**TATA CONSULTANCY SERVICES LIMITED**
**Unaudited consolidated interim statement of financial position**

| | Note | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|---|
| | | (In million of USD) | |
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 9(a) | 716 | 976 |
| Bank deposits | | 880 | 727 |
| Investments | 9(b) | 4,373 | 3,592 |
| Trade receivables | | | |
| Billed | 9(c) | 6,102 | 5,869 |
| Unbilled | | 1,027 | 1,042 |
| Other financial assets | 9(d) | 253 | 428 |
| Income tax assets (net) | | 76 | 30 |
| Other assets | 11(d) | 1,720 | 1,730 |
| **Total current assets** | | **15,147** | **14,394** |
| **Non-current assets** | | | |
| Bank deposits | | 222 | 200 |
| Investments | 9(b) | 26 | 32 |
| Trade receivables | | | |
| Billed | 9(c) | 13 | 11 |
| Unbilled | | 20 | 4 |
| Other financial assets | 9(d) | 274 | 123 |
| Income tax assets (net) | | 176 | 184 |
| Deferred tax assets (net) | 15 | 426 | 415 |
| Property, plant and equipment | 11(a) | 1,530 | 1,514 |
| Right-of-use assets | 10 | 1,204 | 1,086 |
| Goodwill | 11(b) | 474 | 471 |
| Other intangible assets | 11(c) | 61 | 109 |
| Other assets | 11(d) | 399 | 388 |
| **Total non-current assets** | | **4,825** | **4,537** |
| **TOTAL ASSETS** | | **19,972** | **18,931** |
| **LIABILITIES AND EQUITY** | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Lease liabilities | | 196 | 182 |
| Trade payables | | 1,604 | 1,628 |
| Other financial liabilities | 9(e) | 972 | 1,000 |
| Unearned and deferred revenue | | 394 | 471 |
| Other liabilities | 11(e) | 821 | 841 |
| Provisions | 11(f) | 23 | 21 |
| Employee benefit obligations | 16 | 582 | 571 |
| Income tax liabilities (net) | | 1,633 | 1,488 |
| **Total current liabilities** | | **6,225** | **6,202** |
| **Non-current liabilities** | | | |
| Lease liabilities | | 1,035 | 917 |
| Other financial liabilities | 9(e) | 65 | 80 |
| Employee benefit obligations | 16 | 103 | 98 |
| Deferred tax liabilities (net) | 15 | 122 | 114 |
| Unearned and deferred revenue | | 80 | 61 |
| **Total non-current liabilities** | | **1,405** | **1,270** |
| **TOTAL LIABILITIES** | | **7,630** | **7,472** |
| **Equity** | | | |
| Share capital | 9(j) | 68 | 68 |
| Retained earnings | | 17,725 | 16,245 |
| Other equity | | (5,571) | (4,976) |
| **Equity attributable to shareholders of the Company** | | **12,222** | **11,337** |
| Non-controlling interests | | 120 | 122 |
| **TOTAL EQUITY** | | **12,342** | **11,459** |
| **TOTAL LIABILITIES AND EQUITY** | | **19,972** | **18,931** |

**See accompanying notes to unaudited consolidated interim financial statements**

**TATA CONSULTANCY SERVICES LIMITED**

**Unaudited consolidated interim statement of profit or loss and other comprehensive income**

| | Note | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|---|
| | | (In million of USD, except shares and per share data) | | | |
| **Revenue** | 12 | 7,466 | 7,670 | 14,887 | 15,175 |
| **Cost of revenue** | | 4,512 | 4,741 | 9,029 | 9,255 |
| **Gross profit** | | **2,954** | **2,929** | **5,858** | **5,920** |
| **Operating expenses** | | | | | |
| **Selling, general and administrative expenses** | | | | | |
| Re-structuring expenses | | 129 | - | 129 | - |
| Other | | 1,075 | 1,083 | 2,164 | 2,223 |
| **Total Selling, general and administrative expenses** | | **1,204** | **1,083** | **2,293** | **2,223** |
| **Operating profit** | | **1,750** | **1,846** | **3,565** | **3,697** |
| **Other income** | | | | | |
| Finance and other income | 14(a) | 85 | 97 | 252 | 192 |
| Finance costs | 14(b) | (26) | (19) | (48) | (40) |
| Other gains (net) | 14(c) | 14 | (10) | 41 | 10 |
| **Other income (net)** | | **73** | **68** | **245** | **162** |
| **Profit before taxes** | | **1,823** | **1,914** | **3,810** | **3,859** |
| Income tax expense | 15 | 447 | 487 | 934 | 982 |
| **Profit for the period** | | **1,376** | **1,427** | **2,876** | **2,877** |
| **Other comprehensive income (OCI)** | | | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | | | |
| Remeasurement of defined employee benefit plans | | 4 | (3) | 5 | 1 |
| Net change in fair value of investments in equity shares carried at fair value through OCI | | - | (1) | 4 | (1) |
| **Items that will be reclassified subsequently to profit or loss** | | | | | |
| Net change in fair value of investments other than equity shares carried at fair value through OCI | | (30) | 35 | (12) | 40 |
| Net change in intrinsic value of derivatives designated as cash flow hedges | | (2) | (1) | (1) | (1) |
| Net change in time value of derivatives designated as cash flow hedges | | 1 | (1) | (3) | (1) |
| Exchange differences on translation of foreign operations and translation to presentation currency | | (348) | 52 | (264) | 12 |
| **Total other comprehensive income / (losses), net of tax** | | **(375)** | **81** | **(271)** | **50** |
| **Total comprehensive income for the period** | | **1,001** | **1,508** | **2,605** | **2,927** |
| **Profit for the period attributable to:** | | | | | |
| Shareholders of the Company | | 1,370 | 1,421 | 2,863 | 2,864 |
| Non-controlling interests | | 6 | 6 | 13 | 13 |
| | | **1,376** | **1,427** | **2,876** | **2,877** |
| **Other comprehensive income for the period attributable to:** | | | | | |
| Shareholders of the Company | | (372) | 73 | (271) | 45 |
| Non-controlling interests | | (3) | 8 | - | 5 |
| | | **(375)** | **81** | **(271)** | **50** |
| **Total comprehensive income for the period attributable to:** | | | | | |
| Shareholders of the Company | | 998 | 1,494 | 2,592 | 2,909 |
| Non-controlling interests | | 3 | 14 | 13 | 18 |
| | | **1,001** | **1,508** | **2,605** | **2,927** |
| **Earnings per share** | | | | | |
| Weighted average number of equity shares | | 3,618,087,518 | 3,618,087,518 | 3,618,087,518 | 3,618,087,518 |
| Basic and diluted earnings per share in USD | 17 | 0.38 | 0.39 | 0.79 | 0.79 |

**See accompanying notes to unaudited consolidated interim financial statements**

**TATA CONSULTANCY SERVICES LIMITED**

**Unaudited consolidated interim statement of changes in equity**

| | Number of shares | Share capital | Retained earnings | Special Economic Zone re-investment reserve | Foreign currency translation reserve | Cash flow hedging reserve | | Investment revaluation reserve | Equity attributable to shareholders of the Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Intrinsic value | Time value | | | | |
| | (In million of USD, except share data) | | | | | | | | | | |
| **Balance as at April 1, 2025** | **361,80,87,518** | **68** | **16,245** | **315** | **(5,345)** | **(9)** | **(12)** | **75** | **11,337** | **122** | **11,459** |
| Profit for the period | - | - | 2,863 | - | - | - | - | - | 2,863 | 13 | 2,876 |
| Other comprehensive income / (losses) | - | - | 5 | - | (264) | (1) | (3) | (8) | (271) | - | (271) |
| **Total comprehensive income** | **-** | **-** | **2,868** | **-** | **(264)** | **(1)** | **(3)** | **(8)** | **2,592** | **13** | **2,605** |
| Dividend | - | - | (1,707) | - | - | - | - | - | (1,707) | (15) | (1,722) |
| Transfer from Special Economic Zone re-investment reserve | - | - | 315 | (315) | - | - | - | - | - | - | - |
| Realised gain on equity shares carried at fair value through OCI | - | - | 4 | - | - | - | - | (4) | - | - | - |
| **Balance as at September 30, 2025** | **3,61,80,87,518** | **68** | **17,725** | **-** | **(5,609)** | **(10)** | **(15)** | **63** | **12,222** | **120** | **12,342** |
| **Balance as at April 1, 2024** | **3,61,80,87,518** | **68** | **13,980** | **2,099** | **(5,049)** | **(9)** | **(11)** | **26** | **11,104** | **101** | **11,205** |
| Profit for the period | - | - | 2,864 | - | - | - | - | - | 2,864 | 13 | 2,877 |
| Other comprehensive income / (losses) | - | - | 1 | - | 7 | (1) | (1) | 39 | 45 | 5 | 50 |
| **Total comprehensive income** | **-** | **-** | **2,865** | **-** | **7** | **(1)** | **(1)** | **39** | **2,909** | **18** | **2,927** |
| Dividend | - | - | (1,648) | - | - | - | - | - | (1,648) | (11) | (1,659) |
| Transfer from Special Economic Zone re-investment reserve | - | - | 691 | (691) | - | - | - | - | - | - | - |
| **Balance as at September 30, 2024** | **3,61,80,87,518** | **68** | **15,888** | **1,408** | **(5,042)** | **(10)** | **(12)** | **65** | **12,365** | **108** | **12,473** |

**See accompanying notes to unaudited consolidated interim financial statements**

*Amount less than $0.50 million.

Gain of $5 million and $1 million on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for six months ended September 30, 2025 and 2024, respectively.

Retained earnings include statutory reserve of $32 million and $29 million as at September 30, 2025 and 2024, respectively.

