

TCS' TAX STRATEGY

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INTRODUCTION

Tata Consultancy Services (“TCS” or “We” or “the Company”) is a digital transformation and technology partner of choice for industry-leading organizations worldwide. Since its inception in 1968, TCS has upheld the highest standards of innovation, engineering excellence and customer service.

Rooted in the heritage of the Tata Group, TCS is focused on creating long term value for its clients, its investors, its employees, and the community at large. With the ability to rapidly apply and scale new technologies, the company has built long term partnerships with its clients – helping them emerge as perpetually adaptive enterprises. Many of these relationships have endured into decades and navigated every technology cycle, from mainframes in the 1970s to Artificial Intelligence today.

TCS contributes to the sustainable value creation for various stakeholders including—customers, vendors, employees, investors, regulators, and society at large through its engagement with them, as well as through the direct and indirect taxes that it pays to local and national governments.

This tax strategy document sets out TCS's approach to managing its tax affairs and the risks associated with them. It aligns tax decision making with the Company's business strategy and sustainability objectives and guided by the Tata Code of Conduct, which emphasizes ethical business practices, transparency, and responsible corporate citizenship. Our Tax Strategy serves as a guiding framework for managing the Company's tax affairs and associated risks, ensuring that all relevant personnel adhere to the highest standards of compliance, integrity, and professionalism in all tax-related matters.

This Tax Strategy is applied consistently across all geographies where TCS operates and TCS also complies with any jurisdiction-specific tax strategy obligations arising under applicable local laws and regulations.

TCS TAX STRATEGY

Our Tax Strategy is set out as follows:

- We act in accordance with, and seek to comply with, relevant tax laws and obligations in all the jurisdictions in which we operate, adhering fully to the spirit and letter of the law, and accordingly pay our fair share of taxes in each country.
- We have established robust tax risk management processes that enable the identification, assessment, management, and mitigation of key tax risks, along with accurate recording and reporting.
- We do not engage in tax evasion, or in planning that aims to achieve results contrary to legislation.

- We believe in open and constructive dialogue with the tax authorities and seek to foster cooperative and trusted relationships.
- We support the principle of transparency and, accordingly, adequate disclosures are made in our financial statements to communicate appropriate information regarding our tax matters clearly to all stakeholders.
- We ensure compliance with transfer pricing regulations by applying the arm's length principle and monitoring local and OECD developments. We maintain adequate documentation to uphold legal obligations and ensure transparency.

COMMITMENT TO COMPLIANCE:

TCS is committed to complying with statutory tax obligations in all the jurisdictions in which it operates, in a responsible manner. This includes:

- Filing accurate tax returns within the prescribed due date as well as settling any tax obligations as required
- Disclosure of relevant facts and circumstances to tax authorities.
- We recognize the importance of timely compliance, including accurate calculation and remittance of all tax liabilities within prescribed statutory deadlines. By ensuring all taxes are paid in full and in a timely manner, we not only comply with legal requirements but also uphold our corporate responsibility and support the legislative standards in all the jurisdictions of our operations.
- We are committed to maintaining compliance with transfer pricing regulations across all jurisdictions in which we operate. Our approach is grounded in the arm's length principle, ensuring that intercompany transactions reflect fair market value and align with global best practices. We proactively monitor developments in local and international transfer pricing rules, including OECD guidelines, and implement required documentation processes to support transparency.

The Company provides regular updates to the Board of Directors/ Management on significant tax matters, legislative changes, and compliance status. These updates facilitate informed decision-making, enable proactive risk management, and ensure that the Company remains agile in responding to evolving tax environments across its global operations.

Pillar Two Adoption Policy:

The Company supports the OECD/G20 Inclusive Framework's objective of a global minimum tax. Where jurisdictions have enacted Pillar Two, TCS complies with applicable Qualified Domestic Minimum Top-up Tax('QDMTT') / Income Inclusion Rule('IIR') / Undertaxed Payments Rule('UTPR') rules, elects transitional safe harbour rules where eligible. TCS will also ensure transparent disclosures as applicable, in relation to its Pillar Two exposures.

