

STATUTORY AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese – Note 26)

Introduction

1. We have audited the accompanying financial statements of TATA Consultancy Services (Portugal), Unipessoal, Lda. (“the Company”), which comprise the balance sheet as of March 31, 2016, that presents a total of 2,418,743 Euros and negative quotaholders' equity of 1,666,760 Euros, including a net loss of 434,502 Euros, the statements of profit and loss by nature, of changes in quotaholders' equity and of cash flows for the year then ended and the corresponding notes.

Responsibilities

2. The preparation of financial statements that present a true and fair view of the financial position of the Company, the results of its operations, its changes in quotaholders' equity and its cash flows, as well as the adoption of adequate accounting principles and criteria and the maintenance of an appropriate internal control system, are the responsibility of the Company's Management. Our responsibility is to express a professional and independent opinion on those financial statements based on our audit.

Scope

3. Our audit was performed in accordance with the auditing standards (“Normas Técnicas e Diretrizes de Revisão/Auditoria”) issued by the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”), which require that the audit be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. The audit included verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the estimates, based on judgements and criteria defined by Management, used in their preparation. The audit also included assessing the adequacy of the accounting principles used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern assumption and assessing the adequacy of the overall presentation of the financial statements. Our audit also included verifying that the financial information contained in the Management's Report is in accordance with the financial statements. We believe that our audit provides a reasonable basis for expressing our opinion.

Opinion

4. In our opinion, the financial statements referred to in paragraph 1 above, present fairly, in all material respects, the financial position of TATA Consultancy Services (Portugal), Unipessoal, Lda. as of March 31, 2016, and the results of its operations, its changes in quotaholders' equity and its cash flows for the year then ended, in accordance with generally accepted accounting principles in Portugal.

Emphasis

5. The financial statements as of March 31, 2016, have been prepared on a going concern basis, although, as of that date, current liabilities exceed current assets and, as a result of incurred losses with developed projects, the Company presents a negative quotaholders' equity amounting to, approximately, 1,667,000 Euros, situation that determines the application of the dispositions of Articles 35 and 171 of the Commercial Company's Code ("Código das Sociedades Comerciais"). Consequently, the ability of the Company to continue on a going concern basis, the realization of its assets and the settlement of its liabilities, in the normal course of its operations, depend on the financial support of its quotaholder, as well as on the success of the Company's future operations.

Report on other legal requirements

6. It is also our opinion that the financial information contained in the Management' Report is consistent with the financial statements of the year.

Lisbon, April 29, 2016

Deloitte & Associados, SROC S.A.
Represented by Pedro Miguel Argente de Freitas e Matos Gomes

TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.

BALANCE SHEET AS OF MARCH 31, 2016 AND 2015

(Amounts expressed in Euros)

(Translated from the Portuguese original – Note 26)

		March 31, 2016	March 31, 2015
ASSETS			
Non-current assets:			
Tangible fixed assets	6	11.338	18.695
Other financial assets		3.861	961
		15.200	19.656
Current assets:			
Trade receivables	8	854.071	930.681
Other receivables	8	219.131	101.276
Deferrals	10	9.217	57.920
Cash and bank deposits	4	1.321.125	1.005.176
		2.403.544	2.095.053
Total Assets		2.418.743	2.114.709
QUOTAHOLDERS' EQUITY AND LIABILITIES			
Quotaholders' equity:			
Quota capital	11	5.500	5.500
Legal reserves	11	17.574	17.574
Other reserves	11	2.642.904	2.642.904
Retained earnings/(losses)		(3.898.236)	(3.128.177)
		(1.232.258)	(462.199)
Net profit/(loss) for the year		(434.502)	(770.059)
Total quotaholders' equity		(1.666.760)	(1.232.258)
Liabilities			
Current liabilities			
Provisions	20	-	225.532
		-	225.532
Non-current liabilities			
Suppliers	14	3.315.791	2.127.458
State and other public entities	15	164.996	155.462
Other payables	13	587.923	755.342
Deferrals	10	16.794	83.173
		4.085.504	3.121.435
Total liabilities		4.085.504	3.346.967
Total Quotaholders' equity and Liabilities		2.418.743	2.114.709

The accompanying notes form an integral part of the balance sheet as of March 31, 2016.