Total equity (primarily retained earnings) includes $183 million and $193 million as at September 30, 2025 and 2024, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

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

| | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|
| | (In million of USD) | |
| **Cash flows from operating activities** | | |
| **Profit for the period** | 2,876 | 2,877 |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 319 | 297 |
| Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net) | 7 | 7 |
| Income tax expense | 934 | 982 |
| Net gain on lease modification | (1) | (1) |
| Unrealised foreign exchange gain | (11) | (2) |
| Net gain on disposal of property, plant and equipment | - | (1) |
| Net gain on disposal / fair valuation of investments | (10) | - |
| Net gain on fair valuation of call option | (5) | - |
| Dividend reinvested | 2 | (1) |
| **Operating profit before working capital changes** | **4,111** | **4,158** |
| **Net change in** | | |
| Trade receivables | | |
| Billed | (260) | (552) |
| Unbilled | 15 | 129 |
| Other financial assets | (16) | (80) |
| Other assets | (49) | (111) |
| Trade payables | (120) | 303 |
| Unearned and deferred revenue | (57) | (41) |
| Other financial liabilities | 69 | (92) |
| Other liabilities and provisions | 19 | 91 |
| **Cash flows generated from operations** | **3,712** | **3,805** |
| Taxes paid (net of refunds) | (701) | (1,042) |
| **Net cash flows generated from operating activities** | **3,011** | **2,763** |

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

| | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|
| | (In million of USD) | |
| **Cash flows from investing activities** | | |
| Bank deposits placed | (519) | (469) |
| Inter-corporate deposits placed | (88) | - |
| Purchase of investments* | (8,502) | (8,252) |
| Payment for purchase of property, plant and equipment | (224) | (178) |
| Payment including advances for acquiring right-of-use assets | (6) | (11) |
| Payment for purchase of intangible assets | (16) | (13) |
| Acquisition of assets (Refer note 20) | (64) | - |
| Advance towards acquisition of investment | (28) | - |
| Proceeds from bank deposits | 393 | 48 |
| Proceeds from inter-corporate deposits | - | 7 |
| Proceeds from disposal / redemption of investments* | 7,583 | 7,731 |
| Proceeds from disposal of property, plant and equipment | 1 | 1 |
| **Net cash flows used in investing activities** | **(1,470)** | **(1,136)** |
| **Cash flows from financing activities** | | |
| Repayment of lease liabilities[1] | (107) | (100) |
| Dividend paid | (1,707) | (1,648) |
| Dividend paid to non-controlling interests | (15) | (11) |
| **Net cash flows used in financing activities** | **(1,829)** | **(1,759)** |
| **Net change in cash and cash equivalents** | **(288)** | **(132)** |
| Cash and cash equivalents at the beginning of the period | 976 | 1,081 |
| Exchange difference on translation of foreign currency cash and cash equivalents | 28 | 24 |
| **Cash and cash equivalents at the end of the period** | **716** | **973** |
| **Components of cash and cash equivalents** | | |
| Cash at banks and in hand | 349 | 323 |
| Bank deposits (original maturity less than three months) | 367 | 650 |
| | **716** | **973** |
| **Supplementary cash flow information** | | |
| Interest paid | 52 | 40 |
| Interest received | 162 | 156 |
| Dividend received | 4 | 2 |

**See accompanying notes to unaudited consolidated interim financial statements**

* Purchase of investments include $14 million and $5 million for six months ended September 30, 2025 and 2024, respectively, and proceeds from disposal / redemption of investments include $7 million and $16 million for six months ended September 30, 2025 and 2024, respectively, held by trusts and TCS Foundation held for specified purposes.

[1] Changes in lease liabilities including both changes arising from cash flows and non-cash changes are given in note 10.

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

## 1) Corporate information

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

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at September 30, 2025, Tata Sons Private Limited, the holding company owned 71.74% of the Company's equity share capital.

## 2) Statement of compliance

These unaudited consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including requirement of International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

## 3) Basis of preparation

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

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

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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

## 4) Basis of consolidation

The Company consolidates all entities which are controlled by it.

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

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

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

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

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

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

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

**5) Use of estimates and judgements**

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

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

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

**(a) Revenue recognition**

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

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

**(b) Useful lives of property, plant and equipment**

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

**(c) Impairment of goodwill**

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

**(d) Fair value measurement of financial instruments**

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

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

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

**(f) Deferred tax assets**

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

**(g) Provisions and contingent liabilities**

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

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

**(h) Employee benefits**

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

**(i) Leases**

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

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

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

## 6) Nature and purpose of reserves

**(a) Retained earnings**

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

**(b) Special Economic Zone re-investment reserve**

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

**(c) Foreign currency translation reserve**

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

**(d) Cash flow hedging reserve**

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

**(e) Investment revaluation reserve**

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

## 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 9 and IFRS 7[1]
Annual Improvements to IFRS Accounting Standards[1] – Amendments to:

- IFRS 1 – First-time Adoption of International Financial Reporting Standards
- IFRS 7 – Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IAS 7 – Statement of Cash flows

IFRS 18 – Presentation and Disclosures in Financial Statements[2]
IFRS 19 – Subsidiaries without Public Accountability: Disclosures[2]

[1] Effective for annual periods beginning on or after January 1, 2026.
[2] Effective for annual periods beginning on or after January 1, 2027.

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

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

In December 2024, the IASB issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance. The amendments include: clarifying the application of the 'own-use' requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The Group does not expect this amendment to have any significant impact in its financial statements.

**Annual Improvements to IFRS Accounting Standards**

In July 2024, the IASB issued narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards. Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard or correct relatively minor unintended consequences or oversights in the Accounting Standards. They also correct minor conflicts between the requirements of the Accounting Standards. The Group does not expect these narrow amendments 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.

**IFRS 19 – Subsidiaries without Public Accountability: Disclosures**

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

**8) Business combinations**

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

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

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.

Acquisition that does not meet the definition of 'business' in accordance with IFRS - 3 Business Combinations is treated as acquisition of assets.

**9) Financial assets, financial liabilities and equity instruments**

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

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

**Cash and cash equivalents**

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

**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 September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Cash at banks and in hand | 349 | 402 |
| Bank deposits (original maturity less than three months) | 367 | 574 |
| **Total** | **716** | **976** |
| | | |
| Held within India | 50 | 141 |
| Held outside India | 666 | 835 |
| **Total** | **716** | **976** |

## (b) Investments

Investments consist of the following:

**Investments – Current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Investments carried at fair value through profit or loss** | | |
| Mutual fund units | 785 | 340 |
| | **785** | **340** |
| **Investments carried at fair value through OCI** | | |
| Government bonds and securities | 2,689 | 2,791 |
| Corporate bonds and debentures | 727 | 460 |
| | **3,416** | **3,251** |
| **Investments carried at amortised cost** | | |
| Corporate bonds | 5 | 1 |
| Certificate of deposits | 80 | - |
| Commercial papers | 87 | - |
| | **172** | **1** |
| **Total** | **4,373** | **3,592** |

Investments – Current includes $27 million and $9 million as at September 30, 2025 and March 31, 2025, 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 $304 million and $316 as at September 30, 2025 and March 31, 2025, respectively.

**Investments – Non-current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Investments designated at fair value through OCI** | | |
| Equity shares | - | 1 |
| | **-** | **1** |
| **Investments carried at amortised cost** | | |
| Government bonds and securities | 18 | 22 |
| Corporate bonds | 8 | 9 |
| | **26** | **31** |
| **Total** | **26** | **32** |

Investments – Non-current includes $26 million and $31 million as at September 30, 2025 and March 31, 2025, 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:

| | Six months ended September 30, 2025 | Year ended March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | **75** | **26** |
| Net gain / (loss) arising on revaluation of investments in equities designated at fair value through other comprehensive income | 4 | (3) |
| Net cumulative gain reclassified to retained earnings on sale of investments in equities carried at fair value through other comprehensive income | (4) | - |
| Net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income | (7) | 71 |
| Deferred tax relating to net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income | 2 | (18) |
| Net cumulative gain reclassified to profit or loss on sale of investments other than equities carried at fair value through other comprehensive income | (9) | (1) |
| Deferred tax relating to net cumulative gain reclassified to profit or loss on sale of investments other than equities carried at fair value through other comprehensive income | 2 | - |
| **Balance at the end of the period** | **63** | **75** |

**(c) Trade receivables - Billed**

Trade receivables - Billed consist of the following:

**Trade receivables - Billed – Current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Trade receivables - Billed | 6,175 | 5,940 |
| Less: Allowance for expected credit losses | (73) | (71) |
| **Total** | **6,102** | **5,869** |

**Trade receivables - Billed – Non-current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Trade receivables - Billed | 95 | 92 |
| Less: Allowance for expected credit losses | (82) | (81) |
| **Total** | **13** | **11** |

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

### (d) Other financial assets

Other financial assets consist of the following:

**Other financial assets – Current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Security deposits | 26 | 40 |
| Fair value of foreign exchange derivative assets | 11 | 51 |
| Interest receivable | 100 | 104 |
| Earmarked balances with banks | 32 | 106 |
| Loans and advances to employees | 41 | 34 |
| Others | 43 | 93 |
| **Total** | **253** | **428** |

**Other financial assets – Non-current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Security deposits | 112 | 91 |
| Earmarked balances with banks | 32 | 29 |
| Interest receivable | 6 | - |
| Inter-corporate deposits | 84 | - |
| Advance towards acquisition of investment | 28 | - |
| Fair value of call option | 5 | - |
| Others | 7 | 3 |
| **Total** | **274** | **123** |

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

Inter-corporate deposits yield fixed interest rate and are placed with financial institutions (related parties), who are authorised to accept and use such inter-corporate deposits as per regulations applicable to them.

