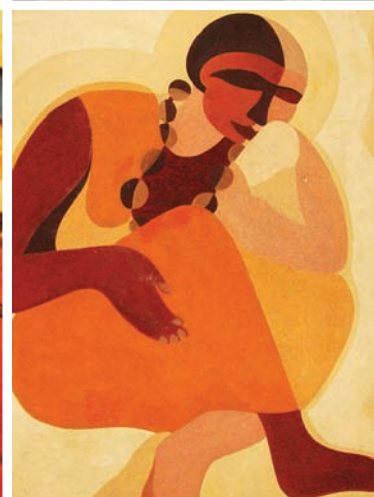
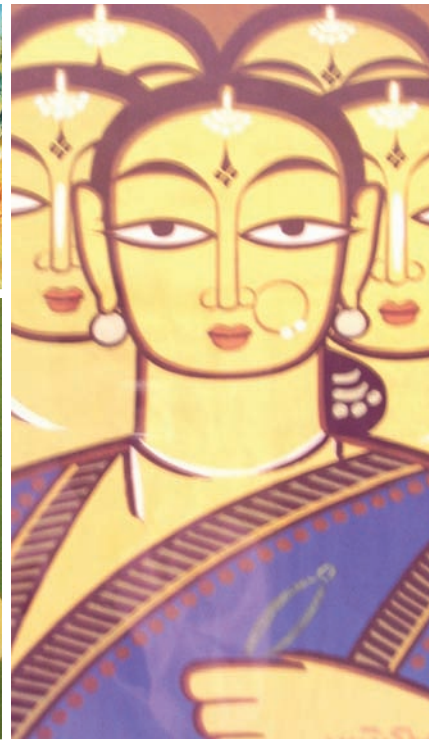
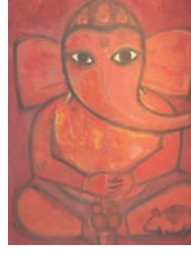


39TH ANNUAL REPORT

2014 - 15



PAINTINGS FROM CMC LIMITED ART COLLECTIONS ARCHIVES

BOARD OF DIRECTORS



L-R : Prof. M S Ananth, Ms Aarthi Subramanian, Mr S Mahalingam, Mr Sudhakar Rao, Mr N Chandrasekaran, Mr R Ramanan and Mr Ashok Sinha

MANAGEMENT TEAM



L-R : Mr J Sriram, Mr Vivek Agarwal, Mr R Ramanan and Mr J K Gupta

Letter from CEO



Dear Shareholders,

I am pleased to report that your Company continued to maintain momentum of revenue growth and profitability during the year 2014-15. During this period, your Company's consolidated revenues grew by 13% to ₹ 2,513 crore with net profits at ₹ 277 crore. The earnings per share for the Company was at ₹ 91.46. In line with improved financial performance and consistent with our policy of rewarding shareholders with a higher dividend, this year an increased dividend payout of ₹ 27.50 per share (275%) has been proposed by the Board of Directors of your Company. Your Company has also earned many formal recognitions and awards in the marketplace during the last year.

Your Company's growth has been a result of its customer centric approach and a balanced portfolio of integrated services and solutions in niche areas to various businesses. Over the last 12 months, your Company has added 63 new customers across the world deepening its customer base.

I would also like to share that the Board of Directors of CMC and TCS (Tata Consultancy Services) have approved the amalgamation of the companies on 16 October, 2014, subject to needed regulatory and legal approvals.

The amalgamation of CMC into TCS is designed to provide a vastly superior value proposition to its existing customers, TCS customers, its stakeholders, and the marketplace, besides enabling complete access to an incredible array of technology and domain IT solutions, IT/ ITeS / Engineering Services, competitive

advantages and new value propositions to every customer. This is indeed a momentous event for your Company.

CMC has always strived for growth and perfection; and with this event, it aims to further amplify its horizons. Your Company has always valued its talent and innovative streak and I can assure you that it will further improve with this union. The prospects will enhance, both for the business as well as for the investors. Our People Excellence initiatives, Business Excellence initiatives, Corporate Social Responsibility initiatives, Revenue Excellence initiatives and Delivery & Innovation Excellence initiatives will ensure all rounded growth of your Company and it will be evident as the new financial year will unfold.

I, personally and on behalf of CMC, would like to thank you for your continued support to CMC. Your firm belief in this Company has helped it scale great heights and progress towards our larger business vision. I would like to positively assert that you will experience even more value and customer service responsiveness from us, with CMC as a fully integrated part of TCS.

Warm Regards,

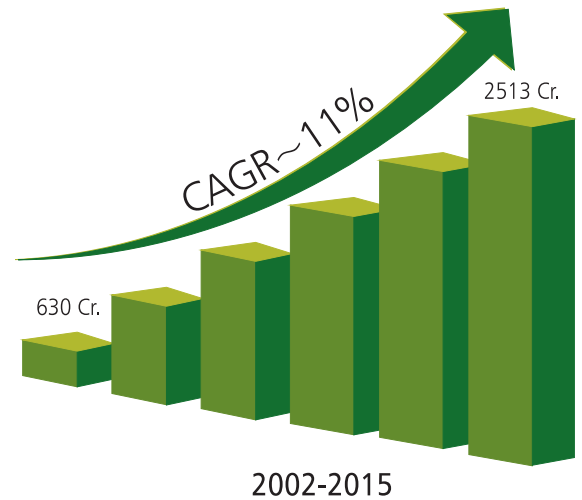
R Ramanan
Managing Director & CEO

9 April, 2015

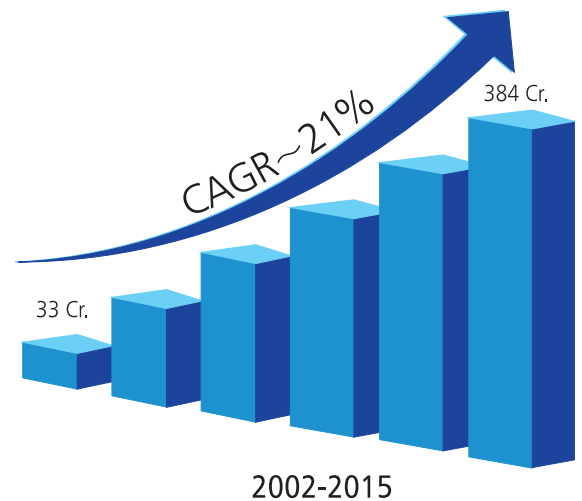
Financial Highlights

CMC as Tata Group Company

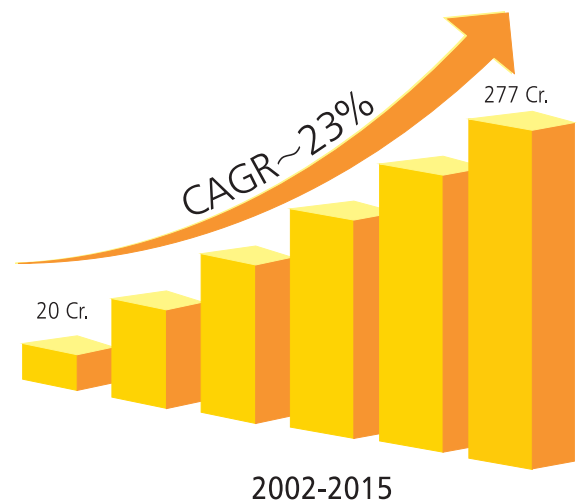
Revenues



Operating Profits



Net Profits



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Annual General Meeting will be held on Thursday, 11 June, 2015 at CMC's Auditorium at its Registered Office, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad-500 032 at 3:00 p.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

CORPORATE INFORMATION

Board of Directors

Mr.N Chandrasekaran (Chairman)
Mr.R Ramanan (Managing Director & CEO)
Mr.S Mahalingam
Mr.Sudhakar Rao
Prof.M S Ananth
Mr.Ashok Sinha
Ms.Aarthi Subramanian

Board Committees:

Audit Committee

Mr.Sudhakar Rao
Mr.S Mahalingam
Mr.Ashok Sinha

Stakeholders Relationship Committee

Mr.Sudhakar Rao
Mr.S Mahalingam
Mr.R Ramanan

Nomination and Remuneration Committee

Mr.Sudhakar Rao
Mr.N Chandrasekaran
Mr.S Mahalingam
Prof.M S Ananth

Corporate Social Responsibility Committee

Mr.Ashok Sinha
Mr.S Mahalingam
Mr.R Ramanan

Executive Committee

Mr.N Chandrasekaran
Mr.S Mahalingam
Mr.R Ramanan
Prof.M S Ananth

Management Team

Mr.R Ramanan (Managing Director & CEO)
Mr.J K Gupta (CFO)
Mr.Vivek Agarwal (Company Secretary)
Mr.J Sriram (Head – HR)

Statutory Auditors

M/s Deloitte Haskins & Sells
Chartered Accountants

Secretarial Auditors

M/s Chandrasekaran Associates
Company Secretaries

Internal Auditors

M/s Ernst & Young, LLP

Principal Bankers

Canara Bank
State Bank of Bikaner & Jaipur
ICICI Bank

Registrars & Share Transfer Agents

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032

Stock Exchanges where Company's Securities are listed

BSE Limited
National Stock Exchange of India Limited
The Calcutta Stock Exchange Limited

Registered Office

CMC Centre
Old Mumbai Highway, Gachibowli,
Hyderabad-500 032
Tel.: 91 40 6657 8000 (10 lines)
Fax : 91 40 2300 0509

Corporate Office

PTI Building, 5th Floor
4, Sansad Marg
New Delhi-110 001
Tel.: 91 11 2373 6151-8 (8 lines)
Fax : 91 11 2373 6159

