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Tata Consultancy Services Limited

**Unaudited Condensed Consolidated Balance Sheets
As of March 31, 2007 and June 30, 2007**

	<u>As of March 31, 2007</u>	<u>As of June 30, 2007</u>
	(In millions of USD, except shares and per share data)	
ASSETS:		
Current assets:		
Cash and cash equivalents	\$282.8	\$197.0
Accounts receivable (net of allowances of \$ 23.3 million and \$ 25.5 million, respectively)	991.3	1,059.7
Unbilled revenues	180.2	263.2
Inventories	9.6	9.8
Prepaid expenses and other current assets (net of allowances of \$ 2.6 million and \$ 3.2 million, respectively)	249.5	366.6
Total current assets	1,713.4	1,896.3
Investments	291.2	545.2
Equity method investment in affiliates	1.2	1.3
Property, plant and equipment, net	527.1	596.4
Intangible assets, net	97.4	96.0
Goodwill	224.1	260.8
Other non-current assets	139.5	171.1
Total assets	\$2,993.9	\$3,567.1
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Liabilities:		
Current liabilities:		
Accrued expenses and other current liabilities	\$550.0	\$779.8
Unearned and deferred revenues	159.7	168.8
Short-term debt	13.9	4.8
Total current liabilities	723.6	953.4
Long-term debt	138.5	140.5
Other non-current liabilities	20.3	22.7
Total liabilities	882.4	1,116.6
Minority interests	48.8	48.4
Commitments and contingencies	-	-
Shareholders' equity:		
Equity shares: par value \$ 0.02 (Re.1) per share; authorized 1,200,000,000 equity shares; issued and fully paid-up 978,610,498 equity shares	21.5	21.5
Additional paid-in-capital	546.7	546.7
Accumulated other comprehensive income	76.7	238.8
Retained earnings	1,417.8	1,595.1
Total shareholders' equity	2,062.7	2,402.1
Total liabilities and shareholders' equity	\$2,993.9	\$3,567.1

Tata Consultancy Services Limited

Unaudited Condensed Consolidated Statements of Income
For three-month periods ended June 30, 2006 and 2007

	Three-month period ended June 30, 2006	Three-month period ended June 30, 2007
	(In millions of USD, except shares and per share data)	
Revenues:		
Information technology and consultancy services	\$854.1	\$1,194.1
Sale of equipment and software licenses	52.5	67.5
Total revenues	906.6	1,261.6
Cost of revenues:		
Cost of information technology and consultancy services	483.9	658.2
Cost of equipment and software licenses	40.9	53.1
Total cost of revenues	524.8	711.3
Gross profit	381.8	550.3
Operating expenses:		
Selling, general and administrative expenses	175.5	265.2
Research and development	2.0	2.7
Total operating expenses	177.5	267.9
Operating income	204.3	282.4
Other income / (expense):		
Interest income	0.6	3.1
Interest expense	(0.2)	(2.6)
Other non-operating income, net	12.1	47.7
Other income, net	12.5	48.2
Income before income taxes and minority interests	216.8	330.6
Income tax expense	26.8	37.9
Income before minority interests	190.0	292.7
Minority interests	(1.8)	(3.4)
Equity in net earnings of affiliates	0.3	0.1
Net income	\$188.5	\$289.4
Weighted average number of shares used in computing basic and diluted earnings per share:	978,610,498	978,610,498
Basic and diluted earnings per share:	\$0.19	\$0.30

Tata Consultancy Services Limited

**Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
For the three-month periods ended June 30, 2006 and 2007**

	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 of USD, except shares and per share data)						
Balance at March 31, 2006	489,305,249	\$11.0	\$557.2		(\$3.2)	\$744.2	\$1,309.2
Net income				\$188.5		188.4	188.4
Unrealized loss on available-for-sale securities, net of realized earnings and taxes				(0.6)	(0.6)		(0.6)
Foreign currency translation adjustment				(24.5)	(24.5)		(24.5)
Effective portion of loss on derivative instruments				(3.8)	(3.8)		(3.8)
Comprehensive income				\$159.6			
Dividends paid, including tax on dividend						(48.1)	(48.1)
Balance at June 30, 2006	489,305,249	\$11.0	\$557.2		(\$32.1)	\$884.5	\$1,420.6
Balance at March 31, 2007	978,610,498	\$21.5	\$546.7		\$76.7	\$1,417.8	\$2,062.7
Net income				\$289.4		289.4	289.4
Unrealized gain on available-for-sale securities, net of realized earnings and taxes				1.5	1.5		1.5
Foreign currency translation adjustment				111.9	111.9		111.9
Effective portion of gain on derivative instruments				49.3	49.3		49.3
Adjustment to initially apply SFAS No. 158, net of taxes				(0.6)	(0.6)		(0.6)
Comprehensive income				\$451.5			
Dividends paid, including tax on dividend						(112.1)	(112.1)
Balance at June 30, 2007	978,610,498	\$21.5	\$546.7		\$238.8	\$1,595.1	\$2,402.1

Tata Consultancy Services Limited

Unaudited Condensed Consolidated Statements of Cash Flows
For the three-month periods ended June 30, 2006 and 2007

	Three-month period ended June 30, 2006	Three -month period ended June 30, 2007
	(In millions of USD)	
Net cash provided by operating activities	\$128.2	\$265.9
Cash flows from investing activities:		
Purchase of subsidiary and business, net of cash acquired (including additional consideration)	(3.2)	(38.6)
Purchase of property, plant and equipment	(51.9)	(63.3)
Purchase of available-for-sale investments	(636.2)	(1,716.7)
Proceeds from sale of available-for-sale investments	621.0	1,487.1
Proceeds from sale of property, plant and equipment	0.5	0.4
Net cash used in investing activities	(69.8)	(331.1)
Cash flows from financing activities:		
Net change in short-term debt	4.1	(10.0)
Dividends paid to minority shareholders of a subsidiary	(0.9)	(1.7)
Dividends paid, including taxes on dividend	(48.1)	-
Net cash used in financing activities	(44.9)	(11.7)
Net change in cash	13.5	(76.9)
Effect of foreign exchange on cash flows	(0.9)	(8.9)
Cash and cash equivalents, beginning of the period	88.9	282.8
Cash and cash equivalents, end of the period	\$101.5	\$197.0
Supplementary cash flow information:		
Interest paid	\$0.3	\$1.8
Income taxes paid	\$14.1	\$34.4