Interest receivable includes $14 million and $22 million as at September 30, 2025 and March 31, 2025, 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 September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Capital creditors | 79 | 84 |
| Fair value of foreign exchange derivative liabilities | 28 | 18 |
| Liabilities towards customer contracts | 147 | 154 |
| Accrued payroll | 697 | 639 |
| Unclaimed dividends | 7 | 7 |
| Liabilities towards acquisition of assets (Refer note 20) | - | 65 |
| Others | 14 | 33 |
| **Total** | **972** | **1,000** |

**Other financial liabilities – Non-current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Capital creditors | 1 | 7 |
| Liabilities towards customer contracts | 29 | 37 |
| Others | 35 | 36 |
| **Total** | **65** | **80** |

Others include advance taxes paid of $25 million and $26 million as at September 30, 2025 and March 31, 2025, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

**(f) Financial instruments by category**

The carrying value of financial instruments by categories as at September 30, 2025 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 | - | - | - | - | 716 | 716 |
| Bank deposits | - | - | - | - | 1,102 | 1,102 |
| Investments | 785 | 3,416 | - | - | 198 | 4,399 |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 6,115 | 6,115 |
| Unbilled | - | - | - | - | 1,047 | 1,047 |
| Earmarked balances with banks | - | - | - | - | 64 | 64 |
| Other financial assets | 5 | - | 3 | 8 | 447 | 463 |
| **Total** | **790** | **3,416** | **3** | **8** | **9,689** | **13,906** |
| **Financial liabilities** | | | | | | |
| Trade payables | - | - | - | - | 1,604 | 1,604 |
| Lease liabilities | - | - | - | - | 1,231 | 1,231 |
| Other financial liabilities | - | - | - | 28 | 1,009 | 1,037 |
| **Total** | **-** | **-** | **-** | **28** | **3,844** | **3,872** |

Other financial assets include inter-corporate deposits of $84 million with original maturity of maximum 24 months.

The carrying value of financial instruments by categories as at March 31, 2025 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 | - | - | - | - | 976 | 976 |
| Bank deposits | - | - | - | - | 927 | 927 |
| Investments | 340 | 3,252 | - | - | 32 | 3,624 |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 5,880 | 5,880 |
| Unbilled | - | - | - | - | 1,046 | 1,046 |
| Earmarked balances with banks | - | - | - | - | 135 | 135 |
| Other financial assets | - | - | 4 | 47 | 365 | 416 |
| **Total** | **340** | **3,252** | **4** | **47** | **9,361** | **13,004** |
| **Financial liabilities** | | | | | | |
| Trade payables | - | - | - | - | 1,628 | 1,628 |
| Lease liabilities | - | - | - | - | 1,099 | 1,099 |
| Other financial liabilities | - | - | - | 18 | 1,062 | 1,080 |
| **Total** | **-** | **-** | **-** | **18** | **3,789** | **3,807** |

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at September 30, 2025 and March 31, 2025, 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 $198 million and $32 million as at September 30, 2025 and March 31, 2025, 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.

**TATA CONSULTANCY SERVICES LIMITED**
**Notes to unaudited consolidated interim 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 September 30, 2025 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In million of USD) | | |
| **Financial assets** | | | | |
| Mutual fund units | 785 | - | - | 785 |
| Equity shares | - | - | - | - |
| Government bonds and securities | 2,707 | - | - | 2,707 |
| Corporate bonds and debentures | 740 | - | - | 740 |
| Certificate of deposits | 80 | - | - | 80 |
| Commercial papers | 87 | - | - | 87 |
| Fair value of foreign exchange derivative assets | - | 11 | - | 11 |
| Fair value of call option | - | - | 5 | 5 |
| **Total** | **4,399** | **11** | **5** | **4,415** |
| **Financial liabilities** | | | | |
| Fair value of foreign exchange derivative liabilities | - | 28 | - | 28 |
| **Total** | **-** | **28** | **-** | **28** |

| As at March 31, 2025 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In million of USD) | | |
| **Financial assets** | | | | |
| Mutual fund units | 340 | - | - | 340 |
| Equity shares | - | - | 1 | 1 |
| Government bonds and securities | 2,813 | - | - | 2,813 |
| Corporate bonds and debentures | 470 | - | - | 470 |
| Fair value of foreign exchange derivative assets | - | 51 | - | 51 |
| **Total** | **3,623** | **51** | **1** | **3,675** |
| **Financial liabilities** | | | | |
| Fair value of foreign exchange derivative liabilities | - | 18 | - | 18 |
| **Total** | **-** | **18** | **-** | **18** |

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

| | Six months ended September 30, 2025 | Year ended March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | **1** | **4** |
| Additions during the period | 5 | - |
| Change in fair value of investments | 4 | - |
| Impairment in value of investments | - | (3) |
| Disposal during the period | (5) | - |
| **Balance at the end of the period** | **5** | **1** |

If the volatility increases / decreases by 1%, the fair value of call option would increase / (decrease) as follows:

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Increase of 1% | -* | - |
| Decrease of 1% | -* | - |

*Amount less than $0.50 million.

If the risk free interest rate increases / decreases by 0.50%, the fair value of call option would increase / (decrease) as follows:

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Increase of 0.50% | -* | - |
| Decrease of 0.50% | -* | - |

*Amount less than $0.50 million.

Following table describes the valuation techniques used and key inputs thereto for the level 3 financial assets:

| Financial assets | Valuation technique | Significant unobservable input | Significant unobservable input range | | Inter-relationship between significant unobservable input and fair value measurement |
|---|---|---|---|---|---|
| | | | As at September 30, 2025 | As at March 31, 2025 | |
| Call option | Black-Scholes Option Pricing Model | Volatility of the property price | 20.00% | - | The estimated fair value of call option will Increase / (decrease) if the volatility of the property price is higher / (lower) |
| | | Risk free interest rate | 5.81% | - | The estimated fair value of call option will Increase / (decrease) if the risk free interest rate is higher / (lower) |

**(h) Derivative financial instruments and hedging activity**

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

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

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

| | As at September 30, 2025 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|
| Foreign currency | 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 | 10 | 250 | - | - | - | - |
| Great Britain Pound | 27 | 270 | 2 | 23 | 220 | 2 |
| Euro | 26 | 270 | 1 | 25 | 235 | 2 |

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

| | Six months ended September 30, 2025 | | Year ended March 31, 2025 | |
|---|---|---|---|---|
| | Intrinsic value | Time value | Intrinsic value | Time value |
| | (In million of USD) | | | |
| **Balance at the beginning of the period** | **(9)** | **(12)** | **(9)** | **(11)** |
| (Gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions | - | (18) | (23) | 27 |
| Deferred tax on (gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions | - | 4 | 6 | (7) |
| Change in the fair value of effective portion of cash flow hedges | (1) | 15 | 23 | (28) |
| Deferred tax on change in the fair value of effective portion of cash flow hedges | - | (4) | (6) | 7 |
| **Balance at the end of the period** | **(10)** | **(15)** | **(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 September 30, 2025 and March 31, 2025, the notional amount of outstanding contracts aggregated to $6,947 million and $7,608 million, respectively and the respective fair value of these contracts have a net loss of $20 million and gain of $29 million.

Exchange loss of $111 million and $75 million on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in profit or loss for three months ended September 30, 2025 and 2024, respectively.

Exchange loss of $144 million and $77 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 six months ended September 30, 2025 and 2024, respectively.

Net foreign exchange gain / (loss) include loss of $12 million and $6 million transferred from cash flow hedging reserve to profit or loss on occurrence of forecasted hedge transactions for three months ended September 30, 2025 and 2024, respectively.

Net foreign exchange gain / (loss) include loss of $18 million and $10 million transferred from cash flow hedging reserve to profit or loss on occurrence of forecasted hedge transactions for six months ended September 30, 2025 and 2024, respectively.

Net loss on derivative instruments of $25 million, recognised in accumulated other comprehensive income as at September 30, 2025, is expected to be transferred to profit or loss by September 30, 2026. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2026.

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

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| 10% appreciation of the underlying foreign currencies | - | - |
| 10% depreciation of the underlying foreign currencies | 86 | 51 |

**(i) Financial risk management**

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

**Market risk**

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

- **Foreign currency exchange rate risk**

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

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

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

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

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

The following table sets forth information relating to unhedged foreign currency exposure as at September 30, 2025:

| | USD | EUR | GBP | Others |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Net financial assets | 278 | 86 | 18 | 225 |
| Net financial liabilities | (723) | (21) | (170) | (72) |

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 $38 million for six months ended September 30, 2025.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2025:

| | USD | EUR | GBP | Others |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Net financial assets | 301 | 50 | 13 | 230 |
| Net financial liabilities | (416) | (1) | (39) | (41) |

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 $10 million for the year ended March 31, 2025.

- **Interest rate risk**

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

**Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. 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. Loans include inter-corporate deposits of $84 million and NIL placed with a financial institution having a high credit-rating assigned by credit-rating agencies as at September 30, 2025 and March 31, 2025, respectively. Bank deposits include an amount of $1,099 million held with three banks and $923 million held with three banks, having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at September 30, 2025 and March 31, 2025, respectively. 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 $14,732 million and $13,768 million as at September 30, 2025 and March 31, 2025, 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 September 30, 2025 and March 31, 2025.

- **Geographic concentration of credit risk**

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

| | As at September 30, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Gross % | Net % | Gross % | Net % |
| United States of America | 38.50 | 39.01 | 35.40 | 35.87 |
| India | 22.35 | 21.24 | 22.51 | 21.38 |
| United Kingdom | 14.13 | 14.36 | 14.72 | 14.97 |

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 six months ended September 30, 2025 and March 31, 2025 was $6 million and $12 million respectively. The reconciliation of allowance for expected credit losses is as follows:

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | **152** | **143** |
| Changes during the period | 6 | 12 |
| Translation exchange difference | (3) | (3) |
| **Balance at the end of the period** | **155** | **152** |

**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 September 30, 2025** | 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 | 1,604 | - | - | - | 1,604 |
| Lease liabilities | 49 | 226 | 502 | 570 | 1,347 |
| Other financial liabilities | 944 | 18 | 44 | 3 | 1,009 |
| | 2,597 | 244 | 546 | 573 | 3,960 |
| Derivative financial liabilities | 28 | - | - | - | 28 |
| **Total** | **2,625** | **244** | **546** | **573** | **3,988** |

| **As at March 31, 2025** | 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 | 1,628 | - | - | - | 1,628 |
| Lease liabilities | 235 | 235 | 443 | 510 | 1,423 |
| Other financial liabilities | 983 | 28 | 52 | - | 1,063 |
| | 2,846 | 263 | 495 | 510 | 4,114 |
| Derivative financial liabilities | 18 | - | - | - | 18 |
| **Total** | **2,864** | **263** | **495** | **510** | **4,132** |

**(j) Equity instruments**

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

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Authorised** | | |
| Equity shares of ₹1 each | 86 | 86 |
| (4,600,500,000 shares and 4,600,500,000 shares) | | |
| Preference shares of ₹1 each | 20 | 20 |
| (1,050,250,000 shares and 1,050,250,000 shares) | | |
| | **106** | **106** |
| **Issued, Subscribed and Fully paid up** | | |
| Equity shares of ₹1 each | 68 | 68 |
| (3,618,087,518 shares and 3,618,087,518 shares) | | |
| **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.