THE CERTIFIED ACCOUNTANT

Henrico Miguel Louco Duarte

MANAGEMENT

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TATA CONSULTANCY SERVICES (PORTUGAL), UNIPessoal, LDA.

**STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015**

(Amounts expressed in Euros)

(Translated from the Portuguese original – Note 26)

EARNINGS AND LOSSES		March 31, 2016	March 31, 2015
Services rendered	17	3.022.270	2.904.445
Subsidies		763	619
Supplies and services	18	(2.300.954)	(2.842.955)
Payroll expenses	19	(1.357.321)	(1.194.832)
Accounts receivable impairment losses	8	(154)	37.161
Provisions	20	225.532	378.139
Other operating income	21	37.577	8.180
Other operating expenses	22	(28.937)	(34.045)
Net profit/(loss) before depreciation, financial expenses and taxes		(401.225)	(743.287)
Amortization and depreciation	6	(7.356)	(5.234)
Operating profit (before financial expenses and income taxes)		(408.582)	(748.521)
Financial income	23	-	2.179
Net profit/(loss) before income tax		(408.582)	(746.342)
Corporate income tax for the year	7	(25.921)	(23.716)
Net profit/(loss) for the year		(434.502)	(770.059)

The accompanying notes form an integral part of the statement of profit and loss by nature for the year ended March 31, 2016.

THE CERTIFIED ACCOUNTANT

MANAGEMENT

Renato Miguel Pires Duarte

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TATA CONSULTANCY SERVICES (PORTUGAL), UNIPessoal, LDA.
STATEMENTS OF CHANGES IN QUOTAHOLDERS' EQUITY FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

(Amounts expressed in Euros)
 (Translated from the Portuguese original – Note 26)

	Notes	Quota capital	Legal reserve	Other reserves	Retained earnings/(losses)	Net profit/(loss) for the year	Total
Balance as of March 31, 2014		5.500	17.574	2.642.904	(1.568.043)	(1.560.134)	(462.199)
Net loss for the year		-	-	-	-	(770.059)	(770.059)
Appropriation of 2014 results:							
Transfer to retained earnings/(losses)	11	-	-	-	(1.560.134)	1.560.134	-
Balance as of March 31, 2015		5.500	17.574	2.642.904	(3.128.177)	(770.059)	(1.232.258)
Net loss for the year		-	-	-	-	(434.502)	(434.502)
Appropriation of 2015 results:							
Transfer to retained earnings/(losses)	11	-	-	-	(770.059)	770.059	-
Balance as of March 31, 2016		5.500	17.574	2.642.904	(3.898.236)	(434.502)	(1.666.760)

The accompanying notes form an integral part of the statement of changes in quotaholders' equity for the year ended March 31, 2016.

THE CERTIFIED ACCOUNTANT

Rena D'Aguiar / Rina D'Aguiar

MANAGEMENT

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TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

(Amounts expressed in Euros)

(Translated from the Portuguese original – Note 26)

	<u>Notes</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
OPERATING ACTIVITIES:			
Received from clients		2.855.107	3.475.242
Paid to suppliers		(1.140.855)	(1.657.517)
Paid to employees		(1.405.669)	(1.060.282)
Net cash from operations		<u>308.583</u>	<u>757.443</u>
Income tax (paid) / received		(29.781)	(28.346)
Other (payments) / receipts relating to operating activities		40.047	(63.796)
Net cash provided by operating activities [1]		<u><u>318.849</u></u>	<u><u>665.301</u></u>
INVESTING ACTIVITIES:			
Receipts relating to:			
Interest and similar income		-	2.179
Payments relating to:			
Tangible fixed assets	6	(2.900)	(12.113)
Other financial assets		(2.900)	(961)
		<u>(5.800)</u>	<u>(13.074)</u>
Net cash used by investing activities [2]		<u><u>(2.900)</u></u>	<u><u>10.895</u></u>
Variation in cash and cash equivalents ([3] = [1] + [2])		315.949	654.406
Cash and cash equivalents at the beginning of the year	4	1.005.176	350.770
Cash and cash equivalents at the end of the year	4	1.321.125	1.005.176

The accompanying notes form an integral part of the statement of cash flows for the year ended March 31, 2016.

