

## INDEX TO EXTRACTS FROM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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#### **Extracts for Unaudited Condensed Consolidated Financial Statements of Tata Consultancy Services Limited in Millions of USD**

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**Tata Consultancy Services Limited**

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

	<u>As of March 31,</u> <u>2007</u>	<u>As of December 31,</u> <u>2007</u>
	<u>(In millions of USD, except shares and per share data)</u>	
<b>ASSETS:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$282.8	\$263.3
Accounts receivable (net of allowances of \$ 23.3 million and \$ 30.2 million, respectively)	991.3	1,271.0
Unbilled revenues	180.2	310.6
Inventories	9.6	10.2
Prepaid expenses and other current assets (net of allowances of \$ 2.6 million and \$ 4.3 million, respectively)	249.5	394.0
<b>Total current assets</b>	<b>1,713.4</b>	<b>2,249.1</b>
Investments	291.2	582.5
Equity method investment in affiliates	1.2	1.5
Property, plant and equipment, net	527.1	688.8
Intangible assets, net	97.4	93.6
Goodwill	224.1	267.7
Other non-current assets	139.5	282.8
<b>Total assets</b>	<b>\$2,993.9</b>	<b>\$4,166.0</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accrued expenses and other current liabilities	\$550.0	\$818.4
Unearned and deferred revenues	159.7	178.7
Short-term debt	13.9	8.9
<b>Total current liabilities</b>	<b>723.6</b>	<b>1,006.0</b>
Long-term debt	138.5	142.6
Other non-current liabilities	20.3	20.3
<b>Total liabilities</b>	<b>882.4</b>	<b>1,168.9</b>
Minority interests	48.8	54.7
<b>Commitments and contingencies</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity:</b>		
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	307.5
Retained earnings	1,417.8	2,066.7
<b>Total shareholders' equity</b>	<b>2,062.7</b>	<b>2,942.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$2,993.9</b>	<b>\$4,166.0</b>

Tata Consultancy Services Limited

**Unaudited Condensed Consolidated Statements of Income**  
**For three-month and nine-month periods ended December 31, 2006 and 2007**

	<b>Three-month period ended December 31, 2006</b>	<b>Three-month period ended December 31, 2007</b>	<b>Nine-month period ended December 31, 2006</b>	<b>Nine-month period ended December 31, 2007</b>
(In millions of USD, except shares and per share data)				
<b>Revenues:</b>				
Information technology and consultancy services	\$1,030.8	\$1,391.9	\$2,811.8	\$3,895.3
Sale of equipment and software licenses	51.8	91.8	146.2	222.0
<b>Total revenues</b>	<b>1,082.6</b>	<b>1,483.7</b>	<b>2,958.0</b>	<b>4,117.3</b>
<b>Cost of revenues:</b>				
Cost of information technology and consultancy services	570.2	746.3	1,554.3	2,123.3
Cost of equipment and software licenses	34.0	72.5	111.9	175.8
<b>Total cost of revenues</b>	<b>604.2</b>	<b>818.8</b>	<b>1,666.2</b>	<b>2,299.1</b>
<b>Gross profit</b>	<b>478.4</b>	<b>664.9</b>	<b>1,291.8</b>	<b>1,818.2</b>
<b>Operating expenses:</b>				
Selling, general and administrative expenses	196.3	313.5	554.9	868.0
Research and development	2.3	4.4	6.6	10.9
<b>Total operating expenses</b>	<b>198.6</b>	<b>317.9</b>	<b>561.5</b>	<b>878.9</b>
<b>Operating income</b>	<b>279.8</b>	<b>347.0</b>	<b>730.3</b>	<b>939.3</b>
<b>Other income / (expense):</b>				
Interest income	1.2	3.4	2.6	9.9
Interest expense	(1.4)	(2.9)	(3.6)	(8.6)
Other non-operating income, net	10.2	41.3	23.5	138.3
<b>Other income, net</b>	<b>10.0</b>	<b>41.8</b>	<b>22.5</b>	<b>139.6</b>
<b>Income before income taxes and minority interests</b>	<b>289.8</b>	<b>388.8</b>	<b>752.8</b>	<b>1,078.9</b>
Income tax expense	40.8	49.4	98.8	137.9
<b>Income before minority interests</b>	<b>249.0</b>	<b>339.4</b>	<b>654.0</b>	<b>941.0</b>
Minority interests	(2.6)	(2.8)	(5.7)	(7.2)
Equity in net earnings of affiliates	0.4	0.1	0.9	0.3
<b>Net income</b>	<b>\$246.8</b>	<b>\$336.7</b>	<b>\$649.2</b>	<b>\$934.1</b>
Weighted average number of shares used in computing basic and diluted earnings per share				
	978,610,498	978,610,498	978,610,498	978,610,498
Basic and diluted earnings per share:	\$0.25	\$0.34	\$0.66	\$0.95

**Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity**  
**For the nine-month periods ended December 31, 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)						
<b>Balance at March 31, 2006</b>	489,305,249	\$11.0	\$557.2		(\$3.2)	\$744.2	\$1,309.2
Net income				\$649.2		649.2	649.2
Unrealized gain on available-for-sale securities, net of realized earnings and taxes				0.6	0.6		0.6
Foreign currency translation adjustment				36.7	36.7		36.7
Effective portion of gain on derivative instruments				8.4	8.4		8.4
<b>Comprehensive income</b>				<b>\$694.9</b>			
Dividends paid, including tax on dividend						(165.7)	(165.7)
Issue of stock dividend	489,305,249	10.5	(10.5)				-
<b>Balance at December 31, 2006</b>	<b>978,610,498</b>	<b>\$21.5</b>	<b>\$546.7</b>		<b>\$42.5</b>	<b>\$1,227.7</b>	<b>\$1,838.4</b>
<b>Balance at March 31, 2007</b>	978,610,498	\$21.5	\$546.7		\$76.7	\$1,417.8	\$2,062.7
Impact of adopting FIN 48						(1.3)	(1.3)
Net income				\$934.1		934.1	934.1
Unrealized gain on available-for-sale securities, net of realized earnings and taxes				4.4	4.4		4.4
Foreign currency translation adjustment				182.7	182.7		182.7
Effective portion of gain on derivative instruments				44.4	44.4		44.4
Adjustment to initially apply SFAS No. 158, net of taxes				(0.7)	(0.7)		(0.7)
<b>Comprehensive income</b>				<b>\$1,164.9</b>			
Dividends paid, including tax on dividend						(283.9)	(283.9)
<b>Balance at December 31, 2007</b>	<b>978,610,498</b>	<b>\$21.5</b>	<b>\$546.7</b>		<b>\$307.5</b>	<b>\$2,066.7</b>	<b>\$2,942.4</b>

**Tata Consultancy Services Limited**

**Unaudited Condensed Consolidated Statements of Cash Flows  
For the nine-month periods ended December 31, 2006 and 2007**

	<b>Nine-month period ended December 31, 2006</b>	<b>Nine -month period ended December 31, 2007</b>
	<b>(In millions of USD)</b>	
<b>Net cash provided by operating activities</b>	<b>\$567.9</b>	<b>\$780.7</b>
<b>Cash flows from investing activities:</b>		
Purchase of subsidiary and business, net of cash acquired (including additional consideration)	(40.7)	(38.8)
Purchase of property, plant and equipment	(178.6)	(202.0)
Purchase of available-for-sale investments	(2,135.8)	(5,268.1)
Proceeds from sale of available-for-sale investments	2,114.5	5,016.8
Proceeds from sale of property, plant and equipment	1.2	2.1
Proceeds from sale of subsidiary	-	0.5
Purchase of other investment	(3.3)	-
<b>Net cash used in investing activities</b>	<b>(242.7)</b>	<b>(489.5)</b>
<b>Cash flows from financing activities:</b>		
Net change in short-term debt	(12.2)	(6.8)
Net change in long-term debt	0.5	0.3
Proceeds from issue of shares to minority shareholders of subsidiary	4.7	0.8
Dividends paid to minority shareholders of a subsidiary	(0.9)	(1.7)
Dividends paid, including taxes on dividend	(165.7)	(283.9)
<b>Net cash used in financing activities</b>	<b>(173.6)</b>	<b>(291.3)</b>
Net change in cash	151.6	(0.1)
Effect of foreign exchange on cash flows	(19.0)	(19.4)
Cash and cash equivalents, beginning of the period	88.9	282.8
<b>Cash and cash equivalents, end of the period</b>	<b>\$221.5</b>	<b>\$263.3</b>
<b>Supplementary cash flow information:</b>		
Interest paid	\$1.3	\$4.7
Income taxes paid	\$104.1	\$184.6