

INDEX TO EXTRACTS FROM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Page

Extracts from Unaudited Condensed Consolidated Financial Statements of Tata Consultancy Services Limited in Millions of Rupees

Unaudited Condensed Consolidated Balance Sheets as of March 31, 2009 and December 31, 2009	F-2
Unaudited Condensed Consolidated Statements of Income for the three-month and nine-month periods ended December 31, 2008 and 2009	F-3
Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity for the nine-month periods ended December 31, 2008 and 2009	F-4
Unaudited Condensed Consolidated Statements of Cash Flows for the nine-month periods ended December 31, 2008 and 2009	F-5

Tata Consultancy Services Limited

**Unaudited Condensed Consolidated Balance Sheets
As of March 31, 2009 and December 31, 2009**

	<u>As of March 31, 2009</u>	<u>As of December 31, 2009</u>
	<u>(In millions, except shares and per share data)</u>	
ASSETS:		
Current assets:		
Cash and cash equivalents	Rs14,839.3	Rs11,380.3
Accounts receivable (net of allowances of Rs1,734.6 million and Rs2,957.8 million, respectively)	61,540.4	60,486.1
Unbilled revenues	14,813.6	11,840.5
Inventories	366.1	218.4
Prepaid expenses and other current assets (net of allowances of Rs301.2 million and Rs305.2 million, respectively)	31,493.6	41,860.7
Total current assets	123,053.0	125,786.0
Investments	17,256.9	39,982.5
Equity method investment in affiliates	13.7	-
Property, plant and equipment, net	37,490.3	39,833.3
Intangible assets, net	8,278.6	7,539.4
Goodwill	25,906.1	26,087.9
Other non-current assets	16,803.5	22,605.5
Total assets	Rs228,802.1	Rs261,834.6
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Liabilities:		
Current liabilities:		
Accrued expenses and other current liabilities	Rs49,624.4	Rs47,671.8
Unearned and deferred revenues	7,762.3	8,019.6
Short-term debt	5,157.5	13.9
Total current liabilities	62,544.2	55,705.3
Long-term debt	1,762.0	1,947.9
Mandatorily redeemable preference shares with Tata Sons Limited	1,000.0	1,000.0
Other non-current liabilities	3,818.3	3,782.4
Total liabilities	69,124.5	62,435.6
Commitments and contingencies	-	-
Minority interests	3,133.1	3,738.0
Shareholders' equity:		
Equity shares: par value Re.1 per share; authorized 1,200,000,000 and 2,250,000,000 equity shares; issued and fully paid-up 978,610,498 and 1,957,220,996 equity shares	978.6	1,957.2
Additional paid-in-capital	24,372.3	23,393.7
Accumulated other comprehensive income/(loss)	(3,386.3)	1,197.4
Retained earnings	134,579.9	169,112.7
Total shareholders' equity	156,544.5	195,661.0
Total liabilities and shareholders' equity	Rs228,802.1	Rs261,834.6

Unaudited Condensed Consolidated Statements of Income
For the three-month and nine-month periods ended December 31, 2008 and 2009

	Three-month period ended December 31, 2008	Three-month period ended December 31, 2009	Nine-month period ended December 31, 2008	Nine-month period ended December 31, 2009
(In millions, except shares and per share data)				
Revenues:				
Information technology and consultancy services	Rs70,627.7	Rs74,285.2	Rs198,281.0	Rs215,883.8
Sale of equipment and software licenses	2,142.6	2,217.8	8,130.1	7,039.7
Total revenues	72,770.3	76,503.0	206,411.1	222,923.5
Cost of revenues:				
Cost of information technology and consultancy services	38,371.1	39,136.9	108,088.8	114,184.4
Cost of equipment and software licenses	1,933.3	1,821.9	7,114.6	6,323.1
Total cost of revenues	40,304.4	40,958.8	115,203.4	120,507.5
Gross profit	32,465.9	35,544.2	91,207.7	102,416.0
Operating expenses:				
Selling, general and administrative expenses	14,339.4	14,568.0	41,860.4	43,805.8
Research and development	106.4	88.6	332.1	299.3
Total operating expenses	14,445.8	14,656.6	42,192.5	44,105.1
Operating income	18,020.1	20,887.6	49,015.2	58,310.9
Other income / (expense):				
Interest income	283.6	484.2	689.1	1,274.5
Interest expense	(145.6)	(83.6)	(366.0)	(251.5)
Other non-operating income/(expense), net	(1,985.0)	169.2	(3,621.6)	(403.4)
Other income, net	(1,847.0)	569.8	(3,298.5)	619.6
Income before income taxes and minority interests	16,173.1	21,457.4	45,716.7	58,930.5
Income tax expense	2,480.5	3,240.9	6,718.2	8,804.5
Income before minority interests	13,692.6	18,216.5	38,998.5	50,126.0
Minority interests	(166.9)	(241.8)	(414.8)	(706.9)
Equity in net earnings of affiliates	(0.6)	-	(6.4)	(2.3)
Net income	Rs13,525.1	Rs17,974.7	Rs38,577.3	Rs49,416.8
Weighted average number of shares used in computing basic and diluted earnings per share :	1,957,220,996	1,957,220,996	1,957,220,996	1,957,220,996
Basic and diluted earnings per share:	Rs6.91	Rs9.18	Rs19.71	Rs25.25

**Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
For the nine-month periods ended December 31, 2008 and 2009**

	Share Capital			Comprehensive income	Accumulated other comprehensive income/(loss)	Retained earnings	Total Shareholders' equity
	Number of shares	Equity share capital	Additional paid-in-capital				
	(In millions, except shares and per share data)						
Balance as of March 31, 2008	978,610,498	Rs978.6	Rs24,372.3		Rs(418.3)	Rs98,886.9	Rs123,819.5
Net income				Rs38,577.3		38,577.3	38,577.3
Unrealised loss on available-for-sale securities, net of realized earnings and taxes				(199.1)	(199.1)		(199.1)
Foreign currency translation adjustment				3,627.6	3,627.6		3,627.6
Effective portion of loss on derivative instruments				(7,386.3)	(7,386.3)		(7,386.3)
Employee benefit plans, net of tax				25.2	25.2		25.2
Comprehensive income				Rs34,644.7			
Dividends paid including tax on dividends						(12,590.8)	(12,590.8)
Balance as of December 31, 2008	978,610,498	Rs978.6	Rs24,372.3		Rs(4350.9)	Rs124,873.4	Rs145,873.4
Balance as of March 31, 2009	978,610,498	Rs978.6	Rs24,372.3		Rs(3,386.3)	Rs134,579.9	Rs156,544.5
Net income				Rs49,416.8		49,416.8	49,416.8
Unrealised loss on available-for-sale securities, net of realized earnings and taxes				(134.4)	(134.4)		(134.4)
Foreign currency translation adjustment				(1,405.5)	(1,405.5)		(1,405.5)
Effective portion of gain on derivative instruments				6,148.9	6,148.9		6,148.9
Employee benefit plans, net of tax				(25.3)	(25.3)		(25.3)
Comprehensive income				Rs54,000.5			
Dividends paid including tax on dividends						(14,884.0)	(14,884.0)
Issue of stock dividend	978,610,498	978.6	(978.6)				-
Balance as of December 31, 2009	1,957,220,996	Rs1,957.2	Rs23,393.7		Rs1,197.4	Rs169,112.7	Rs195,661.0

Tata Consultancy Services Limited

**Unaudited Condensed Consolidated Statements of Cash Flows
For the nine-month periods ended December 31, 2008 and 2009**

	Nine-month period ended December 31, 2008	Nine-month period ended December 31, 2009
	(In millions)	
Cash flows from operating activities:	Rs29,743.1	Rs56,679.6
Cash flows from investing activities:		
Purchase of available-for-sale investments	(246,941.0)	(377,402.1)
Purchase of property, plant and equipment	(7,971.3)	(6,663.1)
Government grant received	122.0	-
Adjustment of purchase consideration	-	456.7
Purchase of subsidiaries and business, net of cash acquired	(24,410.8)	(128.7)
Acquisition of intangible assets	-	(43.1)
Proceeds from sale of available-for-sale investments	267,917.3	354,970.7
Proceeds from sale of property, plant and equipment	191.7	140.1
Long Term Bank deposits(net)	(150.4)	(4,350.4)
Short Term Bank deposits(net)	(64.4)	(5,306.3)
Inter-corporate deposits (net)	(1,500.0)	(1,850.0)
Proceeds from sale of subsidiary	-	25.7
Net cash used in investing activities	(12,806.9)	(40,150.5)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	34.8	(12.5)
Repayment of long-term debt	(12.5)	14.0
Net change in short-term debt	(524.3)	(4,719.8)
Dividends paid	(12,590.8)	(14,884.0)
Dividends paid to minority shareholders of a subsidiary	(95.3)	(130.0)
Proceeds from issue of shares to minority shareholders by subsidiaries	25.6	53.9
Net cash used in financing activities	(13,162.5)	(19,678.4)
Net change in cash	3,773.7	(3,149.3)
Effect of foreign exchange on cash flows	755.9	(309.7)
Cash and cash equivalents, beginning of the year	10,352.2	14,839.3
Cash and cash equivalents, end of the year	Rs14,881.8	Rs11,380.3
Supplementary cash flow information:		
Interest paid	Rs203.6	Rs113.5
Income taxes paid	Rs8,984.9	Rs13,370.0
Supplementary disclosure of cash flow non-cash investing activities:		
Property, plant and equipment accrued	Rs246.8	Rs427.2