Website

www.cmcltd.com

Investor Relations Email ID

investor.relations@cmcltd.com

Corporate Identity Number

L72200TG1975PLC001970

NOTICE

Notice is hereby given that the 39th Annual General Meeting ("AGM") of the Members of CMC Limited will be held on Thursday, 11 June, 2015 at 3:00 p.m. at CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad-500 032, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2015 including audited Balance Sheet as at 31 March, 2015 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare a dividend on equity shares for the financial year 2014-15.
3. To appoint a Director in place of Mr. Seturaman Mahalingam, who retires by rotation and, being eligible, offers himself for re-appointment.
4. Ratification of Appointment of Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 015125N), as Auditors of the Company for a term of three years i.e. till the conclusion of the 41st Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 40th AGM of the Company to be held in the year 2016, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED that Mr. Natarajan Chandrasekaran (DIN 00121863) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 17 October, 2014 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED that Ms. Aarthi Subramanian (DIN 07121802) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31 March, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

By Order of the Board of Directors

Mumbai
9 April, 2015

VIVEK AGARWAL
Company Secretary
Membership No. F2269

Registered Office:

CMC Centre
Old Mumbai Highway, Gachibowli
Hyderabad-500 032
CIN:L72200TG1975PLC001970
Tel:+91(11)2373 6151 Fax: 91(11)2373 6159
E-mail:investor.relations@cmcltd.com Website:www.cmcltd.com

Notes:

1. The relative Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), with respect to the special business set out in Item Nos.5 and 6 above, is annexed hereto.
2. The relevant details as required under Clause 49 of the Listing Agreement with the stock exchanges, of persons seeking appointment/re-appointment relating to item Nos. 3, 5 and 6 of the Notice are also annexed.
3. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.

4. The dividend as recommended by the Board of Directors if declared at the Annual General Meeting will be paid after 12 June, 2015 but before 10 July, 2015.
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 25 May, 2015,
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 25 May, 2015.
5. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
6. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited (Karvy).
7. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The following are the details of the dividends paid by the Company and respective due dates for claim by the Shareholders:

Financial Year	Date of Declaration of Dividend	Last date for claim
2007-08	24-06-2008	23-06-2015
2008-09	26-06-2009	25-06-2016
2009-10	29-06-2010	28-06-2017
2010-11	27-06-2011	26-06-2018
2011-12	27-06-2012	26-06-2019
2012-13	26-06-2013	25-06-2020
2013-14	23-06-2014	22-06-2021

The Company has uploaded the information of unclaimed/unpaid dividend in respect of the financial year from 2007-08 onwards, on the website of the IEPF viz. www.iepf.gov.in and under "Investors" section on the Website of the Company: www.cmcltd.com

Further, the Company shall not be in a position to entertain the claims of Shareholders for the unclaimed dividends after the last date as mentioned in the table. In view of the above, the Shareholders are advised to send all the un-encashed dividend warrants pertaining to the above years to our RTA for revalidation or issuance of Demand Draft in lieu thereof and encash them before the due dates for transfer to the IEPF.

8. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
9. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Number.
10. Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website www.cmcltd.com for their download.
11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their votes on resolutions through e-voting services provided by Karvy Computershare Private Limited ("Karvy"). In order to enable its Members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for voting through Ballot Form are given at the back of the said form and instructions for e-voting are given at Note No. 16 annexed to this Notice. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.
12. The facility for voting, either through electronic voting system or ballot form or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
13. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
15. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to evoting@karvy.com by mentioning their Folio/DP ID and Client ID No. However, the dully completed Ballot Form should reach the Registrars & Transfer Agent at Karvy Computershare Private Limited, Karvy Selenium Tower B, 6th floor, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 not later than 10 June, 2015 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.

16. Instructions for e-voting are as under:

- A. In case a member receives an email from Karvy (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file namely "CMC e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the URL: <http://evoting.karvy.com>.
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with Karvy for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting>Active Voting cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of the Company which is 1693. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.

Thirty ninth annual report 2014 - 2015

- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution/Authority Letter, etc, together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sankara@cacsindia.com with a copy to evoting@karvy.com.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions(FAQs) and e-voting user manual for Shareholders, available at the downloads section of <http://evoting.karvy.com> or call on toll free no 1800 345 4001.
- B. In case a Member receives physical copy of the Notice of AGM (for members whose email address are not registered with the Company/Depositories):
- i Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii Please follow all steps from Sl. No. (ii) to Sl No. (xiii) above, to cast vote.
- C. Other Instructions:
- a. The e-voting period commences on Monday, 8 June, 2015 (9:00 a.m. IST) and ends on Wednesday, 10 June, 2015 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 4 June, 2015, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - b. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 4 June, 2015. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut- off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through Ballot Paper.
 - c. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut -off date i.e. 4 June, 2015 may obtain the login Id and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your exiting user ID and password for casting your vote.
 - d. The Company has appointed Dr.S Chandrasekaran, Practicing Company Secretary (Membership No.FCS 1644), as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - e. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
 - f.. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cmcltd.com and on the website of Karvy within two days of the passing of the resolutions at the AGM on 11 June, 2015 and communicated to the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Calcutta Stock Exchange Limited (CSE) where the shares of the Company are listed.

By Order of the Board of Directors

Mumbai
9 April, 2015

VIVEK AGARWAL
Company Secretary
Membership No. F2269

Registered Office:

CMC Centre
Old Mumbai Highway, Gachibowli
Hyderabad-500 032
CIN:L72200TG1975PLC001970
Tel:+91(11)2373 6151 Fax: 91(11)2373 6159
E-mail:investor.relations@cmcltd.com Website:www.cmcltd.com

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

This explanatory statement is provided though strictly not required as per section 102 of the Act

Deloitte Haskins & Sells, (ICAI Firm's Registration No. 015125N), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 23 June, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for the proposal contained in the resolution set out at item no.4 of the notice.

The Board commends the Resolution at Item No.4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No.4 of the accompanying Notice.

Item No. 5

The Board of Directors has appointed Mr. Natarajan Chandrasekaran as Additional Director and Chairman of the Company with effect from 17 October, 2014. As per the provisions of Section 161(1) of the Act, Mr. Natarajan Chandrasekaran shall hold office as an Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Natarajan Chandrasekaran for the office of Director of the Company.

The matter regarding appointment of Mr. Natarajan Chandrasekaran as Additional Director was placed before the Nomination and Remuneration Committee and it has recommended his appointment.

Mr. Chandrasekaran has given a declaration to the Board that he is not disqualified from being appointed as a Director in terms of Section 164 (2) of the Act and has given his consent to act as a Director. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for his appointment.

In compliance with the provisions of Section 161 of the Act, the appointment of Mr. Natarajan Chandrasekaran as a Director is now being placed before the Members for their approval.

Mr. Chandrasekaran has a Bachelor's Degree in Applied Science and a Master Degree in Computer Applications. He has over 28 years of experience in the software industry and business operations. Recently, Mr. Chandrasekaran was presented with the 'Best CEO for 2014' by Business Today for the second consecutive year. He was voted the 'Best CEO' by the Institutional Investor's 2014 Annual All-Asia Executive Team rankings.

None of the Directors, Key Managerial Personnel (KMPs) or relatives of Directors and KMPs except Mr. Chandrasekaran is concerned or interested in the resolution at Item No. 5 of the Notice.

Item No. 6:

The Board of Directors has appointed Ms. Aarthi Subramanian as Additional Director of the Company with effect from 31 March, 2015. As per the provisions of Section 161(1) of the Act, Ms. Aarthi Subramanian shall hold office as an Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Aarthi Subramanian for the office of Director of the Company.

The matter regarding appointment of Ms. Aarthi Subramanian as Additional Director was placed before the Nomination and Remuneration Committee and it has recommended her appointment.

Ms. Aarthi Subramanian has given a declaration to the Board that she is not disqualified from being appointed as a Director in terms of Section 164 (2) of the Act and has given her consent to act as a Director. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules framed thereunder for her appointment.

In compliance with the provisions of Section 161 of the Act, the appointment of Ms. Aarthi Subramanian as a Director is now being placed before the Members for their approval.

Ms. Aarthi Subramanian holds a B.Tech degree in Computer Science from National Institute Technology, Warangal, A.P. and a Masters degree in Engineering Management from University of Kansas (USA). Ms. Subramanian has been associated with Tata Consultancy Services Limited (TCS) for the past 25 years. She started her career as a graduate trainee in TCS in 1989 and took over as the Head of Governance, Compliance and Risk Management since October 2014 to take care of HR and Legal compliances and Internal Controls of TCS.

During her 25 year career, she has worked in diverse roles in India, Sweden, US and Canada and has rich experience in Account Management, Delivery and Large Program Management.

None of the Directors, Key Managerial Personnel (KMPs) or relatives of Directors and KMPs, except Ms. Aarthi Subramanian is concerned or interested in the resolution at Item No. 6 of the Notice.