THE CERTIFIED ACCOUNTANT

Ricardo Miguel Ribeiro Duarte

MANAGEMENT

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1. INTRODUCTORY NOTE

TATA Consultancy Services (Portugal), Unipessoal, Lda. ("The Company"), has its head office in Miraflores, was founded on July 4, 2005 and its corporate object consists on IT consultancy services.

The Company is included in TATA Group (whose mother company has its head office in India), which includes several companies with head office in Europe and Latin America, with which it has transactions related to the development of its operations (Note 16), so that its activity and results are influenced by decisions taken at group level.

These financial statements were approved by Management in April 29, 2016.

2. ACCOUNTING REFERENCE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in compliance with the provisions in force in Portugal in accordance with Decree-Law 158/2009 of 13 July and the conceptual structure, interpretation standards and accounting and financial reporting standards ("NCRF"), contained in Notices 15652/2009, 15653/2009 and 15655/2009 of 27 August 2009, which together make up the Portuguese Accounting Standards System ("Sistema de Normalização Contabilística" or "SNC"). These standards and interpretations are hereinafter referred to generally as "NCRF".

3. PRINCIPAL ACCOUNTING POLICIES

3.1. Bases of presentation

The financial statements were prepared on a going concern basis as from the Company's accounting records, in accordance with NCRF.

3.2. Tangible fixed assets

Tangible fixed assets are initially recorded at acquisition cost, which includes the purchase cost and any other direct expenses to put the assets in the location and conditions needed to operate in the intended manner and, when applicable, the initial estimates of dismantling and removing assets and restoration of the places of installation/operation of the assets that the Company expects to incur.

Depreciations are recognised after the asset is available for use, in a straight-line basis, according to its estimated useful life for each group of assets.

Useful life's are, as follows:

	<u>Years</u>
Administrative equipment	3 to 8

Useful life and the depreciation method are reviewed on an annual basis. The effect of any change is recognised prospectively by in the statement of profit and loss.

Costs of maintenance and repair (subsequent expenditure) that are not likely to generate future economic benefits are recorded as expenses in the period they are incurred in.

The gain (or loss) on disposal or write-off of a plant and equipment is determined as the difference between the amount received in the transaction and the amount of the asset and is recognized in the period in which it occurs.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

3.3. Income tax

Income tax for the year consists of current tax and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss, except when they are related with items recorded directly in equity. In such cases current and deferred tax are also recorded in equity.

Income tax for the period is calculated based on the Company's taxable results. The taxable income differs from the accounting profit or loss, as it excludes several costs and earnings that are deductible or taxable in other years. Taxable income also excludes costs and earnings that will never be deductible or taxable, according to tax rules in force.

Deferred tax relates to the temporary differences between assets and liabilities for accounting and tax purposes.

Deferred tax liabilities are recorded for all taxable temporary differences.

Deferred tax assets are recorded for deductible temporary differences, only when there is reasonable expectation of sufficient future taxable income to use them. Temporary differences underlying deferred tax assets are reviewed at each balance sheet date in order to recognise or adjust them based on the current expectation of their future recovery.

Deferred tax assets and liabilities are calculated and assessed annually using the tax rates expected to be in force when the temporary differences reverse.

The compensation between deferred tax assets and liabilities is only allowed when: (i) the Company has the legal right to do the compensation between that assets and liabilities for liquidating purposes; (ii) those assets and liabilities relate to income tax of the same fiscal authority; and (iii) the Company has the intention of compensating for liquidation purposes.

3.4. Financial assets and liabilities

Financial assets and liabilities are recorded in the balance sheet when the Company becomes part of the correspondent arrangements, as established by NCRF 27 – Financial Instruments.

Financial assets and liabilities at cost or at amortised cost

The financial assets and liabilities are measured at cost or at amortised cost net of accumulated impairment losses (in the case of financial assets) when:

- The maturity is defined; and
- They have a fixed or determinate repayment; and
- They do not constitute or incorporate a derivative financial instrument.

The amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition, less principal repayments and plus or minus a cumulative amortisation, using the effective interest method, of any difference between the original amount and the amount at the maturity date. The effective interest rate is the rate that discounts cash flows associated with the financial instrument net carrying amount.