Tax Automation and Technology Adoption:

TCS embraces technology as a cornerstone of its tax strategy, leveraging advanced digital tools to enhance accuracy, efficiency, and compliance. Our approach begins with assessing existing workflows, identifying areas prone to manual error, and implementing solutions such as tax engines, data integration tools, and analytics platforms that align with business needs.

We invest in automation, data analytics, and integrated platforms to streamline tax processes, reduce manual intervention, and enable real-time visibility across jurisdictions. To ensure effective adoption and utilization of technology, we equip teams with the necessary training.

TAX GOVERNANCE AND RISK MANAGEMENT

TCS's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior, and fairness to all stakeholders including regulators, employees, customers, vendors, investors, and society at large.

The Board, through Audit Committee, provides oversight of tax governance, compliance, and significant tax risks. The Chief Financial Officer (CFO) has overall responsibility for the TCS' tax strategy, supported by a dedicated in-house tax team. The CFO regularly reports to the Audit Committee on significant tax matters, key tax risks, and related challenges. The tax strategy is periodically reviewed to ensure that governance processes and enabling technologies remain appropriate and effective.

Our in-house tax team have requisite knowledge of the tax laws applicable in all jurisdictions where the Company operates. Tax positions are routinely reviewed and adjusted as necessary by the tax team, under the governance of the Head of Tax or CFO, particularly considering regulatory or business changes.

Our tax risk management, governance, and controls include measures and tools to ensure that we can identify, assess, manage, and mitigate operational and financial reporting risks, and comply with tax requirements in all countries in which we operate.

We are committed to acting with integrity and transparency. TCS tax strategy and policies seek to make use of appropriate reliefs to control the tax costs. TCS transactions are driven basis commercial rationale and the Company's economic activity and not for the main

purpose of gaining a tax advantage. We strictly follow zero-tolerance policy for any conduct that is unethical, unlawful, or jeopardizes our organization's tax integrity.

We do not use artificial tax avoidance schemes or tax havens to reduce the tax liabilities, nor do we take an aggressive interpretation of tax legislation. We seek external tax advice in certain situations where we believe there is uncertainty with respect to the application of the tax laws, to ensure that we do not suffer any unforeseen or unreasonable tax outcomes.

All tax processes are rigorously managed through a combination of internal controls and external assurance mechanisms. We always take proactive measures in response to any legislative or judicial changes that could affect our established tax positions. A key responsibility of the tax team is to proactively monitor and comprehend evolving tax regulations. This involves leveraging multiple information channels i.e. newsletters, databases, training, internal discussions etc., to remain informed about legislative changes and judicial developments.

CONSTRUCTIVE APPROACH TO ENGAGE WITH TAX AUTHORITIES

TCS is committed to building open and collaborative relationships and to following a policy of transparency with tax authorities, to remove uncertainty from its business transactions and to settle its tax affairs in a timely and fair manner.

Where TCS considers that a significant risk or uncertainty exists, it seeks advance clearance from tax authorities on the proposed tax treatment of transactions. This offers an opportunity for early resolution and minimizing the risk of future disputes. In cases where disagreements lead to litigation or formal dispute-resolution procedures, TCS continues to uphold a constructive and professional relationship with tax authorities throughout the process.

All dealings with the tax authorities and other relevant bodies are conducted in a collaborative, courteous, timely manner and in compliance with the Tata group's Tata Code of Conduct. We strive to maintain mutual respect and a positive working relationship by ensuring transparent communication, adherence to tax laws, and participation in compliance initiatives.

In addition, where feasible, TCS proactively collaborates with industry bodies to contribute to tax legislation and related policy developments that enhance clarity, consistency, and fairness.

Through these commitments, TCS reinforces responsible tax practices and supports sustainable, long-term value creation in the jurisdictions where it operates.