By Order of the Board of Directors

Mumbai
9 April, 2015

VIVEK AGARWAL
Company Secretary
Membership No. F2269

Registered Office:

CMC Centre
Old Mumbai Highway, Gachibowli
Hyderabad-500 032
CIN:L72200TG1975PLC001970
Tel:+91(11)23736151 Fax:91(11)23736159
E-mail:investor.relations@cmcltd.com Website:www.cmcltd.com

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)**

Particulars	Mr. Natarajan Chandrasekaran	Mr. Seturaman Mahalingam	Ms. Aarthi Subramanian
Date of Birth	2 June,1963	10 February,1948	26 June, 1967
Date of Appointment	17 October,2014	14 January, 2010	31 March, 2015
Qualifications	B.Sc. from Coimbatore Institute of Technology, Tamil Nadu Masters in Computer Applications from Regional Engineering College, Trichy, Tamil Nadu	Chartered Accountant	B.Tech. from National Institute of Technology, Warangal (A.P.) Masters in Engineering Management from University of Kansas (USA)
Expertise in specific functional areas	Wide experience in Information Technology	Finance & Business Management	Wide experience in service delivery and risk management
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)	Tata Consultancy Services Limited C-Edge Technologies Limited	Tata Realty and Infrastructure Limited City Union Bank Limited Sundaram Finance Limited Lucas-TVS Limited Kasturi & Sons Limited TVS Logistics Services Limited	Tata Consultancy Services Limited
Chairmanships / Memberships Of Committees of other Public Companies			
i. Audit Committee	-	Tata Realty and Infrastructure Limited* City Union Bank Limited Kasturi & Sons Limited* Lucas TVS Limited TVS Logistics Limited*	-
ii. Stakeholders Relationship Committee	Tata Consultancy Services Limited	Tata Realty and Infrastructure Limited City Union Bank Limited	-
iii. Nomination and Remuneration Committee	-	Tata Realty and Infrastructure Limited City Union Bank Limited Kasturi & Sons Limited Lucas TVS Limited TVS Logistics Limited *	-
Number of shares held in the Company	Nil	Nil	Nil

*Represent Chairmanships of Committees in other companies.

DIRECTORS' REPORT

TO THE MEMBERS OF CMC LIMITED

Your Directors have pleasure in presenting the 39th Annual Report of CMC Limited (the Company) and Consolidated CMC along with the audited financial statements for the financial year ended 31 March, 2015.

1. FINANCIAL RESULTS

(₹ in crore)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Income from Sales and Services	1,288.46	1,189.79	2,513.49	2,230.93
Other Income	13.68	141.11	14.32	25.01
Total Income	1,302.14	1,330.90	2,527.81	2,255.94
Operating Expenses	1,030.12	918.53	2,129.11	1,841.59
Profit before Depreciation, Interest and Tax	272.02	412.37	398.70	414.35
Depreciation and amortization	67.19	26.56	67.23	26.98
Interest	0.03	-	0.05	0.08
Profit before Tax	204.80	385.81	331.42	387.29
Provision for Taxation (incl. deferred Income Tax)	7.02	62.20	54.30	106.87
Profit after Tax	197.78	323.61	277.12	280.42
Add: Profit brought forward from previous year	938.04	726.55	992.17	823.87
Amount available for appropriations	1,135.82	1,050.16	1,269.29	1,104.29
Appropriations				
Proposed Dividend	83.33	68.18	83.33	68.18
Tax on Proposed Dividend*	-	11.58	-	11.58
Transfer to General Reserve	19.78	32.36	19.78	32.36
Balance carried to Balance Sheet	1,032.71	938.04	1,166.18	992.17
	1,135.82	1,050.16	1,269.29	1,104.29

*No provision for tax on proposed dividend for the financial year 2014-15 is required since the Company has adjusted the proposed dividend with the dividend received from its wholly owned foreign subsidiary, CMC Americas Inc., in April 2015.

2. DIVIDEND

Your Directors are pleased to recommend for approval of the Members a dividend of ₹27.50 per equity share of ₹10/- each of the Company for the financial year 2014-15. The total cash outflow on account of dividend on equity shares for the financial year 2014-15 would aggregate ₹83.33 crore resulting in a payout of 42.13% of the standalone profits of the Company.

3. TRANSFER TO RESERVES

The Company proposes to transfer ₹19.78 crore to the General Reserve out of amount available for appropriations and an amount of ₹1,032.71 crore is proposed to be retained in the Profit and Loss Account.

4. OPERATING RESULTS AND BUSINESS OPERATIONS

During the financial year 2014-15, your Company has achieved another milestone of crossing ₹2,500 crore revenue from operations on consolidated basis. The Company has earned total income from sales and services of ₹2,513.49 crore during the financial year 2014-15 registering a growth of 13%.

The Company achieved broad based revenue growth across the geographies. The revenue from international market increased to ₹1,713.54 crore in financial year 2014-15 compared to ₹1,501.29 crore in financial year 2013-14, registering a growth of 14%, while revenue from domestic market increased to ₹799.95 crore in 2014-15 compared to ₹729.64 crore in 2013-14, registering a growth of 10%.

The wholly owned subsidiary CMC Americas, Inc., contributed with 17% revenue growth in dollar terms.

The income from sales and services on standalone basis grew by 8% to ₹1,288.46 crore in financial year 2014-15 compared to ₹1,189.79 crore in financial year 2013-14.

The Systems Integration (SI) segment has been the main contributor to the revenue growth, where the revenue grew by 17% over the previous financial year followed by Customer Services (CS) with 7% revenue growth.

The operating profit (earnings before interest, tax, depreciation and other income) marginally decreased by 1.27% on consolidated basis to ₹384.38 crore in financial year 2014-15 compared to ₹389.34 crore in financial year 2013-14. On a standalone basis, the operating profit stood at ₹258.34 crore during financial year 2014-15 compared to ₹271.26 crore during the financial year 2013-14, registering a decline of 4.76%. Operating profit in the previous financial year 2013-14 included ₹31.72 crore resulting from a favourable decision in a legal case against a customer. Excluding the impact of this one time transaction, the operating profit during the financial year 2014-15 grew by 7.48% on consolidated basis and 7.85% on standalone basis over the previous financial year.

5. HUMAN RESOURCES DEVELOPMENT

The Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. CMC's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

Company's Health and Safety Policy commits to provide a healthy and safe work environment to all employees. The Company's progressive workforce policies and benefits, various employee engagement and welfare initiatives like Maitree, various employee engagement programs, have addressed stress management, promoted work life balance.

6. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2014-15, the Company received 7 complaints on sexual harassment. All complaints have been disposed off after taking appropriate action and no complaints remain pending as of 31 March, 2015.

7. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

Your Company continues to be guided by the philosophy of business excellence to achieve sustainable growth using the Tata Business Excellence Model (TBEM). Your Company launched the Tata Group Customer Promise manifesto. Innovation in products, services and business models is a key agenda of the Management along with a customer-focused culture towards building long-term customer relationships. Net Promoter Score was adapted to further Company's efforts at Customer Centricity and Customer Relationship building.

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Continuing along the principles of Total Quality Management, your Company also maintained compliance to ISO 9001:2008, Data Protection Act through information security practices and ISO 27001 certification.

8. DOCUMENTS PLACED ON THE WEBSITE (www.cmcltd.com)

The following documents have been placed on the website in compliance with the Act:

- Details of unpaid dividend as per section 124(2).
- Corporate Social Responsibility policy as per section 135(4)(a).
- Financial statements of the Company and consolidated financial statements along with relevant documents as per third proviso to section 136(1).
- Separate audited accounts in respect of subsidiaries as per fourth proviso to section 136(1).
- Details of vigil mechanism for directors and employees to report genuine concerns as per proviso to section 177(10).
- The terms and conditions of appointment of independent directors as per Schedule IV to the Act.

9. SUBSIDIARY COMPANIES

Your Company has two subsidiaries viz., CMC Americas, Inc. (Direct subsidiary) and CMC eBiz, Inc. (Step down subsidiary) in USA. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiaries.

Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form **AOC-1**, which forms part of the annual report.

Performance and financial position of the subsidiary companies is given in clause 13 of **Annexure-I**.

10. AMALGAMATION

At the respective meetings held on 16 October, 2014, the Board of Directors of the Company and of its holding company- Tata Consultancy Services Limited (TCS), have approved a scheme of amalgamation ("Scheme") between the Company, TCS and their respective shareholders under Sections 391 to 394 of the Companies Act, 1956. The appointed date of the proposed scheme is 1 April, 2015.

As per terms of the Scheme, shareholders of the Company will receive 79 equity shares of Re.1 each of TCS for 100 equity shares of ₹10 each of the Company. The swap ratio has been arrived at, based on the valuation report issued by M/s BSR Associates LLP, Chartered Accountants. The Scheme is subject to regulatory and other necessary approvals.

Pursuant to an Order of the High Court of Judicature at Hyderabad, shareholders of the Company at their meeting held on 5 March, 2015, duly approved the scheme. Company has filed the petition before the said court for sanction of the scheme.

11. CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND LISTING AGREEMENT

As per Clause 49 of the listing agreement entered into with the stock exchanges, Corporate Governance Report with Auditors' certificate thereon and Management Discussion and Analysis report are attached and form part of this report.

Various information required to be disclosed under the Act and the Listing Agreement is set out in the **Annexure-I** and forms part of this report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 2014-15, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. AUDITORS AND SECRETARIAL AUDITORS REPORT

There are no disqualifications, reservations or adverse remarks or disclaimers in the Auditors and Secretarial Auditors Report.

14. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an **Annexure-II** to this Report.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in **Annexure-III** to this Report along with a compliance certificate from Secretarial Auditor. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in clause 3.5 of the Corporate Governance Report which forms part of this report.

16. BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC). The meeting of NRC also reviewed performance of the Chief Executive Officer and Managing Director on goals (quantitative and qualitative) set at the beginning of the year in April 2015. Ms. Aarthi Subramanian, additional director, being appointed on 31 March, 2015, was excluded from the process of evaluation.

A separate meeting of the independent directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by

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the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole; performance of the non-independent directors and performance of the Board Chairman.

Some of the key criteria for performance evaluation are as follows –

Performance evaluation of Directors:

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Guidance/support to management outside Board / Committee meetings.

Performance evaluation of Board and Committees:

- Degree of fulfillment of key responsibilities.
- Board structure and composition.
- Establishment and delineation of responsibilities to Committees.
- Effectiveness of Board processes, information and functioning.
- Board culture and dynamics.
- Quality of relationship between Board and Management.
- Efficacy of communication with external stakeholders.

17. DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr.S Ramadorai retired as the Director and Chairman of the Board w.e.f.17 October,2014 in accordance with the retirement age policy for Directors.The Directors place on record their appreciation of the invaluable contribution and guidance provided by Mr. S Ramadorai.