Assets and liabilities at cost or at amortised cost net of accumulated impairment losses include, namely:

- Trade receivables;
- Other receivables;
- Suppliers;
- Other payables.

Cash and cash equivalents

"Cash and cash equivalents" includes cash, bank deposits and term deposits with maturity up to three months and that can be demanded immediately with insignificant risk of losses.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

Trade receivables and other receivables

Trade receivables and other receivables are recorded at cost or amortised cost net of eventual impairment losses. Generally, the amortised cost of these assets doesn't differ from its nominal value.

Suppliers and other payables

Suppliers and other payables are recorded at cost or amortised cost. Generally, the amortised cost of these liabilities doesn't differ from its nominal value.

Impairment of financial assets

Financial assets classified "at cost or at amortised cost" are tested for impairment at each reporting date. Such financial assets are impaired when there is objective evidence that, as a result of one or more events after their initial recognition, their estimated future cash flows are negatively affected.

For financial assets measured at amortised cost, the impairment loss recognised corresponds to the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the respective original effective interest rate.

For financial assets measured at cost, the impairment loss recognised corresponds to the difference between the asset's carrying amount and the best estimate of the fair value of the asset.

Impairment losses are recognized in the statement of profit and loss in the period in which they are determined.

Subsequently, if the amount of the impairment loss decreases and such reduction can be objectively related to an event that took place after the recognition of that loss, it is reversed through the statement of profit and loss. The reversal shall be effected within the limits of the amount that would be recognized (amortised cost) if the loss had not been initially accounted for. Reversal of impairment losses are recognized in the statement of profit and loss.

Derecognition of financial assets and liabilities

The Company derecognizes the financial assets only when the contractual rights to receive the cash flows expire, or when the financial assets and the risks and rewards of its ownership are transferred to other entity. The Company derecognizes the financial assets transferred, when transfer of control occurs, even if some significant risks and rewards are retained.

The Company derecognizes financial liabilities only when the corresponding obligation specified in the contract is either discharged, cancelled or expires.

3.5. Foreign currency balances and transactions

Transactions in foreign currency (different from functional currency) are recorded at the exchange rate of the transaction date. At each reporting date, the foreign currency monetary items are translated at the exchange rate of that date.

Exchange gains and losses arising from differences between the historical exchange rates and those prevailing at the date of collection, payment or at the reporting date are recorded in the statement of profit and loss for the period.

3.6. Provisions and contingent assets and liabilities

Provisions

Provisions are recognized when there is a present legal or implied obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

The amount recorded in provisions is the present value of the best estimate at the reporting date, needed to settle the obligation. The estimate is determined based on risks and uncertainties related to the obligation. The amount of provisions is reviewed and adjusted at each reporting date so as to reflect the best estimate at that time.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when the Company is part of a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits to be received.

Contingent liabilities

Contingent liabilities are not recorded in the financial statements, but are disclosed when the possibility of outflows of resources including economic benefits is not remote.

Contingent assets

Contingent assets are not recorded in the financial statements, but are disclosed when economic future inflows of resources are likely to occur.

3.7. Revenue

Revenue is measured at fair value of the compensation received or to be received. Revenue to be recorded is offset of the estimated discounts and other rebates.

Revenue provided by services rendered (projects) is recognised according to the stage of completion method of the transaction/service at the financial position date, subject to the following conditions:

- The amount of revenue can be measured reliably;
- It is probable that future economic benefits flow to the Company; and
- Incurred cost or costs to be incurred with transactions can be measured reliably.

3.8. Accruals basis

Costs and earnings are recorded in the period to which they relate, independently of the date they are paid or received. Costs and earnings for which the real value is not known are estimated.

Costs and earnings attributed to the current period and which expenses and revenues will occur in future periods as well as costs and earnings that have already occurred but that respect to future periods are recorded as assets or liabilities.

3.9. Leases

As of March 31, 2016 and 2015, the Company has long term lease contracts, which, due to their characteristics, according to NCRF 9 – Leases, taking into account the substance over form principle, are recognized in the financial statements as operational leases. Payments of operational leases are recorded as costs in a straight line basis during the period of the lease.

3.10. Critical judgments/estimates in applying the accounting standards

In the preparation of the financial statements judgments, estimates and assumptions were made, that can affect the value of the assets and liabilities presented, as well as earnings and costs of the period.