**10) Leases**

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

**Group as a lessee**

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

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

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

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

**Group as a lessor**

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

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

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

| | Additions for the period ended September 30, 2025 | Net carrying amount as at September 30, 2025 |
|---|---|---|
| | (In million of USD) | |
| Leasehold land | - | 103 |
| Buildings | 264 | 1,074 |
| Leasehold improvements | - | 5 |
| Computer equipment | 3 | 15 |
| Furniture, fixtures, office equipment and other assets | 1 | 5 |
| Software licences | - | 2 |
| **Total** | **268** | **1,204** |

| | Additions for the year ended March 31, 2025 | Net carrying amount as at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Leasehold land | - | 107 |
| Buildings | 429 | 947 |
| Leasehold improvements | 5 | 6 |
| Computer equipment | - | 17 |
| Furniture, fixtures, office equipment and other assets | 3 | 5 |
| Software licences | - | 4 |
| **Total** | **437** | **1,086** |

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

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Leasehold land | 1 | 1 | 1 | 1 |
| Buildings | 59# | 51 | 112# | 99 |
| Leasehold improvements | - | - | - | - |
| Computer equipment | 2 | 2 | 4 | 5 |
| Furniture, fixtures, office equipment and other assets | - | - | 1 | 1 |
| Software licences | 1 | 1 | 2 | 2 |
| **Total** | **63** | **55** | **120** | **108** |

# Out of this, directly attributable costs of $8 million towards leasehold improvements have been transferred to capital work-in-progress.

Changes in lease liabilities are as follows:

| | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | 1,099 | 962 |
| Addition during the period | 268 | 221 |
| Payments during the period | (107) | (100) |
| Other non-cash movement | (33) | - |
| Translation exchange difference | 4 | (4) |
| **Balance at the end of the period** | 1,231 | 1,079 |

Interest on lease liabilities is $25 million and $18 million for three months ended September 30, 2025 and 2024, respectively.

Interest on lease liabilities is $44 million and $36 million for six months ended September 30, 2025 and 2024, respectively.

The Group incurred $10 million and $10 million for three months ended September 30, 2025 and 2024, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The Group incurred $23 million and $20 million for six months ended September 30, 2025 and 2024, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is $115 million and $87 million for three months ended September 30, 2025 and 2024, respectively, including cash outflow for short term leases and leases of low-value assets.

The total cash outflow for leases is $180 million and $167 million for six months ended September 30, 2025 and 2024, 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 $113 million and $110 million as at September 30, 2025 and March 31, 2025, respectively.

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

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

**11) Non-financial assets and non-financial liabilities**

**(a) Property, plant and equipment**

The Group recognizes the cost of an item of property, plant and equipment as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can measured reliably.

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 statement of profit or loss.

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Property, plant and equipment consist of the following:

| | Freehold land | Buildings | Leasehold improve-ments | Computer equipment | Furniture, fixtures, office equipment and other assets | Total |
|---|---|---|---|---|---|---|
| | | | (In million of USD) | | | |
| **Cost as at April 1, 2025** | **229** | **1,026** | **325** | **1,749** | **1,034** | **4,363** |
| Additions | - | 6 | 2 | 103 | 22 | 133 |
| Disposals | - | (1) | (4) | (32) | (5) | (42) |
| Translation exchange difference | (8) | (38) | (5) | (37) | (31) | (119) |
| **Cost as at September 30, 2025** | **221** | **993** | **318** | **1,783** | **1,020** | **4,335** |
| **Accumulated depreciation as at April 1, 2025** | **-** | **(535)** | **(250)** | **(1,454)** | **(841)** | **(3,080)** |
| Depreciation | - | (23) | (10) | (87) | (30) | (150) |
| Disposals | - | 1 | 3 | 32 | 5 | 41 |
| Translation exchange difference | - | 20 | 4 | 31 | 25 | 80 |
| **Accumulated depreciation as at September 30, 2025** | **-** | **(537)** | **(253)** | **(1,478)** | **(841)** | **(3,109)** |
| **Net carrying amount as at September 30, 2025** | **221** | **456** | **65** | **305** | **179** | **1,226** |
| Capital work-in-progress | | | | | | 304 |
| **Total** | | | | | | **1,530** |

| | Freehold land | Buildings | Leasehold improve-ments | Computer equipment | Furniture, fixtures, office equipment and other assets | Total |
|---|---|---|---|---|---|---|
| | | | (In million of USD) | | | |
| **Cost as at April 1, 2024** | **43** | **994** | **331** | **1,701** | **990** | **4,059** |
| Additions* | 185 | 56 | 10 | 171 | 84 | 506 |
| Disposals | - | - | (6) | (82) | (14) | (102) |
| Translation exchange difference | 1 | (24) | (10) | (41) | (26) | (100) |
| **Cost as at March 31, 2025** | **229** | **1,026** | **325** | **1,749** | **1,034** | **4,363** |
| **Accumulated depreciation as at April 1, 2024** | **-** | **(498)** | **(244)** | **(1,382)** | **(814)** | **(2,938)** |
| Depreciation | - | (49) | (20) | (187) | (62) | (318) |
| Disposals | - | - | 6 | 82 | 14 | 102 |
| Translation exchange difference | - | 12 | 8 | 33 | 21 | 74 |
| **Accumulated depreciation as at March 31, 2025** | **-** | **(535)** | **(250)** | **(1,454)** | **(841)** | **(3,080)** |
| **Net carrying amount as at March 31, 2025** | **229** | **491** | **75** | **295** | **193** | **1,283** |
| Capital work-in-progress* | | | | | | 231 |
| **Total** | | | | | | **1,514** |

* Including additions on account of acquisition of assets (Refer note 20).

Changes in Capital work-in-progress are as follows:

| | Six months ended September 30, 2025 | Year ended March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | **231** | **225** |
| Addition during the period* | 207 | 327 |
| Capitalised during the period | (133) | (321) |
| Translation exchange difference | (1) | - |
| **Balance at the end of the period** | **304** | **231** |

* Including additions on account of acquisition of assets (Refer note 20).

**(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 September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | **471** | **478** |
| Translation exchange difference | 3 | (7) |
| **Balance at the end of the period** | **474** | **471** |

Goodwill of $241 million and $251 million as at September 30, 2025 and March 31, 2025 has been allocated to TCS business process services (BPS) CGU.

In the absence of any indication of impairment, goodwill was last tested on March 31, 2025. On that date, the Group estimated the value-in-use of TCS BPS based on future cash flows of this CGU using a 10.00% 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 $90 million and $82 million as at September 30, 2025 and March 31, 2025 has been allocated to the TCS business in France. In the absence of any indication of impairment, goodwill was last tested on March 31, 2025. On that date, the estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 9.27%. 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 $146 million and $138 million as at September 30, 2025 and March 31, 2025, 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 1-5 years |
| Customer-related intangibles | 3 years |

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

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

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

Intangible assets consist of the following:

| | Rights under licensing agreement and software licences | Customer-related intangibles | Total |
|---|---|---|---|
| | (In million of USD) | | |
| **Cost as at April 1, 2025** | **352** | **16** | **368** |
| Additions | 10 | - | 10 |
| Translation exchange difference | (12) | - | (12) |
| **Cost as at September 30, 2025** | **350** | **16** | **366** |
| **Accumulated amortisation as at April 1, 2025** | **(243)** | **(16)** | **(259)** |
| Amortisation | (57) | - | (57) |
| Translation exchange difference | 11 | - | 11 |
| **Accumulated amortisation as at September 30, 2025** | **(289)** | **(16)** | **(305)** |
| **Net carrying amount as at September 30, 2025** | **61** | **-** | **61** |

| | Rights under licensing agreement and software licences | Customer-related intangibles | Total |
|---|---|---|---|
| | (In million of USD) | | |
| **Cost as at April 1, 2024** | **240** | **16** | **256** |
| Additions | 137 | - | 137 |
| Disposals / Derecognised | (19) | - | (19) |
| Translation exchange difference | (6) | - | (6) |
| **Cost as at March 31, 2025** | **352** | **16** | **368** |
| **Accumulated amortisation as at April 1, 2024** | **(179)** | **(16)** | **(195)** |
| Amortisation | (87) | - | (87) |
| Disposals / Derecognised | 19 | - | 19 |
| Translation exchange difference | 4 | - | 4 |
| **Accumulated amortisation as at March 31, 2025** | **(243)** | **(16)** | **(259)** |
| **Net carrying amount as at March 31, 2025** | **109** | **-** | **109** |

Function wise amortisation of intangible assets is as follows:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| Cost of revenue | 24 | 12 | 48 | 24 |
| Selling, general and administrative expenses | 5 | 2 | 9 | 4 |
| **Total** | **29** | **14** | **57** | **28** |

The estimated amortisation for the periods subsequent to September 30, 2025 is as follows:

| **Period ending September 30,** | **Amortisation expense (In million of USD)** |
|---|---|
| 2026 | 41 |
| 2027 | 13 |
| 2028 | 5 |
| 2029 | 2 |
| **Total** | **61** |

**(d) Other assets**

Other assets consist of the following:

**Other assets – Current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Advances to suppliers | 192 | 197 |
| Contract assets | 739 | 730 |
| Prepaid expenses | 232 | 279 |
| Contract fulfillment costs | 291 | 271 |
| Indirect taxes recoverable | 222 | 212 |
| Others | 44 | 41 |
| **Total** | **1,720** | **1,730** |

**Other assets – Non-current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Contract assets | 87 | 35 |
| Prepaid expenses | 272 | 288 |
| Contract fulfillment costs | 15 | 35 |
| Others | 25 | 30 |
| **Total** | **399** | **388** |

Non-current – Others includes advance of $20 million and $21 million towards acquiring right-of-use of leasehold land as at September 30, 2025 and March 31, 2025, respectively.