Mr.N Chandrasekaran was appointed as an Additional Director and took over as the Chairman of the Board from Mr. S Ramadorai w.e.f. 17 October, 2014.

Ms. Kalpana Morparia, Independent Director resigned from the Board of the Company w.e.f. 10 March, 2015.The Directors place on record their appreciation of the valuable contribution made by her.

Ms. Aarthi Subramanian has been appointed as Additional Director on 31 March, 2015, based on the recommendation of Nomination and Remuneration Committee.

Pursuant to Section 161(1) of the Act, Mr. N Chandrasekaran and Ms. Aarthi Subramanian hold office only upto the date of forthcoming Annual General Meeting (AGM) of the Company and are eligible for appointment as Directors.

The Board recommends their appointments and accordingly resolutions seeking approval of the members for their appointments have been included in the Notice of forthcoming Annual General Meeting of the Company along with their brief profile.

Mr.S Mahalingam, Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

Pursuant to the provisions of Section 203 of the Act, the appointment of Mr. R Ramanan, Managing Director & Chief Executive Officer, Mr. J K Gupta, Chief Financial Officer and Mr. Vivek Agarwal, Company Secretary, were formalized as the Key Managerial Personnel of the Company.

19. AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Deloitte Haskins & Sells, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 38th Annual General Meeting (AGM) of the Company held on 23 June, 2014 till the conclusion of the 41st AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

20. PARTICULARS OF EMPLOYEES

The information required under section 197 of the Act and rules made there-under, in respect of employees of the Company, is provided in **Annexure-IV** forming part of this report.

21. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

On behalf of the Board of Directors

Mumbai
9 April, 2015

N Chandrasekaran
Chairman

ANNEXURE-I**1. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed at **Annexure-V** in the prescribed form **MGT-9** and forms part of this Report.

2. NUMBER OF MEETINGS OF THE BOARD

6 meetings of the Board of Directors of the Company were held during the year. For detail of the meetings, please refer to clause 2(D) of the Corporate Governance Report, which forms part of this Report.

3. INDEPENDENT DIRECTORS' DECLARATION

Mr. Sudhakar Rao, Mr. Ashok Sinha and Prof. M S Ananth who are Independent Directors, have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and revised Clause 49 of the Listing Agreements. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in clause no.1.3-1.6 of Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at **Annexure-V** in the prescribed form **MGT-9** and forms part of this Report.

5. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Mr. R Ramanan, Managing Director & Chief Executive Officer and forms part of the Annual Report.

6. RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and clause 49(VIII)(E)(2) of the revised listing agreements.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans, guarantees and investments under Section 186 of the Act during the financial year 2014-15.

8. TRANSACTIONS WITH RELATED PARTIES

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.

9. INTERNAL CONTROL

The information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

10. RISK MANAGEMENT

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has practice of conducting familiarization program of the independent directors as detailed in clause 1.5 of the Corporate Governance Report which forms part of the Annual Report.

12. VIGIL MECHANISM

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to clause no. 1.7 of the Corporate Governance Report attached to this Report.

13. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

Subsidiaries of the Company are engaged in the business of providing IT services or business solutions or consulting including business process outsourcing services. There has been no material change in the nature of the business of the subsidiaries. The Company's wholly owned subsidiary CMC Americas, Inc., earned revenue of \$244.56 mn (equivalent to ₹1,498.27 crore) during financial year 2014-15 compared to \$209.06 mn (equivalent to ₹1,273.85 crore) during financial year 2013-14 registering a growth of 17% in dollar terms over the previous financial year. The operating profits of CMC Americas Inc., grew by 6% on consolidated basis and increased to \$20.59 mn (equivalent to ₹126.03 crore) during financial year 2014-15 compared to \$19.37 mn (equivalent to ₹118.07 crore) during financial year 2013-14.

Financial position of each of the subsidiaries is provided in a separate statement **AOC-1**, attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Act.

14. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

(a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Directors	Ratio to Median Remuneration
Mr. S Ramadorai	3.25
Mr. N Chandrasekaran	Nil
Mr. S Mahalingam	4.87
Ms. Kalpana Morparia	2.99
Mr. Sudhakar Rao	3.95
Mr. Ashok Sinha	3.88
Prof. M S Ananth	2.93
Ms. Aarthi Subramanian	Nil
Executive Directors	
Mr. R Ramanan	37.15

(b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% Increase in remuneration
Mr. S Ramadorai*	(30%)
Mr. N Chandrasekaran	Nil
Mr. S Mahalingam	23%
Ms. Kalpana Morparia	31%
Mr. Sudhakar Rao	31%
Mr. Ashok Sinha	29%
Prof. M S Ananth	34%
Ms. Aarthi Subramanian	Nil
Mr. R Ramanan, MD & CEO	23%
Mr. J K Gupta, Chief Financial Officer	28%
Mr. Vivek Agarwal, Company Secretary	15%

Percentage in brackets represents negative percentage.

*Mr. S Ramadorai retired on 17 October, 2014 as per retirement age policy for the directors of the Company. Hence, remuneration has been considered till that date during the financial year 2014-15.

(c) the percentage increase in the median remuneration of employees in the financial year

9%.

(d) the number of permanent employees on the rolls of company:

4839.

(e) the explanation on the relationship between average increase in remuneration and company performance;

On an average, employees received an increase of 9%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

(f) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	₹/lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	407.76
Revenue from operations	128,846.13
Remuneration (as % of revenue)	0.32%
Profit before tax (PBT)	20,480.38
Remuneration (as % of PBT)	1.99%

(g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31st Mar 15	As at 31st Mar 14	Variation
Closing rate of share at BSE	₹	1,917.70	1,385.55	38%
EPS (Consolidated)	₹	91.46	92.55	(1%)
Market Capitalization	₹/lac	581,063.10	419,822.65	38%
Price Earnings ratio	Ratio	21	15	40%

Percentage in bracket represents negative percentage.

(h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2014-15 was 9%. Percentage increase in the managerial remuneration for the year was 23%.

(i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary
	₹/lac	₹/lac	₹/lac
Remuneration	222.05	148.38	37.33
Revenue	128,846.13	128,846.13	128,846.13
Remuneration (as % of revenue)	0.17%	0.12%	0.03%
Profits before tax (PBT)	20,480.38	20,480.38	20,480.38
Remuneration (as % of PBT)	1.08%	0.72%	0.18%

(j) the key parameters for any variable component of remuneration availed by the directors;

Members at the AGM of the Company held on 27 June, 2012 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on performance evaluation which is based on attendance and contribution at the Board and certain committee meetings, as well as the time spent on operational matters other than at meetings.

(k) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Not applicable.

(l) affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

15. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

On behalf of the Board of Directors

Mumbai
9 April, 2015

N Chandrasekaran
Chairman

ANNEXURE-II**TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

A. CONSERVATION OF ENERGY

- a. The operations of the Company, being IT related, require normal consumption of electricity. The Company is taking every necessary step to reduce the consumption of energy.
- b. Your Company is not an industry as listed in Schedule to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption - as per Form B given below:

FORM B**1. Research and Development (R&D)****a. Specific areas in which Research and Development (R&D) is being carried out by the Company**

The Company continues to invest in innovating and developing state of the art technologies that are core to providing key solutions in different industry verticals of interest. This includes critical investments in:

- Insurance solutions
- Mining Solutions
- Big Data and Data Mining technologies
- Technology & Solutions for Shipping & Ports
- Mobile computing
- Cloud Business technologies

Last year, significant investment continued to be made by the Company in

- Algorithmic improvements in product lines.
- Technology Refreshes in Existing Product Lines.
- Increasing the analytics coverage within the product lines.
- Added mobility enablement to several product lines.

b. Benefits derived as a result of R&D

1. Ports and Cargo has seen increased new sales in markets within and outside India and is now seen to be closing the gap with market leaders. The Company saw first deployment of the technically revamped product in production in London and interest from several terminals that are looking for Terminal operating system replacement. Your company has also won significant new deployment opportunities in cargo space in large cargo terminal in Middle East.
2. Insurance sector - Your Company continues to enjoy leadership in Domestic General Insurance sector and dominate the competition. It sees growth not only in India but also in Africa and Middle East now.
3. Our GPS based telematics solution has seen replication with new orders from various states.
4. Niche projects which combine systems integration, embedded systems, mechanical design, application software and control systems have been delivered successfully to international clientele.

c. Expenditure on R&D

Particulars		(₹/lac)	
		2014-15	2013-14
A.	Capital	70.15	67.05
B.	Recurring	2,305.57	1,172.86
C.	Total	2,375.72	1,239.91
D.	Total R&D Expenditure as a percentage of Turnover	1.84	1.04

2. Technology Absorption, Adaptation and Innovation

a. Efforts made towards technology absorption, adaptation and innovation

- I. Your Company proactively uses new and emerging technologies for conceptualizing solutions to meet its business needs. The expertise gained in early usage results in developing/enhancing our offerings and provides us an advantage in differentiating our Company from others.
- II. Apart from its own investment in various technologies, your Company constantly interacts with technology leaders and reputed academic institutes such as IITs to understand and absorb new developments in technologies and offerings.
- III. Your Company ensures the readiness of its employees through ongoing Training and Skill Development to handle projects demanding new technology and skill set requirements.
- IV. Your Company also periodically scans the market for innovative offerings and products across the world. After due diligence, these are either integrated with your Company's offerings or used to enhance its solutions portfolio.
- V. Your Company encourages its employees to participate in Tata Group level innovation program - Innovista. It also has equivalent internal programs, which recognize and reward improvements and innovation.

b. Benefits derived as a result of the above efforts

- I. Increased business opportunities where the upgraded CMC products and solutions are in demand.
- II. Your Company continues to be a value adding solution provider for complex projects in the market.
- III. Ability to attract best talent to work with us on these products and technologies.
- IV. Increased ability to respond to unique requirements of the customers and system engineers.
- V. Investing in specific emerging technology spaces such as Platform as a service, Internet of Things, Wearable computing, Cloud, SaaS, Mobility, Analytics and Big Data allows your company relevance and superior positioning for tomorrow's needs.

c. Information regarding Imported Technology

The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNING AND OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services & export plan

As a part of its core strategy, the Company is focusing on exports of its services by leveraging wide marketing reach of its Holding Company, Tata Consultancy Services Limited. The Company has established itself as a major supplier of Embedded Systems Services and software solutions in key industry verticals and e-governance space.

