back to the user.
Internet of Things	A network of interconnected machines or devices embedded with sensors, software, network connectivity, and necessary electronics to generate and share run-time data that can be studied and used to monitor or control remotely, predict failure, and optimize the design of those machines / devices.
Invested Funds	Funds that are highly liquid in nature and can be readily converted into cash. Invested funds = Cash and cash equivalents + Investments + Deposits with banks + Inter-corporate deposits.
Involuntary Attrition	A reduction in the workforce due to the employer's decision to terminate employment, instead of the employees' decision to leave.
IoT	See Internet of Things
IP	See Intellectual Property
ISO	Acronym for International Organization for Standardization
ISSB	Acronym for International Sustainability Standards Board
Key Managerial Personnel	At TCS, this refers to the Chief Executive Officer & Managing Director, Chief Operating Officer & Executive Director, Chief Financial Officer and the Company Secretary.

kL	Acronym for the unit kilo-liters used to measure volume. It is a unit used to measure and report water usage in TCS' offices.
KMP	See Key Managerial Personnel
kWh	Acronym for kilowatt hours used as a unit of measurement of electricity
Large Language Models	This is a language model used to train generative AI and consists of a neural network with many parameters (typically billions of weights), trained on large volumes of unlabeled text. By tracking words in sequences, it learns both context and meaning in language, enabling it to generate text artifacts that look they were written by humans.
LatAm	Acronym for Latin America
Location Independent Agile	A method to orchestrate globally distributed stakeholders and talent into Agile teams for improved speed to market in large transformational programs. It comprises processes, structure, and the technology that allows enterprises to overcome location constraints and embrace Agile methods on a global scale.
Low-Code, No Code	New software development platforms that offer a drag and drop user interface to allow business users to build custom web or mobile applications without actually having to write the code. The difference between the two is related to the extent of programming ability needed. The former might still require some amount of programming, while the latter is entirely drag and drop. In addition to boosting innovation within the enterprise, these platforms also drive-up productivity of programmers.
Machine First™ Delivery Model	A model that integrates analytics, AI and automation deep within the enterprise to redefine how humans and machines work together and to effectively deliver superior outcomes.
Machine Learning	A type of artificial intelligence that provides computers with the ability to learn behaviors without being explicitly programmed and relying on patterns and inference instead.
Managed Services	This is the practice of outsourcing to one service provider, also knowns as the Managed Services Provider (MSP), the end-to-end responsibility for providing, or orchestrating the provision through third party providers of, services around a range of processes and functions, in order to improve efficiency, service quality, agility and scalability.
Managed Services Provider	Service providers with the sole, end-to-end responsibility of providing Managed Services.
Market Capitalization	The total market value of a company's total outstanding equity shares at a point in time. Market Capitalization = Last Trading Price * Total number of outstanding shares
MEA	Acronym for Middle East and Africa
Metaverse	A virtual 3D environment that a user can experience explore on a computer or VR headset. Users can interact with each other in several ways, including social networking, gaming, and shopping.
MFDM™	Acronym for Machine First Delivery Model
Minimum Viable Product	The most basic version of a new product built in an agile development cycle, with the bare minimum functionality, made available to users at the earliest to get user feedback and validate product value with minimum investment. Once validated, its features and functionalities are continually augmented in subsequent iterative cycles.
MJ	Acronym for Mega Joule used as a unit of measurement of energy (electricity as well as fuel use)
Mobility	Digital technology which includes- Information, convenience, and social media all combined together, and made available across a variety of screen sizes and hand-held devices.
MSP	See Managed Services Provider
MVP	See Minimum Viable Product
MWh	Acronym for megawatt hours used as a unit of measurement of electricity. 1 MWh=1000kWh
Natural Language Processing	Branch of Artificial Intelligence that deals with the interaction between computers and humans through natural language, involving complex and challenging tasks such as speech recognition, natural language understanding, and natural language generation.
Net Zero	Greenhouse gases emitted into the atmosphere due the company's activity are minimized through a series of initiatives and the residual emission is compensated by removal of equivalent amount of GHG emissions elsewhere through carbon offsets.
Non-Controlling Interests	The share of the net worth attributable to non-controlling shareholders of the subsidiaries.
Non-discretionary Spend	Also known as Run the Business (RTB) spend, is that portion of the IT budget that covers the basic IT activities required to keep a business running. Even in tough economic times, non-discretionary spend remains relatively unaffected.
Operating Model	The manner in which processes are defined and activities are organized to create and deliver value to a target audience. An IT operating model covers activities around new system development, application and infrastructure support whereas business operating models address execution of actions specific to a business function.
Operating Model Transformation	Redefining individual processes by embedding AI, machine learning and other forms of automation to reduce the need for human intervention, resulting in a leaner operating model that is faster, more agile and more resilient. Such transformations – whether in IT or business – can be significantly accelerated by the use of TCS Cognix.