Contract fulfillment costs of $106 million and $127 million for the period ended September 30, 2025 and year ended March 31, 2025, respectively, have been amortised in 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 September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Advances received from customers | 204 | 222 |
| Indirect taxes payable and other statutory liabilities | 552 | 564 |
| Others | 65 | 55 |
| **Total** | **821** | **841** |

**(f) Provisions**

Provisions consist of the following:

**Provisions – Current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Provision for foreseeable loss | 12 | 14 |
| Other provisions | 11 | 7 |
| **Total** | **23** | **21** |

**12) Revenue recognition**

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

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

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

- The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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

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

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

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

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

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

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

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

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

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

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

Revenue disaggregation by nature of services is as follows:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Consultancy services | 7,354 | 7,601 | 14,695 | 15,012 |
| Sale of equipment and software licences | 112 | 69 | 192 | 163 |
| **Total** | **7,466** | **7,670** | **14,887** | **15,175** |

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 $21,336 million out of which 44.13% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

| | Six months ended September 30, 2025 | Year ended March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | **764** | **736** |
| Invoices raised that were included in the contract assets balance at the beginning of the period | (481) | (543) |
| Increase due to revenue recognised during the period, excluding amounts billed during the period | 532 | 573 |
| Translation exchange difference | 11 | (2) |
| **Balance at the end of the period** | **826** | **764** |

Changes in unearned and deferred revenue are as follows:

| | Six months ended September 30, 2025 | Year ended March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Balance at the beginning of the period** | **532** | **495** |
| Revenue recognised that was included in the unearned and deferred revenue at the beginning of the period | (412) | (439) |
| Increase due to invoicing during the period, excluding amounts recognised as revenue during the period | 362 | 489 |
| Translation exchange difference | (8) | (13) |
| **Balance at the end of the period** | **474** | **532** |

## 13) Cost recognition

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

**Cost of revenue**

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

**Selling, general and administrative expenses**

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

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

**Expenses by nature**

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Employee cost | 4,381 | 4,375 | 8,793 | 8,740 |
| Fees to external consultants | 394 | 357 | 773 | 676 |
| Facility expenses | 101 | 103 | 208 | 202 |
| Depreciation and amortisation expense | 159 | 151 | 319 | 297 |
| Cost of equipment and software licences | 110 | 386 | 195 | 644 |
| Travel expenses | 89 | 97 | 187 | 198 |
| Communication expenses | 74 | 72 | 147 | 138 |
| Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net) | 4 | 2 | 7 | 7 |
| Re-structuring expenses | 129 | - | 129 | - |
| Other expenses | 275 | 281 | 564 | 576 |
| **Total** | **5,716** | **5,824** | **11,322** | **11,478** |

Refer note 16 for function wise bifurcation of employee cost.

The Company made a contribution to an electoral trust of NIL and $26 million for six months ended September 30, 2025 and 2024, respectively, which is included in other expenses.

## 14) Other income

### (a) Finance and other income

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

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Dividend received | 1 | 1 | 2 | 2 |
| Interest on bank balances and bank deposits | 18 | 23 | 41 | 48 |
| Interest on financial assets carried at fair value through OCI | 59 | 62 | 118 | 125 |
| Interest on financial assets carried at amortised cost | 6 | 6 | 11 | 12 |
| Rental revenue | 1 | - | 1 | - |
| Others | - | 5 | 79 | 5 |
| **Total** | **85** | **97** | **252** | **192** |

**(b) Finance costs**

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Interest on lease liabilities | 25 | 18 | 44 | 36 |
| Interest on tax matters | - | (1) | - | - |
| Other interest costs | 1 | 2 | 4 | 4 |
| **Total** | **26** | **19** | **48** | **40** |

**(c) Other gains (net)**

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Net gain on disposal of property, plant and equipment | - | 1 | - | 1 |
| Net gain on lease modification | - | - | 2 | 1 |
| Net gain on disposal / fair valuation of investments carried at fair value through profit or loss | 9 | 8 | 21 | 14 |
| Net gain on disposal of financial assets other than equity shares carried at fair value through OCI | 5 | - | 9 | - |
| Net foreign exchange gain | (28) | (21) | (21) | (10) |
| Awards from litigation | 22 | - | 22 | - |
| Net gain on fair valuation of call option | 5 | - | 5 | - |
| Others | 1 | 2 | 3 | 4 |
| **Total** | **14** | **(10)** | **41** | **10** |

## 15) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred 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 Company has recognised income tax expenses applying the provisions under section 115BAA of the Income-tax Act, 1961.

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

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

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

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

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

**Deferred income taxes**

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

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

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

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

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

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

The income tax expense consists of the following:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | | (In million of USD) | | |
| **Current tax expense** | | | | |
| Current tax expense for current period | 516 | 523 | 1,059 | 1,068 |
| Current tax benefit pertaining to prior period | (65) | (36) | (121) | (66) |
| | **451** | **487** | **938** | **1,002** |
| **Deferred tax benefit** | | | | |
| Deferred tax benefit for current period | (3) | - | (4) | (20) |
| Deferred tax benefit pertaining to prior period | (1) | - | - | - |
| | **(4)** | **-** | **(4)** | **(20)** |
| | **447** | **487** | **934** | **982** |

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:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | | (In million of USD) | | |
| Profit before taxes | 1,823 | 1,914 | 3,810 | 3,859 |
| Indian statutory income tax rate | 25.17% | 25.17% | 25.17% | 25.17% |
| Expected income tax expense | 459 | 481 | 959 | 971 |
| **Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense** | | | | |
| Income exempt from tax | (31) | (13) | (47) | (35) |
| Undistributed earnings in branches and subsidiaries | 4 | 4 | 10 | (9) |
| Tax on income at different rates | 41 | 35 | 85 | 91 |
| Tax pertaining to prior years | (65) | (36) | (121) | (66) |
| Others (net) | 39 | 16 | 48 | 30 |
| **Total income tax expense** | **447** | **487** | **934** | **982** |

Significant components of net deferred tax assets and liabilities for six month ended September 30, 2025 are as follows:

| | Opening balance | Recognised in profit or loss | Recognised in / reclassified from other comprehensive income | Exchange difference | Closing balance |
|---|---|---|---|---|---|
| | | | (In million of USD) | | |
| **Deferred tax assets / (liabilities) in relation to** | | | | | |
| Property, plant and equipment and intangible assets | 118 | 11 | - | (4) | 125 |
| Provision for employee benefits | 145 | 4 | - | (3) | 146 |
| Cash flow hedges | (1) | - | - | - | (1) |
| Receivables, financial assets at amortised cost | 53 | 1 | - | (2) | 52 |
| Branch profit tax | (19) | (7) | - | 1 | (25) |
| Undistributed earnings of subsidiaries | (64) | (4) | - | 3 | (65) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (32) | 1 | 4 | 1 | (26) |
| Lease liabilities and right-of-use assets | 28 | - | - | (1) | 27 |
| Others | 73 | (10) | - | 8 | 71 |
| **Total deferred tax assets / (liabilities)** | **301** | **(4)** | **4** | **3** | **304** |

Gross deferred tax assets and liabilities are as follows:

| **As at September 30, 2025** | **Assets** | **Liabilities** | **Net** |
|---|---|---|---|
| | | **(In million of USD)** | |
| **Deferred tax assets / (liabilities) in relation to** | | | |
| Property, plant and equipment and intangible assets | 139 | 14 | 125 |
| Provision for employee benefits | 146 | - | 146 |
| Cash flow hedges | 2 | 3 | (1) |
| Receivables, financial assets at amortised cost | 52 | - | 52 |
| Branch profit tax | - | 25 | (25) |
| Undistributed earnings of subsidiaries | - | 65 | (65) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (26) | - | (26) |
| Lease liabilities | 170 | - | 170 |
| Righ-of-use assets | (143) | - | (143) |
| Others | 86 | 15 | 71 |
| **Total deferred tax assets / (liabilities)** | **426** | **122** | **304** |

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2025 are as follows:

| | **Opening balance** | **Recognised in profit or loss** | **Recognised in / reclassified from other comprehensive income** | **Exchange difference** | **Closing balance** |
|---|---|---|---|---|---|
| | | | **(In million of USD)** | | |
| **Deferred tax assets / (liabilities) in relation to** | | | | | |
| Property, plant and equipment and intangible assets | 87 | 35 | - | (4) | 118 |
| Provision for employee benefits | 138 | 11 | (1) | (3) | 145 |
| Cash flow hedges | (1) | - | - | - | (1) |
| Receivables, financial assets at amortised cost | 50 | 4 | - | (1) | 53 |
| Branch profit tax | (12) | (7) | - | - | (19) |
| Undistributed earnings of subsidiaries | (81) | 15 | - | 2 | (64) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (14) | - | (18) | - | (32) |
| Lease liabilities and right-of-use assets | 32 | (3) | - | (1) | 28 |
| Others | 89 | (11) | - | (5) | 73 |
| **Total deferred tax assets / (liabilities)** | **288** | **44** | **(19)** | **(12)** | **301** |

Gross deferred tax assets and liabilities are as follows:

| **As at March 31, 2025** | **Assets** | **Liabilities** | **Net** |
|---|---|---|---|
| | | **(In million of USD)** | |
| **Deferred tax assets / (liabilities) in relation to** | | | |
| Property, plant and equipment and intangible assets | 132 | 14 | 118 |
| Provision for employee benefits | 145 | - | 145 |
| Cash flow hedges | (1) | - | (1) |
| Receivables, financial assets at amortised cost | 53 | - | 53 |
| Branch profit tax | - | 19 | (19) |
| Undistributed earnings of subsidiaries | - | 64 | (64) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (32) | - | (32) |
| Lease liabilities | 196 | - | 196 |
| Right of use assets | (168) | - | (168) |
| Others | 90 | 17 | 73 |
| **Total deferred tax assets / (liabilities)** | **415** | **114** | **301** |

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

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

| September 30, | Unabsorbed business losses |
|---|---|
| | (In million of USD) |
| 2030 | - |
| Thereafter | 5 |
| **Total** | **5** |

Deferred tax liability on temporary differences of $1,179 million as at September 30, 2025, associated with investments in subsidiaries has not been recognized, 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 $115 million and $126 million as at September 30, 2025 and March 31, 2025, 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 $36 million and $37 million as at September 30, 2025 and March 31, 2025, 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.