2. Total Foreign Exchange Earned & Used

The foreign exchange earned and used during the year were as follows:

Particulars	(₹/lac)	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Foreign Exchange Earned	38,919.80	47,716.43
Foreign Exchange Used	8,482.84	8,139.95
Net Foreign Exchange Earnings (NFE)	30,436.96	39,576.48
NFE / earnings (%)	78.20	82.94

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY POLICY - OVERVIEW

The Company has its CSR Policy within broad scope laid down in Schedule VII to the Act (vide Annexure I attached), as projects / programmes / activities, excluding activities in its normal course of business. The policy is duly approved by the Board of Directors in its meeting held on 5 December, 2014.

CMC's APPROACH TO CSR

- I. The guiding principles of CMC's CSR programmes are "sustainability" and "impact through empowerment". These guiding principles shall run through all the approved CSR projects, within the broad framework of Schedule VII of the Act.
- II. Existing CSR projects such as Sahapedia, an online resource to promote national heritage, art and culture including setting up of public library, upliftment of disadvantaged communities under affirmative action plan, promotion of education and employability including creation of Skillpedia.
- III. Volunteering by employees including Maitree program and such other projects which CMC decides to carry out through its own internal team shall continue to be supported by CMC.

OPERATIONAL PROCESS

Budgetary control: As per the CSR policy, a budget for the approved projects and the projects in the pipeline shall be placed before the CSR Committee for approval. On a quarterly basis, the actual expenditure vis- à-vis the budget shall also be placed before the CSR Committee for review.

Proposal for new CSR activity, as and when received, shall be evaluated by CSR Committee, in terms of propriety and social cost benefit in the backdrop of the CSR policy of CMC. The evaluation may involve inspection of documents, onsite visit, gathering of past data on the project partner, profile of beneficiaries etc.

As stated above, report on utilization of funds allocated for projects shall be prepared and put up to the CSR Committee at quarterly intervals. This may involve physical on ground inspection in selected cases.

CSR IMPLEMENTATION:

- I. CSR activities shall be carried out by the Company through:
 - (a) its own internal CSR team,
 - (b) Tata group, Tata Consultancy Services Limited (holding company) or third party registered trust/society/company formed under section 8, having track record of more than three years.
- II. In case of (I)(b) above, the Company shall specify the project/programme and the modalities of utilisation of funds. In addition, the Company shall specify a suitable monitoring and reporting mechanism.

The CSR Policy and projects or programs may be accessed at www.cmcltd.com/sites/default/files/CSR-Policy.pdf.

The Company has formed Corporate Social Responsibility Committee as per the requirement of section 135 of the Companies Act, 2013. The Composition of the CSR committee is as follows:

Composition of CSR Committee

Mr. Ashok Sinha, Independent Director as Chairman

Mr. S Mahalingam, Non-Independent Director as Member

Mr. R Ramanan, Managing Director & CEO as Member

Average net profits and prescribed CSR expenditure:

The average net profits and prescribed CSR expenditure is as detailed below:

Particulars	(₹/lac)
Average net profits for last three financial years	20,907.23
Prescribed CSR expenditure	418.14

Details of CSR spent during the financial year 2014-15.

Particulars	(₹/lac)
Total amount spent during the year	418.14
Amount unspent	Nil

Manner in which the amount spent during the financial year is detailed:

Sr. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs : (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads:	Cumulative Expenditure up to the reporting period	Amount Direct or through implementing agency*
				(₹/lac)	(1) Direct expenditure on projects or programs (2) Overheads		
				(₹/lac)	(₹/lac)	(₹/lac)	
1.	Promotion of national heritage, art and culture including setting up of public library,	Cultural	New Delhi	75.81	75.81	75.81	Direct
2.	Contribution to Sahapedia for Promotion of national heritage, art and culture including setting up of public library,	Cultural	New Delhi	138.11	138.11	138.11	Implementing Agency*
3.	Donation of Ambulance for healthcare services	Healthcare	Goa	7.42	7.42	7.42	Direct
4.	Contribution to TCS Foundation	Trust	Mumbai	196.80	196.80	196.80	Implementing Agency**
Total CSR Spent				418.14	418.14	418.14	

* Sahapedia is a Society registered under the Societies Registration Act, 1860 for setting up an online resource to promote national heritage, art and culture including setting up of a public library.

** Tata Consultancy Services Limited (Holding Company) has set up TCS Foundation, a not for profit initiative under section 8 of the Companies Act, 2013. TCS Foundation aims at promoting projects and / or programmes relating to CSR activities. Your Company will use this initiative as one of the vehicle for its CSR activities as prescribed in the CSR Policy of the Company.

Responsibility Statement

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies Rules (Corporate Social Responsibility Policy) Rules, 2014, Mr. R Ramanan, Managing Director & CEO and Mr. Ashok Sinha, Chairman CSR Committee, do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

R RAMANAN
 Managing Director & CEO

ASHOK SINHA
 Chairman (CSR Committee)

Mumbai
 9 April, 2015

Mumbai
 9 April, 2015

CERTIFICATE ON CORPORATE SOCIAL RESPONSIBILITY STATEMENT

THE BOARD OF DIRECTORS

CMC LIMITED

CMC Centre,
Old Mumbai Highway,
Gachibowli,
Hyderabad - 500 032

We have examined the relevant books, paper and records as maintained by M/s. CMC Limited ("The Company") for the year ended on 31st March 2015 for compliances of the provisions of Corporate Social Responsibility (herein after referred as "CSR") undertaken by the CMC Limited as stipulated in the Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013.

The management of the Company is responsible for the Compliance of the CSR provision. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of CSR.

In our opinion and to best of our information and explanation given to us, we certify that the Company has complied with the provisions of CSR pursuant to Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S Chandrasekaran
Senior Partner
Membership No. FCS: 1644
Certificate of Practice No. 715

New Delhi
7 April, 2015

ANNEXURE-IV

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2015

(A) Personnel who are in receipt of remuneration aggregating not less than ₹ 60,00,000 per annum and employed throughout the financial year:										
Name	Designation	Remuneration (₹)	Nature of Employment	Qualification	Experience	Date of Commencement of employment	Age	Previous Employment	% of Shares held in the company	Whether related to any director
R Ramanan	Managing Director & CEO	22,204,985	Permanent	B.Tech	34	16 October, 2001	56	Tata Consultancy Services	NIL	No
J K Gupta	Chief Financial Officer	14,838,440	Permanent	M.Com, LLB, FCMA, MBA	35	17 May, 2002	55	Tata Consultancy Services	NIL	No
(B) Personnel who are in receipt of remuneration aggregating not less than ₹ 5,00,000 per month and employed for part of the financial year:										
NIL										

Note: The above remuneration includes salaries, commission, contribution to Provident Fund, Medical reimbursement, LTC, bonus, if any and taxable value of perquisites.

For and on behalf of the Board

Mumbai
9 April, 2015

N Chandrasekaran
Chairman

FORM MGT-9

Extract of Annual Return as on the financial year ended on 31 March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN - L72200TG1975PLC001970
- ii) Registration Date - 26 December, 1975
- iii) Name of the Company - CMC Limited
- iv) Category / Sub-Category of the Company - Information Technology
- v) Address of the Registered office and contact details - CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad - 500 032 (TG)
Tel: 91 11 2373 6151
Fax: 91 11 2373 6159
email: investor.relations@cmcltd.com
- vi) Whether listed company Yes / No - Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any - M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.
Tel: 91 40 67162222
Fax: 91 40 23001153
email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and description of main products / services	NIC code of the product/ service	% to total turnover of the Company
1.	Computer programming, consultancy and related activities	620	94.61

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Tata Consultancy Services Limited 9 th Floor, Nirmal Building, Nariman Point, Mumbai 400 021	L72210MH1995PLC084781	Holding company	51.12%	2(46)
2.	CMC Americas, Inc. 4354 S. Sherwood Forest Blvd, Suite 175, Baton Rouge, USA	Not applicable	Subsidiary company	100%	2(87)
3.	CMC eBiz Inc, 4354 S. Sherwood Forest Blvd, Suite 175, Baton Rouge, USA	Not applicable	Step-down subsidiary company	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i. Category-wise shareholding