Options Contract	A hedging instrument that offers the buyer the right to buy or sell the underlying asset (such as stocks or currency) on a future date, at a specified price, for small upfront fee called options premium. Eg: TCS purchases an options contract to sell USD 1 million @ ₹87/US$ after 3 months, paying an option premium of ₹1 million. With this, TCS will have the right to sell USD 1 million at an exchange rate of ₹87, even if the prevailing market rate at the end of three months is, say ₹85. On the other hand, if the market rate is higher, say ₹89, then TCS can choose to let the options contract lapse and instead sell at the market rate.
Order Book	See Total Contract Value
Organic Growth	The revenue growth a company can achieve by increasing its existing business activity. This does not include growth attributable to takeovers, acquisitions or mergers.
PAS 2060	It is an internationally recognized standard by the British Standards Institution to verify and substantiate an organization' claim of carbon neutrality.
PaaS	See Platform as a Service
Personalization	Segmentation and responding to individual transactions, customized for a single customer in a single instance.
Platforms	A group of technologies that are used as a base upon which other applications, processes or technologies are developed. Useful for optimizing costs and efforts, and eliminating iterative tasks to drive strategic business initiatives.
Platform as a Service (PaaS)	A category of cloud computing that provides a platform and environment to allow developers to build applications and services over the internet. PaaS services are hosted in the cloud and accessed by users simply via their web browser.
Power Usage Effectiveness	It is the ratio of total amount of electricity used by a data center facility to the electricity used by the computing equipment in the data center.
Pricing	The price charged to the customer for a billable effort, turnkey project or a certain process outcome, depending on the nature of the contract. See Realization.
Private Cloud	Refers to a model of cloud computing where IT infrastructure, in terms of compute and storage resources, are provisioned for the dedicated use of a single organization.
Product	In the technology context, refers to a packaged software program that is made available to multiple customers either on a license basis, or on a subscription basis, to enable the execution of certain common tasks or processes or business functions in a standardized way. This is the opposite of bespoke or custom software which is built to specifications to meet a customer's unique needs.
Prompt	A specific instruction, question, or input provided to an AI model to guide its generation of content.
Prompt Engineering	Prompt engineering is the process of writing, refining and optimizing inputs to encourage GenAI systems to create specific, high-quality outputs.
Public Cloud	A computing service model used for the provisioning of storage and computational services to the general public over the internet. Public cloud facilitates access to IT resources on a 'pay as you go' billing model.
PUE	See Power Usage Effectiveness
R&I	Acronym for Research & Innovation
Realization	The revenue received by the company per utilized effort. Pricing varies by service and by market. Consequently, there can be changes in realization compared to a prior period, due to changes in the underlying business or geographic mix during the period.
RECs/ GOs	Renewable Energy Certificates / Guarantees of Origin are EACs used in different markets.
Related Party Transactions	Any transaction between a company and its related party involving transfer of services, resources or any obligation, regardless of whether a price is charged.
Responsible AI	Responsible Artificial Intelligence is an approach to developing, assessing, and deploying AI systems in a safe, trustworthy, and ethical way.
Revenue	The income earned by the company from operations by providing IT and consulting services, software licenses, and hardware equipment to customers.
RFP	Acronym for Request for Proposal, meaning a document that solicits proposal, often made through a bidding process, by an entity interested in procurement of IT services, to potential service providers to submit business proposals. An RFP is floated early in the procurement cycle and requested information may include basic corporate information and history, financial information, technical capability and estimated completion period, and customer references.
Robotic Process Automation	The use of software tools to automate high-volume, repeatable tasks that previously required humans to perform. RPA is best suited for relatively simple and stable processes. Dynamic changes in the environment require ongoing upkeep of the robots, diluting the economic benefit of the automation. Increasingly, customers are preferring cognitive automation over RPA.
RPA	See Robotic Process Automation
Scope 1, Scope 2, Scope 3 emissions	Green house gas emission accounting categories as per the Greenhouse Gas Protocol.
Security Operations Center	A Security Operations Center is responsible for protecting an organization against cyber threats. SOC analysts perform round-the-clock monitoring of an organization's network and investigate any potential security incidents.