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

**Termination benefits**

Termination benefits are expensed at the earlier of when the Group is obligated to pay those benefits and when the Group recognises costs for a restructuring.

Function wise employee cost consists of the following:

| | **Three months ended September 30, 2025** | **Three months ended September 30, 2024** | **Six months ended September 30, 2025** | **Six months ended September 30, 2024** |
|---|---|---|---|---|
| | **(In million of USD)** | | | |
| Cost of revenue | 3,505 | 3,493 | 7,037 | 6,943 |
| Selling, general and administrative expenses | 876 | 882 | 1,756 | 1,797 |
| **Total** | **4,381** | **4,375** | **8,793** | **8,740** |

Employee costs consist of the following:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Salaries, incentives and allowances | 3,908 | 3,902 | 7,824 | 7,794 |
| Contributions to provident and other funds | 359 | 346 | 727 | 704 |
| Staff welfare expenses | 114 | 127 | 242 | 242 |
| **Total** | **4,381** | **4,375** | **8,793** | **8,740** |

Employee benefit obligations consist of the following:

**Employee benefit obligations – Current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Compensated absences | 577 | 566 |
| Other employee benefit obligations | 5 | 5 |
| **Total** | **582** | **571** |

**Employee benefit obligations – Non-current**

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Gratuity liability | 2 | 2 |
| Foreign defined benefit plans | 68 | 64 |
| Other employee benefit obligations | 33 | 32 |
| **Total** | **103** | **98** |

**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 and branches 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:

| | Six months ended September 30, 2025 | | | | | Year ended March 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 period** | **723** | **-** | **241** | **50** | **1,014** | **637** | **-** | **229** | **45** | **911** |
| Translation exchange difference | (28) | - | 20 | 3 | (5) | (16) | - | 3 | (4) | (17) |
| Plan participants' contribution | - | - | 1 | - | 1 | - | - | 2 | - | 2 |
| Service cost | 35 | - | 2 | 6 | 43 | 63 | - | 4 | 9 | 76 |
| Interest cost | 24 | - | 3 | 1 | 28 | 47 | - | 5 | 2 | 54 |
| Remeasurement of the defined benefit obligations | 2 | - | (10) | - | (8) | 35 | - | 6 | 2 | 43 |
| Benefits paid | (43) | - | (8) | (2) | (53) | (43) | - | (8) | (4) | (55) |
| **Benefit obligations, end of the period** | **713** | **-** | **249** | **58** | **1,020** | **723** | **-** | **241** | **50** | **1,014** |

| | Six months ended September 30, 2025 | | | | | Year ended March 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 period** | **924** | **-** | **276** | **-** | **1,200** | **867** | **-** | **247** | **-** | **1,114** |
| Translation exchange difference | (35) | - | 24 | - | (11) | (22) | - | 2 | - | (20) |
| Interest income | 30 | - | 4 | - | 34 | 62 | - | 10 | - | 72 |
| Employers' contributions | 19 | - | 4 | - | 23 | 43 | - | 7 | - | 50 |
| Plan participants' contribution | - | - | 1 | - | 1 | - | - | 2 | - | 2 |
| Benefits paid | (43) | - | (8) | - | (51) | (43) | - | (8) | - | (51) |
| Remeasurement - return on plan assets excluding amount included in interest income | 3 | - | (6) | - | (3) | 17 | - | 16 | - | 33 |
| **Fair value of plan assets, end of the period** | **898** | **-** | **295** | **-** | **1,193** | **924** | **-** | **276** | **-** | **1,200** |

| | As at September 30, 2025 | | | | | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | (2) | - | (10) | (58) | (70) | (2) | - | (14) | (50) | (66) |
| Surplus of plan assets over obligations | 187 | - | 56 | - | 243 | 203 | - | 49 | - | 252 |
| | **185** | **-** | **46** | **(58)** | **173** | **201** | **-** | **35** | **(50)** | **186** |

| | As at September 30, 2025 | | | | | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 240 | - | 9 | - | 249 | 237 | - | 9 | - | 246 |
| Equity instruments | 37 | - | - | - | 37 | 31 | - | - | - | 31 |
| Government bonds and securities | 383 | - | - | - | 383 | 417 | - | - | - | 417 |
| Insurer managed funds | 221 | - | 265 | - | 486 | 221 | - | 248 | - | 469 |
| Bank balances | - | - | - | - | - | 1 | - | - | - | 1 |
| Others | 17 | - | 21 | - | 38 | 17 | - | 19 | - | 36 |
| **Total** | **898** | **-** | **295** | **-** | **1,193** | **924** | **-** | **276** | **-** | **1,200** |

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

| | Six months ended September 30, 2025 | | | | | Year ended March 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 35 | - | 2 | 6 | 43 | 63 | - | 4 | 9 | 76 |
| Net interest on defined benefit (asset) / obligations | (6) | - | (1) | 1 | (6) | (15) | - | (5) | 2 | (18) |
| **Net periodic gratuity / pension cost** | **29** | **-** | **1** | **7** | **37** | **48** | **-** | **(1)** | **11** | **58** |
| **Actual return on plan assets** | **33** | **-** | **(2)** | **-** | **31** | **79** | **-** | **26** | **-** | **105** |

Remeasurement of the net defined benefit (assets) / obligations:

| | Six months ended September 30, 2025 | | | | |
|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| | (In million of USD) | | | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | - | - | - | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | - | - | (10) | - | (10) |
| Actuarial (gains) / losses arising from changes in experience adjustments | 2 | - | - | - | 2 |
| **Remeasurement of defined benefit obligations** | 2 | - | (10) | - | (8) |
| Remeasurement - return on plan assets excluding amount included in interest income | (3) | - | 6 | - | 3 |
| **Total** | **(1)** | **-** | **(4)** | **-** | **(5)** |

| | Year ended March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| | (In million of USD) | | | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | 1 | - | - | - | 1 |
| Actuarial (gains) / losses arising from changes in financial assumptions | 26 | - | 8 | 2 | 36 |
| Actuarial (gains) / losses arising from changes in experience adjustments | 8 | - | (2) | - | 6 |
| **Remeasurement of defined benefit obligations** | 35 | - | 6 | 2 | 43 |
| Remeasurement - return on plan assets excluding amount included in interest income | (17) | - | (16) | - | (33) |
| **Total** | **18** | **-** | **(10)** | **2** | **10** |

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

| | As at September 30, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Domestic plans | Foreign plans | Domestic plans | Foreign plans |
| Discount rate | 6.50% - 6.75% | 1.16% - 9.40% | 6.50% - 6.75% | 1.10% - 9.40% |
| Rate of increase in compensation levels of covered employees | 6.00% - 10.00% | 1.25% - 7.00% | 6.00% - 10.00% | 1.25% - 7.00% |
| Rate of return on plan assets | 6.50% - 6.75% | 1.16% - 9.40% | 6.50% - 6.75% | 1.10% - 9.40% |
| Weighted average duration of defined benefit obligations | 6-12 Years | 3-26 Years | 6-12 Years | 3-27 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 September 30, 2025. The Group is expected to contribute $5 million to defined benefit plan obligations funds for the period ending September 30, 2026 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 September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Increase of 0.50% | (44) | (37) |
| Decrease of 0.50% | 44 | 41 |

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

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Increase of 0.50% | 23 | 23 |
| Decrease of 0.50% | (22) | (22) |

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 obligations 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 period ended September 30, 2025 as follows:

| **Period ending September 30,** | **Defined benefit obligations (In million of USD)** |
|---|---|
| 2026 | 115 |
| 2027 | 100 |
| 2028 | 103 |
| 2029 | 96 |
| 2030 | 90 |
| 2031-2035 | 399 |

**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 the Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit and loss under employee expenses. As per the latest actuarial valuation report of provident fund liabilities on the basis of guidance issued by Actuarial Society of India under the deterministic approach, 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. The principal assumptions used in the latest valuation report for determining the present value obligations of interest guarantee are discount rate: 6.50%, average remaining tenure of investment portfolio: 6 years and guaranteed rate of return are: 8.25%.

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 the 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 and loss under employee cost.

The Group expensed $48 million and $51 million for three months ended September 30, 2025 and 2024, respectively towards provident fund.

The Group expensed $98 million and $101 million for six months ended September 30, 2025 and 2024, 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 $14 million and $15 million for three months ended September 30, 2025 and 2024, respectively, towards Employees' Superannuation Fund.

The Group expensed $29 million and $30 million for six months ended September 30, 2025 and 2024, respectively, towards Employees' Superannuation Fund.

**Foreign defined contribution plans**

The Group expensed $85 million and $82 million for three months ended September 30, 2025 and 2024, respectively, towards foreign defined contribution plans.

The Group expensed $173 million and $168 million for six months ended September 30, 2025 and 2024, respectively, towards foreign defined contribution plans.

## 17) Earnings per share

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

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| Profit for the period attributable to Shareholders of the Company (In million of USD) | 1,370 | 1,421 | 2,863 | 2,863 |
| Weighted average number of equity shares | 3,61,80,87,518 | 3,61,80,87,518 | 3,61,80,87,518 | 3,61,80,87,518 |
| Basic and diluted earnings per share in USD | 0.38 | 0.39 | 0.79 | 0.79 |
| Face value per equity share in ₹ | 1 | 1 | 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.