Sl. No.	Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				%Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters											
1	Indian										
	a)	Individual/HUF	0	0	0	0	0	0	0	0	
	b)	Central Govt	0	0	0	0	0	0	0	0	
	c)	State Govt (s)	0	0	0	0	0	0	0	0	
	d)	Bodies Corp.	15489922	0	15489922	51.12	15489922	0	15489922	51.12	
	e)	Banks / FI	0	0	0	0	0	0	0	0	
	f)	Any Other	0	0	0	0	0	0	0	0	
		Sub-total (A) (1):-	15489922	0	15489922	51.12	15489922	0	15489922	51.12	
2	Foreign										
	a)	NRIs -Individuals	0	0	0	0	0	0	0	0	
	b)	Other -Individuals	0	0	0	0	0	0	0	0	
	c)	Bodies Corp.	0	0	0	0	0	0	0	0	
	d)	Banks / FI	0	0	0	0	0	0	0	0	
	e)	Any Other	0	0	0	0	0	0	0	0	
		Sub-total (A) (2):-	0	0	0	0	0	0	0	0	
	Total shareholding of Promoter (A) =(A)(1)+(A)(2)		15489922	0	15489922	51.12	15489922	0	15489922	51.12	
B. Public Shareholding											
1	Institutions										
	a)	Mutual Funds	3814838	0	3814838	12.60	2936422	0	2936422	9.69	
	b)	Banks / FI	1366552	0	1366552	4.51	1370266	0	1370266	4.52	
	c)	Central Govt	0	0	0	0	0	0	0	0	
	d)	State Govt(s)	0	0	0	0	0	0	0	0	
	e)	Venture Capital Funds	0	0	0	0	0	0	0	0	
	f)	Ins. Companies	0	0	0	0	0	0	0	0	
	g)	FIs	6615981	0	6615981	21.83	6620243	0	6620243	21.85	
	h)	Venture Capital Funds	0	0	0	0	0	0	0	0	
	i)	Others	0	0	0	0	0	0	0	0	
		Sub-total (B)(1):-	11797371	0	11797371	38.94	10926931	0	10926931	36.06	
2	Non-Institutions										
	a)	Bodies Corp.									
		i) Indian	735091	700	735791	2.43	847706	700	848406	2.81	
		ii) Overseas	0	0	0	0	0	0	0	0	
	b)	Individuals									
		i) holding shares upto ₹ 1 lakh	1828362	14583	1842945	6.09	2524882	14403	2539285	8.38	
		ii) holding shares above ₹ 1 lakh	433971	0	433971	1.42	495456	0	495456	1.63	
	c)	Others	0	0	0	0	0	0	0	0	
		Sub-total (B)(2):-	2997424	15283	3012707	9.94	3868044	15103	3883147	12.82	
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]		14794795	15283	14810078	48.88	14794975	15103	14810078	48.88	
C.	Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	0	
Grand Total (A+B+C)			30284717	15283	30300000	100.00	30284897	15103	30300000	100.00	

Note : Percentage in bracket represents negative percentage

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year				% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Tata Consultancy Services Limited	15489922	51.12		0	15489922	51.12	0
	Total	15489922	51.12		0	15489922	51.12	0

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iii. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in promoter's shareholding during FY 2014- 15.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No.	Name of the shareholders	Shareholding at the beginning of the year as on 1.4.2014		Change in shareholding during the year		Shareholding at the end of the year as on 31.3.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aberdeen Global-Asian Smaller Companies Fund	2053220	6.78	70840	0.23	2124060	7.01
2	Aberdeen Global Indian Equity (Mauritius) Limited	1920000	6.34	(100000)	(0.33)	1820000	6.01
3	HDFC Trustee Company Limited-HDFC Equity Fund	1691392	5.58	(10000)	(0.03)	1681392	5.55
4	General Insurance Corporation of India	700000	2.31	100000	0.33	800000	2.64
5	Aberdeen Asian Smaller Companies Investment Trust Plc.	444000	1.47	26000	0.08	470000	1.55
6	HDFC Trustee Company Limited - HDFC Prudence Fund	438460	1.45	-	-	438460	1.45
7	The Scottish Oriental Smaller Companies Trust Plc.	402646	1.33	(40263)	(0.13)	362383	1.20
8	The New India Assurance Company Limited	-	-	-	-	334514	1.10
9	Government Pension Fund Global	688883	2.27	(409605)	(1.35)	279278	0.92
10	National Westminster Bank Plc. As Depository of First State Asia Pasific Fund A Sub Fund of First State Investments ICVC	-	-	-	-	222005	0.73

Note : Numbers and Percentages represents negative numbers and percentages.

The above details are given as on 31 March, 2015. The Company is listed and 99.95% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

v. Shareholding of Directors and Key Managerial personnel

Directors and Key Managerial Personnel do not have any shareholding in the Company.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Company was not having any secured loans/unsecured loans and deposits during the financial year 2014-15.

VI. Remuneration of Directors And Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Name of MD & CEO: Mr. R Ramanan			
Sr. No.	Particulars of Remuneration		₹/lac
1	Gross salary		
	1(a)	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	182.78
	1(b)	Value of perquisites u/s 17(2) Income tax Act, 1961	28.43
	1(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as a % of profit		-
	- others (specify)		-
5	Others, please specify: Retirement Benefits		10.84
	Total (A)		222.05
	Ceiling as per the Act		2,024.56

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors				₹/lac
		Mr. Sudhakar Rao	Ms. Kalpana Morparia	Prof. M.S. Ananth	Mr. Ashok Sinha	
1.	Independent Directors	Mr. Sudhakar Rao	Ms. Kalpana Morparia	Prof. M.S. Ananth	Mr. Ashok Sinha	
	Fee for attending board / committee meetings	3.80	1.90	1.50	3.00	10.20
	Commission	20.00	16.00	16.00	20.00	72.00
	Others, please specify	-	-	-	-	-
	Total (1)	23.80	17.90	17.50	23.00	82.20
2.	Other Non-Executive Directors	Mr. S. Ramadorai	Mr. N. Chandrasekaran	Mr. S. Mahalingam	Ms. Aarthi Subramanian	
	Fee for attending board / committee meetings	1.40	-	4.10	-	5.50
	Commission	18.00	-	25.00	-	43.00
	Others, please specify	-	-	-	-	-
	Total (2)	19.40	-	29.10	-	48.50
	Total (B)=(1+2)	43.20	17.90	46.60	23.00	130.70
	Total Managerial Remuneration					222.05
	Total Remuneration (A+B)					352.75
	Overall Ceiling as per the Act					2,227.02

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer (CEO)*	Chief Financial Officer (CFO)	Company Secretary (CS)	Total (₹/lac)
1	Gross salary	-	-	-	-
	1(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	141.38	35.91	177.29
	1(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	2.46	-	2.46
	1(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as a % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5	Others, please specify: Retirement Benefits	-	4.54	1.42	5.96
	Total	-	148.38	37.33	185.71

*Mr. R Ramanan is the Managing Director & CEO of the Company. Thus, CEO's salary is shown in para VIA of the form as salary of MD & CEO.

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The year saw continued volatility even in the midst of positive factors like declining oil prices and US economy showing signs of revival. In spite of this backdrop, the IT-BPM sector recorded steady sequential growth of 4.6 per cent to touch a global spend of USD 2.3 Trillion. Software products, IT and BPM services continued to lead, accounting for nearly USD 1.3 trillion i.e. 55 per cent of total spend. Balance 45 per cent was on Hardware. Americas remained the largest market while APAC recorded the highest growth of 5.1 per cent.

There was a renewed demand for global sourcing which grew by 9-10 per cent over 2013 which was double the growth in total spend. Domestic IT-BPM is set to grow faster than exports at 14 per cent largely driven by e-Commerce.

India maintained its leadership position in the global sourcing area with a share of 55 per cent in 2014. New delivery centers added in 2014 recorded an impressive growth of 49 per cent with over 27 per cent additions being in India. Indian IT BPM Industry is expected to cross USD 146 billion a growth of 13 per cent and exports are likely to record a 12.3 per cent growth to cross USD 98 billion in 2014-15.

There is an increasing trend seen in customers both in India and in the Global context, embracing Social media, Mobility, Analytics and Cloud (SMAC) to drive growth and derive competitive advantage especially with analytics and mobility becoming integral to IT strategy, in addition to a shift to cloud based Information systems architecture. Such Digital technologies are being leveraged especially in healthcare provision, financial services, retail, travel and education.

This has led to a dynamic value ecosystem digitally connecting products and services that combine to meet customer needs and deliver more business value.

B. OPPORTUNITIES & THREATS

Opportunities

The opportunities observed are based on the trends noticed in past couple of years, which continues to be relevant. Some of the key ones are as follows:

- (1) Domestic market to get boosted due to Government focus on "Digital India" and "make in India".
- (2) Increasing penetration of Internet in India with the rapid expansion of broadband spectrum availability is enabling businesses to look at Tier II/Tier III cities not only for addressing newer markets but also for IT companies to look for delivery centres in these places. As a result, IT and network Infrastructures services and associated value added services would therefore be a growth area.
- (3) The adoption of SMAC technologies is expected to drive growth in all the segments. Cloud and client maturity are the major drivers for across the industry verticals.
- (4) E Commerce is driving rapid growth with unprecedented levels of funding. This will bring in opportunities for IT services and associated opportunities for provision of skilling services.

Threats

- (1) **Attrition:** Since the IT sector is exposed to high attrition rate due to more opportunities available in market for the employee, retaining existing talent pool and attracting new talented manpower is a major risk to the Company. The Company has initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, and CMC connect to maintain employee-friendly culture in the organization.
- (2) **Protectionism:** Since the Company's business requires deputation of technical staff on overseas projects, which require appropriate visa to work in those countries. Legislation in certain countries where the Company operates may impose necessary legislative restriction which may have adverse impact on the business of the Company.
- (3) **Technological Changes:** The Company operates in high end technology domain which is subject to continuous innovations based on the customer requirement. To mitigate the risk of technological changes, the Company has its own R&D center to track technological innovations which are relevant to the business of the Company.

C. FOCUS AREAS OF THE COMPANY

1. Strategy and value proposition

CMC's market strategy is to offer the full range of IT services, have presence in all industry segments through a diverse range of products and service offerings, and continue expanding geography presence outside India. CMC product and service portfolio is based on providing end-to-end solutions in the Systems Engineering and Integration (SE&I) space. CMC maintains a competitive edge through a wide spectrum of technology skills, including niche areas like real-time systems, embedded systems, process control, image processing, e-commerce technologies; and others.