These estimates are based on the best knowledge available at the time and on the actions planned, and are constantly revised based on the information available at the financial position date. However, situations can happen in subsequent periods which are not predictable at the time of the approval of the financial statements and thus, were not considered on those estimates. Changes in estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and due to that uncertainty, actual results can differ from the corresponding estimates.

The most significant estimates reflected in the financial statements refer to: (i) impairment analysis of receivables; (ii) revenue recognition of ongoing projects and (iii) provisions for onerous contracts.

3.11. Subsequent events

Events that occur after the balance sheet date that provide additional information on conditions that existed as of that date ("adjustable events") are reflected in the financial statements. Events that occur after the balance sheet date that provide information on conditions that exist after that date ("non-adjustable events"), if material, are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

4. CASH FLOWS

Cash and cash equivalents include cash and bank deposits immediately callable (maturity up to three months). Cash and cash equivalents as of March 31, 2016 and 2015, are detailed as follows:

	<u>2016</u>	<u>2015</u>
Bank deposits immediately callable	1,321,125	1,005,176
Cash and equivalents	<u>1,321,125</u>	<u>1,005,176</u>

5. ACCOUNTING POLICIES, CHANGES IN ESTIMATES AND ERRORS

In the year ended as of March 31, 2016, there were no changes in accounting policies in relation to those used in the year ended as of March 31, 2015, presented for comparative purposes, nor were material errors relating to prior years identified.

6. TANGIBLE FIXED ASSETS

During the years ended March 31, 2016 and 2015, the movements in tangible fixed assets, as well as in the respective accumulated depreciations and impairment losses, were as follows:

	<u>Administrative equipment</u>	
	<u>2016</u>	<u>2015</u>
Gross assets:		
Beginning balance	49,021	36,908
Increases	-	12,113
Ending balance	<u>49,021</u>	<u>49,021</u>
Accumulated depreciation and impairment losses:		
Beginning balance	30,326	25,092
Depreciation of the year	7,356	5,234
Ending balance	<u>37,682</u>	<u>30,326</u>
Net assets	<u>11,338</u>	<u>18,695</u>

7. INCOME TAX

The Company is subject to corporate income tax, in accordance with article 87-A of the Portuguese Corporate Income Tax Code ("IRC"), at the rate of 21%. This rate is increased up to a maximum of 1.5% of Municipal Surcharge.

For 2015, the nominal tax rate can vary between 22,5% and 29,5% depending on the determined taxable income, which will be taxable at the follow rates:

- IRC rate: 21% over taxable income;
- Municipal surcharge: 1,5% over taxable income;
- State surcharge: 3% over taxable income if 1,500,000 < taxable income <= 7,500,000 Euros, 5% over taxable income if 7,500,000 Euros < taxable income <= 35,000,000 Euros or 7% over taxable income if taxable income > 35,000,000 Euros.

In accordance with article 88 of the Portuguese Corporate Income Tax Code, the Company is also subject to autonomous taxation of certain expenses at the rates mentioned therein.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

In accordance with applicable Portuguese legislation, income tax returns are subject to review and correction by the tax authorities for a period of four years (five years for social security) except where there are tax losses, tax benefits have been granted or there is litigation in progress where, depending on the circumstances, the period can be extended or suspended. Accordingly, the Company's tax returns for the years 2012 to 2015 are still subject to review. Management believes that possible corrections arising from inspections by the tax authorities of those tax returns will have not have a significant impact on the financial statements of March 31, 2016 and 2015.

For 2014 and 2015, tax losses are reported for a period of 12 years (6 years for tax losses determined until 2009, 4 years if determined in 2010 and 2011, and 5 years for tax losses determined in 2012 and 2013) after its occurrence and deductible to the tax income determined during those periods. Additionally, tax losses deduction is limited to 70% of taxable income.

As of March 31, 2016, tax losses amounted to 4,216,533 Euros. The tax losses expire as follows

<u>Generated</u>	<u>Amount</u>	<u>Year of expiry</u>
2012	1,527,946	2017
2013	933,282	2018
2014	1,122,476	2026
2015	632,829	2027
	<u>4,216,533</u>	

As of March 31, 2016 the Company has not recognized deferred tax assets, since they don't expect future tax profits to realize them.