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

Summarised segment information for three and six months ended September 30, 2025 and 2024 is as follows:

| | Three months ended September 30, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Banking, Financial Services and Insurance** | **Manufacturing** | **Consumer Business** | **Communication, Media and Technology** | **Life Sciences and Healthcare** | **Others** | **Total** |
| | (In million of USD) | | | | | | |
| **Revenue** | **2,918** | **752** | **1,175** | **1,112** | **781** | **728** | **7,466** |
| **Segment result** | **773** | **229** | **325** | **321** | **214** | **176** | **2,038** |
| Depreciation and amortisation expense | | | | | | | 159 |
| Re-structuring expenses (Refer note 22) | | | | | | | 129 |
| **Total unallocable expenses** | | | | | | | **288** |
| **Operating profit** | | | | | | | **1,750** |
| Other income (net) | | | | | | | 73 |
| **Profit before taxes** | | | | | | | **1,823** |
| Income tax expense | | | | | | | 447 |
| **Profit for the period** | | | | | | | **1,376** |
| Significant non-cash items (allocable) | - | - | - | 3 | - | 2 | 5 |

| | Six months ended September 30, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Banking, Financial Services and Insurance** | **Manufacturing** | **Consumer Business** | **Communication, Media and Technology** | **Life Sciences and Healthcare** | **Others** | **Total** |
| | (In million of USD) | | | | | | |
| **Revenue** | **5,812** | **1,501** | **2,363** | **2,216** | **1,532** | **1,463** | **14,887** |
| **Segment result** | **1,501** | **462** | **653** | **632** | **399** | **366** | **4,013** |
| Depreciation and amortisation expense | | | | | | | 319 |
| Re-structuring expenses (Refer note 22) | | | | | | | 129 |
| **Total unallocable expenses** | | | | | | | **448** |
| **Operating profit** | | | | | | | **3,565** |
| Other income (net) | | | | | | | 245 |
| **Profit before taxes** | | | | | | | **3,810** |
| Income tax expense | | | | | | | 934 |
| **Profit for the period** | | | | | | | **2,876** |
| Significant non-cash items (allocable) | (1) | - | 1 | 1 | - | 5 | 6 |

| | Three months ended September 30, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Banking, Financial Services and Insurance** | **Manufacturing** | **Consumer Business** | **Communication, Media and Technology** | **Life Sciences and Healthcare** | **Others** | **Total** |
| | (In million of USD) | | | | | | |
| **Revenue** | **2,839** | **753** | **1,197** | **1,443** | **791** | **647** | **7,670** |
| **Segment result** | **757** | **247** | **322** | **281** | **221** | **170** | **1,998** |
| Depreciation and amortisation expense | | | | | | | 151 |
| **Total unallocable expenses** | | | | | | | **151** |
| **Operating profit** | | | | | | | **1,846** |
| Other income (net) | | | | | | | 68 |
| **Profit before taxes** | | | | | | | **1,914** |
| Income tax expense | | | | | | | 487 |
| **Profit for the period** | | | | | | | **1,427** |
| Significant non-cash items (allocable) | - | - | - | 1 | - | 2 | 3 |

**TATA CONSULTANCY SERVICES LIMITED**
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| | Six months ended September 30, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Banking, Financial Services and Insurance | Manufacturing | Consumer Business | Communication, Media and Technology | Life Sciences and Healthcare | Others | Total |
| | (In million of USD) | | | | | | |
| **Revenue** | **5,605** | **1,505** | **2,394** | **2,737** | **1,619** | **1,315** | **15,175** |
| **Segment result** | **1,478** | **497** | **636** | **576** | **471** | **336** | **3,994** |
| Depreciation and amortisation expense | | | | | | | 297 |
| **Total unallocable expenses** | | | | | | | **297** |
| **Operating profit** | | | | | | | **3,697** |
| Other income (net) | | | | | | | 162 |
| **Profit before taxes** | | | | | | | **3,859** |
| Income tax expense | | | | | | | 982 |
| **Profit for the period** | | | | | | | **2,877** |
| Significant non-cash items (allocable) | - | - | - | 1 | - | 6 | 7 |

Information regarding geographical revenue is as follows:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Americas (1) | 3,785 | 3,790 | 7,536 | 7,647 |
| Europe (2) | 2,448 | 2,422 | 4,895 | 4,765 |
| India | 432 | 681 | 860 | 1,240 |
| Others | 801 | 777 | 1,596 | 1,523 |
| **Total** | **7,466** | **7,670** | **14,887** | **15,175** |

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:

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| Americas (3) | 442 | 430 |
| Europe (4) | 537 | 476 |
| India | 2,677 | 2,661 |
| Others | 189 | 185 |
| **Total** | **3,844** | **3,752** |

(1) includes revenue in the United States of America of $3,333 million and $3,363 million for three months ended September 30, 2025 and 2024, respectively.
(1) includes revenue in the United States of America of $6,641 million and $6,797 million for six months ended September 30, 2025 and 2024, respectively.
(2) includes revenue in the United Kingdom of $1,304 million and $1,303 million for three months ended September 30, 2025 and 2024, respectively.
(2) includes revenue in the United Kingdom of $2,368 million and $2,568 million for six months ended September 30, 2025 and 2024, respectively.

(3) is substantially related to operations in the United States of America.
(4) includes non-current assets in the United Kingdom of $216 million and $169 million as at September 30, 2025 and March 2024, respectively.

**Information about major customers**

No single customer represents 10% or more of the Group's total revenue for three months and six months ended September 30, 2025 and 2024, respectively.

## 19) Commitments and contingencies

**Capital commitments**

The Group has contractually committed (net of advances) $311 million and $301 million as at September 30, 2025 and March 31, 2025, 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 $153 million and $139 million as at September 30, 2025 and March 31, 2025, 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 $29 million and $29 million as at September 30, 2025 and March 31, 2025, respectively, against the Group have not been acknowledged as debts.

  - In April 2019, Computer Sciences Corporation (referred to as CSC) filed a legal claim against the Company in the Court of Northern District of Texas and Dallas Division (trial court) alleging misappropriation of trade secrets and other CSC's confidential information and sought preliminary and permanent injunctive relief, and unspecified monetary damages and disgorgement of profits.

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

    1. The Court ordered that the Company is liable to CSC for $56 million in compensatory damages and $112 million in exemplary damages.
    2. The Court also assessed that the Company is liable for $26 million in prejudgment interest through June 13, 2024.
    3. The Court also passed certain injunction and other reliefs against the Company.

Pursuant to US Court procedures, a Letter of Credit has been made available to CSC for US $250 million as financial security in order to stay execution of the judgement pending appeal proceedings and conclusion.

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

- **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 September 30, 2025 | % of voting power as at March 31, 2025 |
|---|---|---|---|
| **Subsidiaries (held directly)** | | | |
| Tata America International Corporation | USA | 100.00 | 100.00 |
| Tata Consultancy Services Canada Inc. | Canada | 100.00 | 100.00 |
| TCS Iberoamerica S.A. | Uruguay | 100.00 | 100.00 |
| Tata Consultancy Services Belgium | Belgium | 100.00 | 100.00 |
| Tata Consultancy Services Deutschland GmbH | Germany | 100.00 | 100.00 |
| Tata Consultancy Services Netherlands B.V. | Netherlands | 100.00 | 100.00 |
| Tata Consultancy Services Sverige Aktiebolag | Sweden | 100.00 | 100.00 |
| Diligenta Limited | UK | 100.00 | 100.00 |
| Tata Consultancy Services UK Limited | UK | 100.00 | 100.00 |
| Tata Consultancy Services Ireland Limited | Ireland | 100.00 | 100.00 |
| Tata Consultancy Services Asia Pacific Pte. Ltd. | Singapore | 100.00 | 100.00 |
| TCS FNS Pty Limited | Australia | 100.00 | 100.00 |
| APTOnline Limited | India | 89.00 | 89.00 |
| C-Edge Technologies Limited | India | 51.00 | 51.00 |
| MP Online Limited | India | 89.00 | 89.00 |
| TCS e-Serve International Limited | India | 100.00 | 100.00 |
| MahaOnline Limited | India | 74.00 | 74.00 |
| TRIL Bengaluru Real Estate Five Limited | India | 100.00 | 100.00 |
| TRIL Bengaluru Real Estate Six Limited | India | 100.00 | 100.00 |
| Tata Consultancy Services (Africa) (Proprietary) Limited | South Africa | 100.00 | 100.00 |
| Tata Consultancy Services Qatar | Qatar | 100.00 | 100.00 |
| TCS Foundation | India | 100.00 | 100.00 |
| **Subsidiaries (held indirectly)** | | | |
| Tata Consultancy Services Argentina S.A. | Argentina | 100.00 | 100.00 |
| Tata Consultancy Services Chile S.A. | Chile | 100.00 | 100.00 |
| Tata Consultancy Services De Mexico, S.A. De C.V. | Mexico | 100.00 | 100.00 |
| Tata Consultancy Services Do Brasil Ltda. | Brazil | 100.00 | 100.00 |
| TCS Inversiones Chile Limitada | Chile | 100.00 | 100.00 |
| TCS Solution Center S.A. | Uruguay | 100.00 | 100.00 |
| Tatasolution Center S.A. | Ecuador | 100.00 | 100.00 |
| MGDC S.C. | Mexico | 100.00 | 100.00 |
| TCS Uruguay S.A. | Uruguay | 100.00 | 100.00 |
| Tata Consultancy Services Guatemala, S.A. | Gautemala | 100.00 | 100.00 |

| Name of the Company | Country of incorporation | % of voting power as at September 30, 2025 | % of voting power as at March 31, 2025 |
|---|---|---|---|
| Tata Consultancy Services De Espana S.A. | Spain | 100.00 | 100.00 |
| Tata Consultancy Services Italia S.R.L. | Italy | 100.00 | 100.00 |
| Tata Consultancy Services (Portugal), Unipessoal Lda | Portugal | 100.00 | 100.00 |
| Tata Consultancy Services Luxembourg S.A. | Capellen (G.D. de Luxembourg) | 100.00 | 100.00 |
| Tata Consultancy Services Switzerland Ltd | Switzerland | 100.00 | 100.00 |
| Tata Consultancy Services France | France | 100.00 | 100.00 |
| Tata Consultancy Services Saudi Arabia | Saudi Arabia | 100.00 | 100.00 |
| TCS Business Services GmbH | Germany | 100.00 | 100.00 |
| Tata Consultancy Services Bulgaria EOOD | Bulgaria | 100.00 | 100.00 |
| TCS Technology Solutions GmbH | Germany | 100.00 | 100.00 |
| Tata Consultancy Services Osterreich GmbH | Austria | 100.00 | 100.00 |
| Diligenta (Europe) B.V. | Netherlands | 100.00 | 100.00 |
| Tata Consultancy Services Malaysia Sdn. Bhd. | Malaysia | 100.00 | 100.00 |
| TCS Financial Solutions Australia Pty Ltd | Australia | 100.00 | 100.00 |
| Tata Consultancy Services Indonesia, PT | Indonesia | 100.00 | 100.00 |
| Tata Consultancy Services (China) Co., Ltd. | China | 100.00 | 100.00 |
| Tata Consultancy Services (Thailand) Limited | Thailand | 100.00 | 100.00 |
| Tata Consultancy Services (Philippines) Inc. | Philippines | 100.00 | 100.00 |
| Tata Consultancy Services Japan, Ltd. | Japan | 66.00 | 66.00 |
| Tata Consultancy Services (South Africa) (Proprietary) Limited | South Africa | 70.00 | 70.00 |