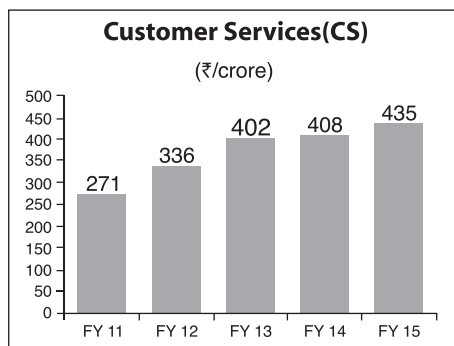
2. Business Segments of the Company:

The Company generates its revenue from 5 segments:

- Customer Services (CS)
- IT enabled Services (ITeS)
- Special Economic Zone (SEZ)
- Systems Integration (SI)
- Education and Training (E &T)

2.1 Customer Services (CS)

The CS SBU focuses on creating solutions and providing services for the IT infrastructure requirements covering infrastructure architecture, design and consulting services; turnkey system integration of large network and data centre infrastructures. The scope of services includes supply of associated equipment and software; On-Site and Remote Support Services for multi-locations for the IT infrastructures of domestic and international clients. The previous five years trend in CS SBU is as follows:



Revenue (Consolidated)

The CS SBU earned revenue of ₹435.15 crore during the financial year 2014-15 on a consolidated basis compared to ₹408.46 crore during the financial year 2013-14, registering an increase of 7% on yearly basis. The revenue in CS segment increased mainly in domestic markets as detailed below:

Market	Revenue (₹/crore)		
	2014-15	2013-14	Variation
Domestic	390.60	361.91	8%
International	44.55	46.55	(4%)
Total	435.15	408.46	7%

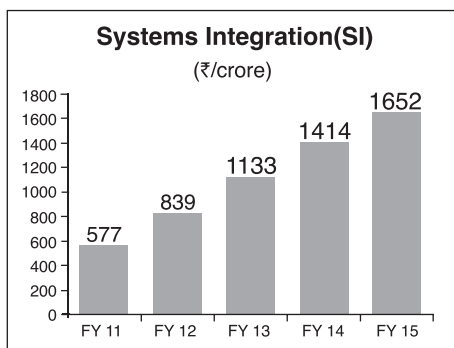
The share of CS SBU in total revenue from operations decreased to 17% during the financial year 2014-15 from 18% during the financial year 2013-14.

2.2 Systems Integration (SI)

The SI SBU undertakes the activities of solution deployment that includes embedded systems, software development, software maintenance and support, turnkey project implementation and systems consultancy and has been one of the key drivers of its transformation towards more value added business with a view to

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improve overall margin. SI SBU continued to invest and grow its solution asset base so that it can offer innovative solutions around the core IPs' of these assets. This includes enhancements of Biometrics based Assets for identity management, mining assets for mining solutions, transportation assets, insurance & financial solution assets and e-governance assets. We also continue to focus on emerging areas related to big data and analytics, mobility management and integration and cloud related services.



Revenue (Consolidated)

The SI SBU earned revenue of ₹1,652.49 crore during the financial year 2014-15 compared to ₹1,413.51 crore earned during the financial year 2013-14, registering an increase of 17% over the previous financial year. The Company has achieved broad based growth in SI segment across the geographies. Both the domestic as well as international markets contributed the revenue growth. The breakup of revenue from domestic and international markets is as follows:

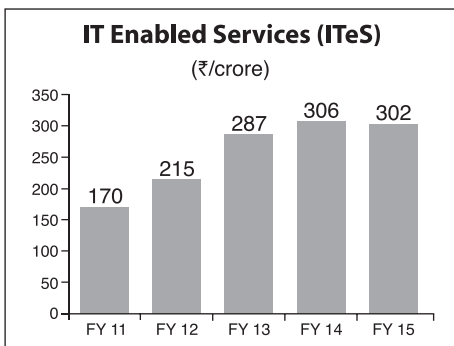
Market	2014-15	2013-14	Variation
Domestic	175.95	157.74	12%
International	1,476.54	1,255.77	18%
Total	1,652.49	1,413.51	17%

The share of SI SBU in total revenue from operations increased to 66% during the financial year 2014-15 from 63% during the financial year 2013-14.

During the previous financial year the revenue from international markets in SI segment included ₹18.97 crore resulting from a favorable decision in a legal case. If we exclude the impact of this one time transaction the SI growth during the current financial year stands at 18%.

2.3 IT enabled Services (ITeS):

The ITeS SBU provides a variety of IT enabled services which include Business Process Outsourcing and Knowledge Process Outsourcing for front end and Back office. This SBU has created specific business domain expertise such as on-demand software services; office records digitization and document management; recruitment and examination results management; legacy data migration management.



Revenue (Consolidated)

The ITeS SBU earned revenue of ₹301.78 crore during the financial year 2014-15 compared to ₹306.14 crore during the financial year 2013-14, on consolidated basis registering a marginal decrease of 1% on yearly basis. The ITeS segment achieved revenue growth from domestic markets while the revenue decline in international markets due to completion of a large overseas project. The details are as follows:

Market	(₹/crore)		
	2014-15	2013-14	Variation
Domestic	164.00	152.05	8%
International	137.78	154.09	(11%)
Total	301.78	306.14	(1%)

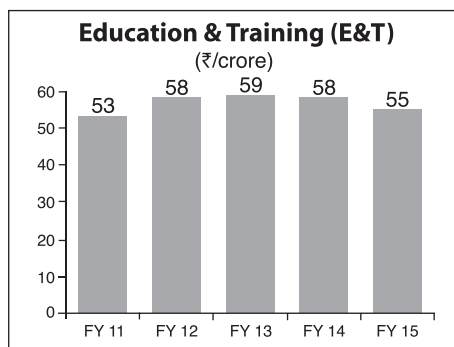
The share of ITeS SBU in total revenue from operations decreased to 12% during the financial year 2014-15 as compared to 14% during the financial year 2013-14.

2.4 Education & Training (E&T):

The E&T SBU of the Company offers education and training solutions for corporate organizations, government institutions and individuals. Its offerings mainly include:

- IT and Non IT Vocational programs.
- Integrated career development plans.
- Soft skill trainings.
- Integrated learning solutions for corporate houses.
- Job enabled training program.

The E&T SBU also delivers various skill enhancement programs for experienced people from the industry.

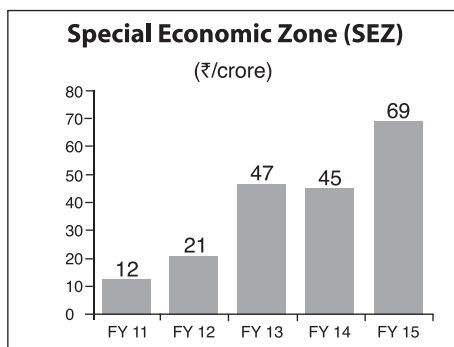


Revenue (Consolidated)

The E&T SBU earned revenue of ₹54.63 crore during financial year 2014-15 compared to ₹57.92 crore during financial year 2013-14. The share of E&T SBU in total revenue from operations has decreased to 2% as compared to 3% during financial year 2013-14. The Education and training segment faced industrywide general slowdown which resulted in reduction in revenue during the year. E&T segment earned all revenues from domestic markets.

2.5 Special Economic Zone (SEZ)

The Company has developed an SEZ facility spread over about 46.33 acres at its campus at Hyderabad. The Company reports SEZ as a separate segment in compliance with Accounting Standard (AS) -17 Segment Reporting, as its assets reached the level of more than 10% of the total assets of the Company. The income from this segment represents income from renting out SEZ facilities to TCS. The performance of the SEZ segment during the previous five years is as under:



Revenue (Consolidated)

The Company has earned a rental income of ₹69.44 crore during the financial year 2014-15 compared to ₹44.90 crore during the financial year 2013-14. The increase in rental income is on account of increase in area let out to 1704 (SFT'000) as at 31 March, 2015 compared to 1235 (SFT'000) as at 31 March, 2014.

D. DISCUSSIONS ON CONSOLIDATED FINANCIAL RESULTS:

The Management Discussion and Analysis below gives an overview of consolidated audited financial statement of CMC Limited and its subsidiaries:

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014		Variation
	(₹/crore)	% of revenue	(₹/crore)	% of revenue	
Income:					
Income from sales and services	2,513.49	100%	2,230.93	100%	13%
Expenditure:					
Material	234.22	9%	224.00	10%	5%
Manpower	591.47	24%	554.68	25%	7%
Sub - Contracting Costs	1,099.80	44%	887.89	40%	24%
Others	203.62	8%	175.02	8%	16%
Total Expenditure	2,129.11	85%	1,841.59	83%	16%
Operating Profit	384.38	15%	389.34	17%	(1%)
Other Income	14.32	1%	25.01	1%	(43%)
Profit before interest, tax and depreciation	398.70	16%	414.35	18%	(4%)
Depreciation	67.23	3%	26.98	1%	149%
Interest	0.05	-	0.08	-	(38%)
Profit before tax	331.42	13%	387.29	17%	(14%)
Provision for taxes	54.30	2%	106.87	5%	(49%)
Profit after taxes	277.12	11%	280.42	12%	(1%)

Numbers or % in bracket represents negative numbers or %.

1. Income:

1.1 Income from sales and services

The Company earned a total income from sales and services of ₹2,513.49 crore during the financial year 2014-15 compared to ₹2,230.93 crore during the financial year 2013-14 registering a growth of 13% during the year.

The Company has achieved broad based revenue growth across the geographies during the financial year 2014-15. The revenue from international geographies grew by 14%, while domestic market contributed 10% revenue growth during the financial year 2014-15.

The Company's wholly owned subsidiary CMC Americas, Inc., earned revenue of \$244.56 mn (equivalent to ₹1,498.27 crore) during financial year 2014-15 compared to \$209.06 mn (equivalent to ₹1,273.85 crore) during financial year 2013-14 registering a growth of 17% in dollar terms over the previous financial year.