For the years ended March 31, 2016 and 2015, the tax rate reconciliation is as follows:

Reconciliation of the tax rate

	<u>2016</u>	<u>2015</u>
Loss before income tax	(408.582)	(746.342)
Nominal tax rate	21,0%	23,0%
Expected tax	<u>(85,802)</u>	<u>(171.659)</u>
Permanent differences (a)	(47,092)	(86,510)
Tax losses carried forward for which no deferred taxes were recorded	132,894	258,169
Income tax adjustments (b)	<u>25,921</u>	<u>23,716</u>
Income tax (Note 15)	<u>25,921</u>	<u>23,716</u>
Effective tax rate	<u>(6.34%)</u>	<u>(3.18%)</u>

(a) This amount, in the years ended in March 2016, and 2015, mainly includes the fiscal effect from the reversion of the provision for Sonae's project (Note 20).

(b) As of March 31, 2016 and 2015, this amount corresponds to the autonomous taxation of certain expenses.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

As of March 31, 2016 and 2015, trade receivables and other receivables present the following composition:

	2016			2015		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net Amount
Current:						
Trade receivables	867,352	(13,281)	845,071	944,424	(13,743)	930,681
Other receivables	219,131	-	219,131	101,276	-	101,276
	<u>1,086,483</u>	<u>(13,281)</u>	<u>1,073,957</u>	<u>1,045,700</u>	<u>(13,743)</u>	<u>1,031,957</u>

As of March 31, 2016 and 2015, trade receivables include 30,438 Euros and 60,615 Euros, respectively, related with Group companies (Note 16).

For the years ended March 31, 2016 and 2015, movements occurred in impairment losses, were as follows:

	2016	2015
Beginning balance	13,743	46,214
Increase	1,049	895
Decrease	(895)	(38,056)
Effect of exchange rate adjustments	(616)	4,690
	<u>13,281</u>	<u>13,743</u>

Other receivables

As of March 31, 2016 and 2015, this caption was as follows:

	2016	2015
Accrued income:		
Unbilled services rendered (a)	210,525	33,007
Other debtors	8,606	68,269
	<u>219,131</u>	<u>101,276</u>

(a) As of March 31, 2016 and 2015 this caption relates to amounts to be invoiced regarding ongoing projects for which costs had already been incurred. As of March 31, 2016 this amount respects, essentially to EDP project (Notes 13 and 20).

As of March 31, 2016, other receivables included 654 Euros, related with Group companies (Note 16).

9. BANK GUARANTEES

As of March 31, 2016, the Company had no bank guarantees.

As of March 31, 2015, the Company had responsibilities related with bank guarantees issued in favour of PT Information Systems, S.A, amounting to 5,493 Euros.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

10. DEFERRALS

As of March 31, 2016 and 2015, these captions were detailed as follows:

	<u>2016</u>	<u>2015</u>
<u>Deferred assets:</u>		
Supplies and services	9,102	57,805
Payroll expenses	115	115
Insurance	-	-
	<u>9,217</u>	<u>57,920</u>
<u>Deferred liabilities:</u>		
Services rendered	<u>16,794</u>	<u>83,173</u>

As of March 31, 2016, the deferred liabilities include 163 Euros related with Group companies (Note 16).

As of March 31, 2015, deferred assets included 38,264 Euros related with Group companies (Note 16).

11. QUOTA CAPITAL AND RESERVES

As of March 31, 2016 and 2015, the Company's fully subscribed and paid up quota capital was made up of one quota with the nominal value of 5,500 Euros. As of those dates, quota capital was totally owned by TATA Consultancy Services España, S.A. (head office at Spain).

Legal reserve:

Portuguese legislation establishes that at least 5% of annual net profit must be appropriated to legal reserves until the reserve equals the statutory minimum requirement of 20% of quota capital. This reserve is not available for distribution, except in the case of liquidation of the Company, but may be used to absorb losses once other reserves and retained earnings have been exhausted.

Appropriation of results:

In accordance with the decision of the Quotaholders' General Meeting held on April 10, 2014, the net loss for the year ended March 31, 2014, was transferred to "Retained earnings/(losses)".