SEZ	See Special Economic Zone
Shareholder Payout Ratio	The proportion of earnings paid to shareholders as a percentage of the company's earnings, i.e. Net profit attributable to shareholders of the company. Payout can be in the form of dividend and share buyback, including taxes thereon.
Simplification	The rationalization of IT architectures through consolidation of systems and elimination of redundant systems and layers. The primary purpose is to shrink the IT footprint and make operations leaner and more efficient.
SOC	See Security Operations Center
Sole Sourced Contract	Non-competitive agreements that allow a single vendor to fulfill the needs of the contractual requirements. These types of contracts can be won when the competitor set narrows down significantly and comes down to a single vendor discussion, given the nature of the client's solution requirements.
Special Economic Zone	In India, these are designated areas in which business and trade laws are different from the rest of the country, with various benefits and tax breaks to promote exports, attract investments, and create local jobs.
STEM	An acronym for education in the fields of science, technology, engineering and math.
T&M	See Time and Materials Contract
tCO2e	Acronym for tonnes of carbon dioxide equivalent
TCS Pace™	A brand promise that represents the way TCS channels its domain knowledge and organizational units – business and technology services, industry solutions units, and the research and innovation organization – into internal and external co-innovation programs.
TCS Pace Port™	Physical spaces where TCS Pace can be experienced. These spaces are close to academic and start-up hubs, and enclose innovation showcases, Agile workspaces and think spaces. They encourage brainstorming, design thinking and collaborative innovation with internal and external partners.
TCV	See Total Contract Value
Time and Materials Contract	A form of services contract where the customer is billed for the effort (in hours, days, weeks, etc.) logged by the project team members. Project risk is borne by the customer. This contrasts with Fixed Price Contracts.
Total Contract Value	An aggregation of the value of all the contracts signed during a period and a useful indicator of demand, and near-term business visibility.
Turnkey Contracts	See Fixed Price Contracts
Unearned and Deferred Revenue	For invoices raised in line with agreed milestones for services yet to be delivered. In other words, it is the amount that has been invoiced although the underlying effort is yet to be expended.
UPS	Acronym for Uninterruptible Power Supply. It is an electrical device that combines surge protection with a battery back-up.
Vendor Consolidation	A strategy to reduce costs and the overheads of managing a large number of vendors. Usually entails aggregating work currently outsourced to many small providers, and transferring it to a smaller, select set of winning bidders. Besides cost reduction, clients use this to reduce complexity and accelerate their cloud transformation journeys. Selecting a single strategic partner with end-to-end capabilities to maintain the legacy estate and support the modernization drives efficiency, accountability and speed.
VFD	Acronym for Variable frequency drive. It is used to regulate the electrical frequency (Hz) of the power supplied to a chiller so that the compressor speed and condenser fan speed (air-cooled chillers only) can be controlled.
Virtual Reality	Artificial, computer-generated simulation or recreation of a real-life environment or situation. It engages users by offering simulated reality experiences firsthand, primarily by stimulating their vision and hearing.
Virtualization	The abstraction of IT resources – like a server, client, storage or network – that masks the physical nature and boundaries of those resources from the users of those resources.
Voluntary Attrition	Refers to reduction in workforce resulting from employees willingly leaving the organization to pursue other opportunities, spend time with family, or for some other personal reason.
VR	See Virtual Reality
VRF	Acronym for Variable refrigerant flow. Variable refrigerant flow is an air-conditioning system in which multiple indoor units and a single outdoor condensing unit are available. It is precisely the system's capability that helps to control the amount of refrigerant flowing to the indoor units.
XR	Extended reality, an umbrella term that covers augmented reality, virtual reality and mixed reality.
Y-o-Y	Year-on-Year
ZWL	Zero Waste to Landfill- It is a specific goal that can be independently verified. The common interpretation means that at least 99 percent of generated waste is diverted away from landfill, i.e. all waste produced is either reused, recycled, composted, or sent to energy recovery.
Fixed Price Contracts	A form of services contracts where the vendor takes a turnkey responsibility for delivering a solution for a certain price and within a mutually agreed timeframe. The customer is billed on completion of key project milestones and related deliverables. This arrangement gives the vendor considerable flexibility in the staffing and execution of the project. On the other hand, it also means bearing the project risk.

Disclaimer: This glossary is intended to help understand commonly used terms and phrases in this report. The explanations are not intended to be technical definitions. If explanations provided here are found to be different from what is described in the Company's periodic financial statements (not limited to Notes to Accounts), then the definition provided in the certified financial statements will prevail.

Stakeholder Engagement

Customer
Asia Pacific Customer Summit

Employee
Employee Townhall

Vendor Partners
AWS rings the closing bell at Nasdaq with TCS

(Photo credit: Nasdaq, Inc. / Vanja Savic)

Government
Texas Governor visit to Executive Briefing Centre, Mumbai, India

Industry Bodies
CEO speaking at Nasscom Technology and Leadership Forum '2024

Local Community
Bridge IT

Local Community
goIT

International organizations, Forum Partners, Media
TCS joining global leaders at WEF in Davos, Switzerland

TCS Safe Harbor Clause

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to, our ability to manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property, cyber attacks or security breaches, pandemics, natural disasters and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

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