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Tata Consultancy Services Limited

Consolidated Balance Sheets As of March 31, 2008 and March 31, 2009

	As of March 31, 2008	As of March 31, 2009
	(In millions, except shares and per share data)	
ASSETS:		
Current assets:		
Cash and cash equivalents	Rs 10,352.2	Rs 14,839.3
Accounts receivable (net of allowances of Rs 1,122.9 million and Rs 1,734.6 million, respectively)	53,902.8	60,429.1
Unbilled revenues	13,525.0	14,813.6
Inventories	424.3	366.1
Prepaid expenses and other current assets (net of allowances of Rs 194.0 million and Rs 301.2 million, respectively)	14,979.4	31,493.6
Total current assets	93,183.7	121,941.7
Investments	26,475.1	17,256.9
Equity method investment in affiliates	27.8	13.7
Property, plant and equipment, net	30,214.1	37,490.3
Intangible assets, net	3,633.0	8,278.6
Goodwill	11,105.2	25,906.1
Other non-current assets	10,384.7	16,803.5
Total assets	Rs 175,023.6	Rs 227,690.8
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Liabilities:		
Current liabilities:		
Accrued expenses and other current liabilities	Rs 33,949.1	Rs 47,446.9
Unearned and deferred revenues	7,100.7	8,835.2
Short-term debt	371.4	5,150.8
Total current liabilities	41,421.2	61,432.9
Long-term debt	5,726.9	1,762.0
Mandatorily redeemable preference shares with Tata Sons Limited	1,000.0	1,000.0
Other non-current liabilities	756.0	3,818.3
Total liabilities	48,904.1	68,013.2
Commitments and contingencies		
Minority interests	-	-
	2,300.0	3,133.1
Shareholders' equity:		
Equity shares: par value Re.1 per share; authorized 1,200,000,000 equity shares; issued and fully paid-up 978,610,498 equity shares	978.6	978.6
Additional paid-in-capital	24,372.3	24,372.3
Accumulated other comprehensive income / (loss)	(418.3)	(3,386.3)
Retained earnings	98,886.9	134,579.9
Total shareholders' equity	123,819.5	156,544.5
Total liabilities and shareholders' equity	Rs 175,023.6	Rs 227,690.8

Tata Consultancy Services Limited

Consolidated Statements of Income For the years ended March 31, 2007, 2008 and 2009

	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009
	(In millions, except shares and per share data)		
Revenues:			
Information technology and consultancy services	Rs 177,371.6	Rs 214,347.5	Rs 267,818.7
Sale of equipment and software licenses	8,788.6	11,827.9	10,310.1
Total revenues	186,160.2	226,175.4	278,128.8
Cost of revenues:			
Cost of information technology and consultancy services	97,342.9	116,474.3	145,453.7
Cost of equipment and software licenses	6,783.2	9,720.1	8,936.7
Total cost of revenues	104,126.1	126,194.4	154,390.4
Gross profit	82,034.1	99,981.0	123,738.4
Operating expenses:			
Selling, general and administrative expenses	35,329.1	48,203.9	57,250.6
Research and development expenses	432.5	564.6	474.9
Total operating expenses	35,761.6	48,768.5	57,725.5
Operating income	46,272.5	51,212.5	66,012.9
Other income / (expense):			
Interest income	207.0	565.5	1,051.8
Interest expense	(236.6)	(452.4)	(535.3)
Other non-operating (expense) / income, net	2,145.7	6,775.1	(5,188.0)
Other income, net	2,116.1	6,888.2	(4,671.5)
Income before income taxes and minority interests	48,388.6	58,100.7	61,341.4
Income tax expense	6,700.4	7,494.0	9,011.9
Income before minority interests	41,688.2	50,606.7	52,329.5
Minority interests	(416.7)	(424.1)	(604.0)
Equity in net earnings of affiliates	43.9	8.0	(7.0)
Net income	Rs41,315.4	Rs50,190.6	Rs51,718.5
Weighted average number of shares used in computing basic and diluted earnings per share :	978,610,498	978,610,498	978,610,498
Basic and diluted earnings per share:	Rs42.22	Rs51.29	Rs52.85

**Consolidated Statements of Changes in Shareholders' Equity
For the years ended March 31, 2007, 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, 2006	978,610,498	Rs489.3	Rs24,861.6		Rs(144.2)	Rs33,201.1	Rs58,407.8
Net income				Rs41,315.4		41,315.4	41,315.4
Unrealised gain on available-for-sale securities, net of realised earnings and taxes				46.8	46.8		46.8
Foreign currency translation adjustment				155.0	155.0		155.0
Effective portion of gain on derivative instruments				781.3	781.3		781.3
Cumulative effects of change in accounting principle in respect of employee defined benefit plans, net of taxes					(165.8)		(165.8)
Comprehensive income				Rs42,298.5			
Dividends paid, including tax on dividend						(10,879.7)	(10,879.7)
Issue of stock dividend		489.3	(489.3)				-
Balance as of March 31, 2007	978,610,498	Rs978.6	Rs24,372.3		Rs673.1	Rs63,636.8	Rs89,660.8
Cumulative effect of change in accounting principle in respect of uncertain tax positions						(56.5)	(56.5)
Net income				Rs50,190.6		50,190.6	50,190.6
Unrealised gain on available-for-sale securities, net of realised earnings and taxes				188.0	188.0		188.0
Foreign currency translation adjustment				(221.2)	(221.2)		(221.2)
Effective portion of loss on derivative instruments				(888.6)	(888.6)		(888.6)
Employee benefit plans, net of tax				(169.6)	(169.6)		(169.6)
Comprehensive income				Rs49,099.2			
Dividends paid, including tax on dividend						(14,884.0)	(14,884.0)
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				Rs51,718.5		51,718.5	51,718.5
Unrealised loss on available-for-sale securities, net of realised earnings and taxes				(121.4)	(121.4)		(121.4)
Foreign currency translation adjustment				4,515.7	4,515.7		4,515.7
Effective portion of loss on derivative instruments				(7,147.8)	(7,147.8)		(7,147.8)
Employee benefit plans, net of tax				(214.5)	(214.5)		(214.5)
Comprehensive income				Rs48,750.5			
Dividends paid, including tax on dividend						(16,025.5)	(16,025.5)
Balance as of March 31, 2009	978,610,498	Rs978.6	Rs24,372.3		Rs(3386.3)	Rs134,579.9	Rs156,544.5