In accordance with the decision of the Quotaholders' General Meeting held on April 20, 2015, the net loss for the year ended March 31, 2015, was transferred to "Retained earnings/(losses)".

12. LEASESOperating leases

As of March 31, 2016 and 2015, the Company is part of operational lease contracts related to rented vehicles, which are denominated in Euros. The minimum non-cancellable lease payments as of March 31, 2016 and 2015, are as follows:

	<u>2016</u>	<u>2015</u>
Until 1 year	16,333	23,397
Between 1 and 5 years	11,808	18,357
	<u>28,141</u>	<u>41,754</u>

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

13. OTHER PAYABLES

As of March 31, 2016 and 2015, the caption "Other payables" had the following composition:

	<u>2016</u>	<u>2015</u>
<u>Accrued costs:</u>		
Employees	264,522	178,467
Fees	-	67,594
Bonuses	49,321	185,308
Audit	13,400	9,151
Credits to be granted	34,771	22,919
Subcontracts (a)	121,547	129,104
Others	75,365	91,044
Other creditors	28,997	71,755
	<u>587,923</u>	<u>755,342</u>

(a) As of March 31, 2016 and 2015, this amount is refers to the incurred costs with external consultants.

As of March 31, 2016 and 2015 other payables included 29,513 Euros and 5,521 Euros, respectively, related with Group companies (Note 16).

14. SUPPLIERS

As of March 31, 2016 and 2015, the caption "Suppliers" was as follows:

	<u>2016</u>	<u>2015</u>
<u>Suppliers, current account:</u>		
Group companies (Nota 16)	3,282,796	2,014,842
Other suppliers	32,995	112,616
	<u>3,315,791</u>	<u>2,127,458</u>

15. STATE AND OTHER PUBLIC ENTITIES

As of March 31, 2016 and 2015, the caption "State and other public entities" was as follows:

	<u>2016</u>	<u>2015</u>
Corporate income tax:		
Advances	(13,588)	(6,978)
Estimated tax (Note 7)	25,921	23,716
Withholding taxes	-	(545)
Personal income tax	29,389	29,102
Value Added Tax	94,535	91,950
Social Security Contributions	28,739	18,576
	<u>164,996</u>	<u>155,462</u>

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

16. RELATED PARTIESTransactions with related parties

During the years ended March 31, 2016 and 2015 transactions with related parties were as follows:

	2016		2015	
	Services rendered (Not 17)	Supplies and services (Note 18)	Services rendered (Note 17)	Supplies and services (Note 18)
Tata America Internacional Corporation	113,184	590	89,881	-
Tata Consultancy Services, Limited	-	1,294,767	-	1,341,089
Tata Consultancy de España, S.A.	-	2,265	-	-
Tata Consultancy Services Netherlands B.V.	-	436	-	-
Tata Consultancy Services France SAS	-	1,730	-	-
Tata Consultancy Services Deutschland GmbH	-	1,150	-	-
	<u>113,184</u>	<u>1,300,938</u>	<u>89,881</u>	<u>1,341,089</u>

Balances with related parties

As of March 31, 2016 and 2015, balances with related parties were as follows:

	2016			
	Trade receivables (Note 8)	Other receivables (Notes 8 e 13)	Suppliers (Note 14)	Deferred liabilities (Note 10)
Tata Consultancy de España, S.A.	-	-	2,265	-
Tata Consultancy Services Netherlands B.V.	-	-	436	-
Tata Consultancy Services Deutschland GmbH	-	-	1,150	-
Tata Consultancy Services France SAS	-	-	1,730	-
Tata America Internacional Corporation	14,574	-	1,947	163
Tata Consultancy Services, Limited	<u>15,864</u>	<u>30,167</u>	<u>3,275,268</u>	<u>-</u>
	<u>30,438</u>	<u>30,167</u>	<u>3,282,796</u>	<u>163</u>

	2015			
	Trade receivables (Note 8)	Other receivables (Notes 8 e 13)	Suppliers (Note 14)	Deferred assets (Note 10)
Tata Consultancy de España, S.A.	-	-	15,237	-
Tata America Internacional Corporation	44,751	-	6,418	-
Tata Consultancy Services, Limited	<u>15,864</u>	<u>5,521</u>	<u>1,993,187</u>	<u>38,264</u>
	<u>60,615</u>	<u>5,521</u>	<u>2,014,842</u>	<u>38,264</u>