**Note**

1. On January 29, 2025, the Share Purchase and Securities Purchase Agreement (SSPA) was executed between Tata Consultancy Services Limited (Company), Tata Realty and Infrastructure Limited (TRIL), TRIL Bengaluru Real Estate Five Limited (TBRF) and TRIL Bengaluru Real Estate Six Limited (TBRS) for acquisition of 100% equity shares and optionally redeemable convertible debentures of TBRF and TBRS held by TRIL, in two tranches at a consideration of $184 million.

   On April 30, 2025, the Company paid $64 million towards consideration for remaining 35% stake in equity shares and optionally redeemable convertible debentures in TBRF and TBRS.

## 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.

| | Three months ended September 30, 2025 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| | (In million of USD) | | | | |
| Revenue from operations | 2 | 34 | 131 | - | 167 |
| Interest income | - | 3 | - | - | 3 |
| Purchases of goods and services (including reimbursements) | - | 25 | 6 | - | 31 |
| Brand equity contribution | 10 | - | - | - | 10 |
| Facility expenses | - | - | 2 | - | 2 |
| Lease rental | - | 1 | 2 | - | 3 |
| Contribution and advance to post employment benefit plans | - | - | - | 86 | 86 |
| Procurement towards Property, plant and equipment | - | 12 | - | - | 12 |
| Loans and advances recovered | - | 3 | - | - | 3 |
| Dividend paid | 324 | - | - | - | 324 |

| | Six months ended September 30, 2025 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| | (In million of USD) | | | | |
| Revenue from operations | 5 | 97 | 300 | - | 402 |
| Purchases of goods and services (including reimbursements) | - | 54 | 15 | - | 69 |
| Brand equity contribution | 21 | - | - | - | 21 |
| Facility expenses | - | 3 | 4 | - | 7 |
| Lease rental | - | 3 | 3 | - | 6 |
| Contribution and advance to post employment benefit plans | - | - | - | 175 | 175 |
| Procurement towards Property, plant and equipment | - | 23 | - | - | 23 |
| Loans and advances given | - | 1 | - | - | 1 |
| Loans and advances recovered | - | 6 | - | - | 6 |
| Interest income | - | 4 | - | - | 4 |
| Dividend paid | 1,235 | - | - | - | 1,235 |
| Inter-corporate deposits placed | - | 88 | - | - | 88 |

| | Three months ended September 30, 2024 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| | (In million of USD) | | | | |
| Revenue from operations | 2 | 57 | 209 | - | 268 |
| Purchases of goods and services (including reimbursements) | - | 312 | 7 | - | 319 |
| Brand equity contribution | 10 | - | - | - | 10 |
| Facility expenses | - | - | 2 | - | 2 |
| Lease rental | - | 1 | 2 | - | 3 |
| Contribution and advance to post employment benefit plans | - | - | - | 257 | 257 |
| Procurement towards Property, plant and equipment | - | 13 | - | - | 13 |
| Loans and advances given | - | 60 | - | - | 60 |
| Loans and advances recovered | - | 2 | - | - | 2 |
| Dividend paid | 310 | - | - | - | 310 |

| | Six months ended September 30, 2024 | | | | |
|---|---|---|---|---|---|
| | **Tata Sons Private Limited** | **Subsidiaries of Tata Sons Private Limited** | **Associates / joint ventures of Tata Sons Private Limited and their subsidiaries** | **Other related parties** | **Total** |
| | | | (In million of USD) | | |
| Revenue from operations | 4 | 95 | 359 | - | 458 |
| Purchases of goods and services (including reimbursements) | - | 475 | 13 | - | 488 |
| Brand equity contribution | 20 | - | - | - | 20 |
| Facility expenses | - | - | 5 | - | 5 |
| Lease rental | - | 3 | 4 | - | 7 |
| Contribution and advance to post employment benefit plans | - | - | - | 365 | 365 |
| Procurement towards Property, plant and equipment | - | 31 | 3 | - | 34 |
| Loans and advances given | - | 66 | 3 | - | 69 |
| Loans and advances recovered | - | 2 | - | - | 2 |
| Dividend paid | 1,181 | - | - | - | 1,181 |

Balances receivable from related parties are as follows:

| | As at September 30, 2025 | | | | |
|---|---|---|---|---|---|
| | **Tata Sons Private Limited** | **Subsidiaries of Tata Sons Private Limited** | **Associates / joint ventures of Tata Sons Private Limited and their subsidiaries** | **Other related parties** | **Total** |
| | | | (In million of USD) | | |
| Trade receivables and contract assets | 2 | 39 | 139 | - | 180 |
| Investments, other financial assets and other assets | - | 332 | 4 | - | 336 |
| **Total** | **2** | **371** | **143** | **-** | **516** |

| | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | **Tata Sons Private Limited** | **Subsidiaries of Tata Sons Private Limited** | **Associates / joint ventures of Tata Sons Private Limited and their subsidiaries** | **Other related parties** | **Total** |
| | | | (In million of USD) | | |
| Trade receivables and contract assets | 2 | 29 | 200 | - | 231 |
| Investment, other financial assets and other assets | - | 265 | 4 | - | 269 |
| **Total** | **2** | **294** | **204** | **-** | **500** |

Balances payable to related parties are as follows:

| | As at September 30, 2025 | | | | |
|---|---|---|---|---|---|
| | **Tata Sons Private Limited** | **Subsidiaries of Tata Sons Private Limited** | **Associates / joint ventures of Tata Sons Private Limited and their subsidiaries** | **Other related parties** | **Total** |
| | | | (In million of USD) | | |
| Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities | 25 | 501 | 31 | 3 | 560 |
| Commitments | - | 95 | 7 | - | 102 |

| | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| | (In million of USD) | | | | |
| Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities | 39 | 617 | 36 | - | 692 |
| Commitments | - | 118 | 6 | - | 124 |

Material related party transactions are as follows:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| **Revenue from operations** | | | | |
| Jaguar Land Rover Limited | 97 | 116 | 199 | 225 |
| Tata Steel IJmuiden BV | - | 34 | - | - |
| **Purchases of goods and services (including reimbursements)** | | | | |
| Tejas Networks Limited | - | 294 | - | 440 |
| **Advances given** | | | | |
| Tejas Networks Limited | - | 60 | - | 60 |
| **Contribution and advance to post employment benefit plans** | | | | |
| Tata Consultancy Services Employees' Provident Fund | 78 | 256 | 160 | 362 |
| **Inter-corporate deposits placed** | | | | |
| Tata Capital Housing Finance Limited | - | - | 58 | - |

Material related party balances are as follows:

| | As at September 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | (In million of USD) | |
| **Trade receivables and contract assets** | | |
| Jaguar Land Rover Limited | 87 | 120 |
| **Investments, other financial assets and other assets** | | |
| Tejas Networks Limited | 164 | 171 |
| Tata Capital Limited | 87 | 58 |
| Tata Capital Housing Finance Limited | 57 | - |
| **Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities** | | |
| Tejas Networks Limited | 460 | 505 |
| Tata Realty and Infrastructure Limited | - | 65 |
| **Commitments and guarantees** | | |
| Tata Projects Limited | 87 | 111 |

Transactions with key management personnel are as follows:

| | Three months ended September 30, 2025 | Three months ended September 30, 2024 | Six months ended September 30, 2025 | Six months ended September 30, 2024 |
|---|---|---|---|---|
| | (In million of USD) | | | |
| Short-term benefits | -* | -* | -* | 1 |
| Dividend paid during the period | -* | -* | -* | -* |
| Post-employment benefits | -* | -* | -* | -* |
| **Total** | -* | -* | -* | 1 |

*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.

**22)** In July 2025, the Group announced re-structuring initiatives. As a part of this initiative, the Group released / will release certain associates from the organisation whose deployment may not be feasible. Termination benefits have been provided as per policy devised for this purpose. Such termination benefits, due to their size, nature or occurrence are disclosed separately in the unaudited consolidated interim financial statements.

**23) Dividends**

Dividends paid during the period ended September 30, 2025 include an amount of ₹30.00 (USD equivalent $0.35) per equity share towards final dividend for the year ended March 31, 2025 and an amount of ₹11.00 (USD equivalent $0.13) per equity share towards interim dividends for the period ended September 30, 2025. Dividends paid during the year ended March 31, 2025 include an amount of ₹28.00 (USD equivalent $0.34) per equity share towards final dividend for the year ended March 31, 2024 and an amount of ₹96.00 (USD equivalent $1.13) per equity share towards interim dividends (including special dividend) for the year ended March 31, 2025.

The Board of Directors at its meeting held on October 9, 2025, has declared an interim dividend of ₹11.00 (USD equivalent $0.12) per equity share.