Tata Consultancy Services Limited

Consolidated Statements of Cash Flows For the year ended March 31, 2007, 2008 and 2009

	Year ended March 31, 2007	Year ended March 31, 2008 (In millions)	Year ended March 31, 2009
Cash flows from operating activities:			
Net income	Rs41,315.4	Rs50,190.6	Rs51,718.5
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortisation	4,335.4	5,754.4	5,789.9
(Gain) / loss on sale of property, plant and equipment	11.6	16.1	(144.1)
Deferred income taxes	152.9	(3,372.1)	(2,982.0)
Equity in net earnings of affiliates	(43.9)	(8.0)	7.0
Minority interests	416.7	424.1	604.0
Gain on sale of available-for-sale investments	(99.1)	(157.0)	(502.3)
Gain on sale of equity accounted affiliates	(578.6)	(9.0)	-
Non-cash interest on put-call option liability	148.1	151.5	162.1
Gain on sale of subsidiaries	-	(41.2)	-
Allowances for doubtful debts and allowances	4.3	186.5	728.5
Net change in:			
Accounts receivable	(9,580.6)	(11,593.4)	(1,224.6)
Unbilled revenues	(3,218.8)	(5,764.1)	423.3
Inventories	389.9	(12.3)	64.8
Prepaid expenses and other current assets	(1,865.9)	(2,326.6)	(333.7)
Other non-current assets	(851.2)	(662.8)	(1,683.9)
Accrued expenses and other current liabilities	2,959.9	7,038.4	1,429.7
Unearned and deferred revenues	1,637.2	222.4	1,442.0
Other non-current liabilities	(175.4)	(269.8)	487.0
Net cash provided by operating activities	34,957.9	39,767.7	55,986.2
Cash flows from investing activities:			
Purchase of available-for-sale investments	(156,003.4)	(285,695.0)	(295,752.2)
Purchase of property, plant and equipment	(11,531.4)	(12,274.5)	(11,456.1)
Government grant received	-	-	122.0
Purchase of subsidiaries and business, net of cash acquired (including additional consideration)	(1,804.1)	(1,568.4)	(24,163.5)
Acquisition of intangible assets	(691.6)	-	(19.90)
Proceeds from sale of subsidiary	-	19.4	21.50
Proceeds from sale of available-for-sale investments	150,707.9	272,346.1	306,165.6
Proceeds from sale of investments in affiliates	769.8	38.3	-
Proceeds from sale of property, plant and equipment	72.6	90.4	494.7
Long term bank deposits (net)	(1,221.9)	(37.4)	460.60
Short term bank deposits (net)	(174.6)	(172.5)	(10,686.40)
Inter-corporate deposits (net)	80.0	(200.0)	(800.0)
Net cash used in investing activities	(19,796.7)	(27,453.6)	(35,613.7)

**Consolidated Statements of Cash Flows (continued)
For the year ended March 31, 2007, 2008 and 2009**

	<u>Year ended March 31, 2007</u>	<u>Year ended March 31, 2008</u>	<u>Year ended March 31, 2009</u>
		(In millions)	
Cash flows from financing activities:			
Proceeds from issuance of long term debt	4,333.3	-	52.1
Repayment of long term debt	-	-	(12.5)
Net change in bank overdrafts and cash credits	(384.1)	(267.6)	(653.8)
Proceeds from issuance of mandatorily redeemable preference shares with Tata Sons Limited, net of expenses	-	985.8	-
Dividends paid to minority shareholders of a subsidiary	(42.2)	(69.3)	(95.3)
Dividends paid	(10,879.7)	(14,884.0)	(16,025.5)
Proceeds from issue of shares to minority shareholders by subsidiaries	211.3	32.8	39.3
Net cash used in financing activities	<u>(6,761.4)</u>	<u>(14,202.3)</u>	<u>(16,695.7)</u>
Net change in cash	8,399.8	(1,888.2)	3,676.8
Effect of foreign exchange on cash flows	(73.4)	(51.0)	810.3
Cash and cash equivalents, beginning of the year	3,965.0	12,291.4	10,352.2
Cash and cash equivalents, end of the year	<u>Rs 12,291.4</u>	<u>Rs 10,352.2</u>	<u>Rs 14,839.3</u>
Supplementary cash flow information:			
Interest paid	Rs 86.5	Rs 261.2	Rs 327.6
Income taxes paid	Rs 6,203.6	Rs 10,656.1	Rs 11,797.7
Supplementary disclosure of cash flow non-cash investing activities:			
Property, plant and equipment accrued	Rs 277.5	Rs 433.0	Rs 201.8