17. SERVICES RENDERED

Services rendered by the Company during the years ended March 31, 2016 and 2015, were as follows:

	2016	2015
Internal market	2,909,086	2,814,564
External market (Note 16)	<u>113,184</u>	<u>89,881</u>
	<u>3,022,270</u>	<u>2,904,445</u>

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

18. SUPPLIES AND SERVICES

The caption "Supplies and services" for the years ended March 31, 2016 and 2015, is made up as follows:

	<u>2016</u>	<u>2015</u>
Subcontracts	1,678,494	1,908,796
Fees	386,101	659,915
Rents and leases	66,325	72,016
Travel expenses	18,861	24,801
Specialized services	55,114	82,954
Communication	41,645	50,791
Others	54,414	43,682
	<u>2,300,954</u>	<u>2,842,955</u>

During the years ended March 31, 2016 and 2015, these captions included 1,300,938 Euros and 1,341,089 Euros, respectively, related to services rendered by Group companies (Note 16).

19. PAYROLL EXPENSES

The caption "Payroll expenses" of the years ended March 31, 2016 and 2015, was as follows:

	<u>2016</u>	<u>2015</u>
Staff remuneration	1,054,930	834,815
Bonuses	49,321	141,167
Social security charges	227,583	174,594
Others	25,487	44,256
	<u>1,357,321</u>	<u>1,194,832</u>

During the years ended March 31, 2016 and 2015, the average number of personnel was 24 and 18, respectively.

20. PROVISIONS

In the years ended March 31, 2016 and 2015, movements occurred in caption "Provisions" were as follows:

	<u>2016</u>	<u>2015</u>
Opening balance	225,532	603,671
Decrease	(225,532)	(378,139)
	<u>-</u>	<u>225,532</u>

As of March 31, 2016, the decrease in the caption is explained by the reversal of net impairment losses estimated to be incurred on the projects with Sonae and Aegis, amounting to 222,778 Euros and 2,754 Euros respectively.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

21. OTHER OPERATING INCOME

The composition of caption "Other operating income" for the years ended March 31, 2016 and 2015, was as follows:

	<u>2016</u>	<u>2015</u>
Foreign exchange rate gains	37,577	6,940
Others	-	1,240
	<u>37,577</u>	<u>8,180</u>

22. OTHER OPERATING EXPENSES

The composition of caption "Other operating expenses" for the years ended March 31, 2016 and 2015, was as follows:

	<u>2016</u>	<u>2015</u>
Foreign exchange rate losses	28,638	33,857
Others	299	188
	<u>28,937</u>	<u>34,045</u>

23. FINANCIAL INCOME

Financial income recorded during the years ended March 31, 2016 and 2015, refers to interests from term deposits in financial institutions.

24. SUBSEQUENT EVENTS

After the balance sheet date, no events were identified that should change the presented financial statements, nor that should be disclosed.

25. RISKSCredit risks

The company is exposed to credit risk related with the possibility of the other part failing to comply with contractual obligations, resulting in losses relating to assets realization.

Credit risk is mainly related with receivables, as a result of the Company's operations, namely data-processing consultancy services rendered to its clients.

This risk is monitored, on a regular basis, with the objective of:

- limit credit granted to clients, considering the profile and age of account receivables;
- monitor the progress of granted credit level;
- analyze the recoverability of receivables on a regular basis.

Impairment losses for accounts receivable are calculated considering:

- analysis of aged accounts receivable;
- client risk's profile;
- clients' financial conditions.

As of March 31, 2016, Management is convinced that estimated impairment losses for accounts receivable are appropriately accounted for in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2016

(Amounts expressed in Euros)

(Translation of notes originally issued in Portuguese – Note 26)

26. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally prepared in Portuguese in conformity with Portuguese legislation and following generally accepted accounting principles in Portugal. In the event of discrepancies, the Portuguese language version prevails.

THE CERTIFIED ACCOUNTANT

MANAGEMENT

A large, cursive handwritten signature in black ink, appearing to read "Henri Miguel Pinho Duarte".A smaller, cursive handwritten signature in black ink, consisting of several loops and a horizontal stroke at the bottom.