A brief summary of the Company's Revenue profile is as follows:

Income Category	Year ended 31 March, 2015		Year ended 31 March, 2014		Variation
	(₹/crore)	% of Revenue	(₹/crore)	% of Revenue	
Sale of equipment	220.88	9%	228.49	10%	(3%)
Services	2,292.61	91%	2,002.44	90%	14%
Total Income from sales and services	2,513.49	100%	2,230.93	100%	13%
Domestic markets	799.95	32%	729.64	33%	10%
International markets	1,713.54	68%	1,501.29	67%	14%
Total Income from sales and services	2,513.49	100%	2,230.93	100%	13%

The revenue from sale of equipment during the previous financial year included ₹18.97 crore resulting from a favorable decision in a legal case. Excluding the impact of this one time transaction, the growth in sale of equipment stands at 5% during current financial year.

2. Expenses:

2.1 Materials:

The cost of material includes costs that are incurred on procurement of equipment for resale and consumption of spares on maintenance and warranty service.

Particulars	(₹/crore)		
	Year ended 31 March, 2015	Year ended 31 March, 2014	Variation
Equipment Resale:			
- Sale of purchased equipment	220.88	228.49	(3%)
- Cost of equipment purchased for resale	210.74	201.97	4%
- Cost of equipment as a % of equipment revenue	95%	88%	
Maintenance Services:			
- Revenue from maintenance services	54.11	52.63	3%
- Cost of spares consumptions	23.48	22.02	7%
- Spares consumption as a % of maintenance revenue	43%	42%	

- The margin from equipment business decreased to 5% during the financial year 2014-15 compared to 12% during the financial year 2013-14. The sale of purchased equipment and cost of equipment during financial year 2013-14, included ₹18.97 crore and ₹5.83 crore respectively resulting from a favorable decision in a legal case against a customer, leading to increase in margin in equipment business during financial year 2013-14. The margin from equipment business excluding the effect of this transaction was 6% in financial year 2013-14.
- The cost of spares consumptions includes consumables of ₹2.01 crore for initial set up cost for a large project. Excluding the effect of this cost the spare consumption as a % of maintenance Company has been 40%.

2.2 Employee benefits expenses:

The employee costs during the financial year 2014-15 increased to ₹591.47 crore compared to ₹554.68 crore during the financial year 2013-14.

Particulars	(₹/crore)		
	Year ended 31 March, 2015	Year ended 31 March, 2014	Variation
Employee benefit Expenses	591.47	554.68	7%
Revenue from Services	2,292.61	2,002.44	14%
Manpower Costs as % of Revenue from Services	26%	28%	

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The employee cost during the financial year 2014-15 increased mainly due to the following reasons:

- Increase in manpower cost by ₹14.38 crore due to annual increments given during the year.
- Increase in cost of contract employees by ₹17.74 crore. On a year on year basis, the Company had net addition of 1290 contract employees for new projects.
- The Employee base of the Company (including contract employees) increased to 12665 as at 31 March, 2015 compared to 11109 as at 31 March, 2014.
- Increase in cost of earned leaves, Gratuity, and Retrial medical benefits by ₹4.16 crore due to decrease in discount rates to 8% compared to 9% during the previous financial year.

The manpower cost as a % of revenue from services decreased to 26% during the financial year 2014-15 from 28% during financial year 2013-14 on account of increased utilization of sub-contracted services to achieve cost efficiencies and necessary variability in costs.

2.3 Sub- Contracting and outsourced cost:

Particulars	(₹/crore)		
	Year ended 31 March, 2015	Year ended 31 March, 2014	Variation
Sub contract and outsourced services	1,099.80	887.89	24%
Revenue from Services	2,292.61	2,002.44	14%
Sub-contracted Costs as % of Revenue from Services	48%	44%	

The sub-contracting costs as a percentage of services revenue has increased to 48% during the financial year 2014-15 from 44% during the financial year 2013-14. The Increase is mainly due to utilization of vendor employees for onsite projects in CMC Americas Inc. The share of onsite of business in CMC Americas Inc. increased to 79.10% during the financial year 2014-15 compared to 78.60% during the previous financial year.

The Company has been using services of various vendors in order to achieve cost efficiencies and necessary variability in costs which plays important role in the cost management of the Company.

2.4 Other Expenses:

The other expenses as a percentage of income from sales and services remained almost unchanged at 8% during the financial year 2014-15. The details are as tabled below:

Particulars	(₹/crore)		
	Year ended 31 March, 2015	Year ended 31 March, 2014	Variation
Purchased software	3.92	2.88	36%
Electricity	28.19	28.59	(1%)
Rent and Hire Charges	25.05	25.51	(2%)
Repair and maintenance	16.07	14.68	9%
Travel and conveyance	34.72	30.19	15%
Communication and postage	11.69	11.43	2%
Printing and Stationery	8.23	8.20	-
Legal and Professional fees	17.10	14.26	20%
Payment to Franchisees and other E&T expenses	10.41	18.76	(45%)
Living expenses on overseas projects	16.58	15.86	5%
Expenditure on corporate social responsibility	4.18	-	100%
Liability/provision written back and Bad Debts recovered	(7.97)	(17.79)	(55%)
Provision for doubtful trade receivables	17.20	13.44	28%
Net Loss on foreign exchange fluctuations	(4.41)	(12.88)	(66%)
Miscellaneous expenses	22.66	21.89	4%
Total	203.62	175.02	16%
As a % of income from sales and services	8%	8%	

The reasons of variation in some key expenses are as follows:

- Purchased software increased due to procurement of project related software during the year.
- Repair and maintenance increased by 9% due to increase in maintenance charges on SEZ facilities and refurbishment of other facilities owned by the Company.
- Travel and conveyance increase in line with increase in business.
- Legal and professional fee includes ₹3.08 crore paid in connection with services pertaining to the amalgamation of the Company.
- The Payment to franchisees and other E&T expenses decreased by 45%. The reduction is mainly on account of setting off ₹5.81 crore pertaining to E&T related provisions no longer required on this account. Further the Company also increased execution of projects through CMC owned centers during the year.
- Living allowances increased in line with the increase in international service revenue.
- The Company has spent ₹4.18 crore towards expenditure on corporate social responsibility as provided by the Companies Act, 2013. The details of this expenditure are given in the **Annexure-III** which forms part of directors reports.
- The Company has reviewed its liabilities and provisions which were no longer required and written back an amount of ₹7.46 crore on this account. Further the Company has also recovered bad debts amounting to ₹0.51 crore during financial year 2014-15. The Company had received ₹15.27 crore resulting from a favorable decision in a legal case against a customer during financial year 2013-14.
- The Company has provided ₹17.20 crore for doubtful debts in accordance with the policy approved by the Board.
- The foreign exchange gain decreased to ₹4.41 crore (net) compared to ₹12.88 crore (net) in line with the movement in exchange rates. The exchange rate of US Dollar against Rupee appreciated by 4% during the financial year 2015 compared to 11% during the financial year 2014.
- The Miscellaneous expenses increased mainly due to increase in business activities.

3. Other Income:

The other income has decreased to ₹14.32 crore during the financial year 2014-15 compared to ₹25.01 crore during the financial year 2013-14

The breakup of other income is as follows:

Particulars	(₹/crore)		
	Year ended 31 March, 2015	Year ended 31 March, 2014	Variation
Interest Income	0.31	6.19	(95%)
Dividend / profits from mutual funds	9.86	9.65	2%
Profits on sale of fixed assets	0.30	4.36	(93%)
Miscellaneous income	3.85	4.81	(20%)
Total	14.32	25.01	(43%)

- The Interest income during the financial year 2013-14 included ₹5.94 crore receivable as a result of a favorable decision in a legal case against a customer.
- The profits on sale of fixed assets during the financial year 2013-14 included ₹4.25 crore profits on sale of residential property.
- The miscellaneous income includes:
 - Interest received on tax refunds from authorities ₹1.24 crore (previous year ₹1.06 crore);
 - Recoveries from employees ₹1.78 crore (previous year ₹1.31 crore)
 - Sale of scrap, Insurance claims received and others ₹0.83 crore (previous year ₹0.43 crore)

4. Depreciation:

Depreciation increased to ₹67.23 crore during financial year 2014-15 compared to ₹26.98 crore during the financial year 2013-14, due to change in useful life of the assets based on evaluation by the Company. The Company has revised its estimates of providing depreciation on fixed assets effective 1 April, 2014. The carrying amount as on 1 April, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended 31 March, 2015 is higher by ₹ 37.57 crore. The effect relating to the period prior to 1 April, 2014 is ₹18.83 crore which has been shown as an 'Exceptional Item' for the financial year 2014-15 in the statement of profit and loss.

The changes in useful life are as detailed below:

Class of asset	Previous useful life (Years)	Revised useful life (Years)
Freehold Buildings	60	20
Plant and equipment		
- Computers and Servers	6	4
- Others	6	10
Furniture and Fixtures	15	5
Vehicles	10	4
Office equipment	21	5

The depreciation as a percentage of revenue from operations has increased to 3% during financial year 2014-15 as compared to 1% during financial year 2013-14.

5. Interest:

Interest expenses decreased to ₹0.05 crore in financial year 2014-15 compared to ₹0.07 crore in financial year 2013-14. The Interest cost includes interest paid on vendor/employee deposits held in the ordinary course of business. The Company has remained debt free during the financial year 2014-15.

6. Provision for tax:

The tax expenses of the Company decreased to ₹54.30 crore compared to ₹106.87 crore during the previous financial year. The effective tax rate decreased to 16% compared to 28% during the previous financial year. The decrease in tax expenses is mainly due to following reasons:

Particulars	(₹/crore)
Decrease in tax expenses on account of revision in estimated useful life of fixed assets during financial year 2014-15	(12.76)
Tax on dividend received from subsidiary company during financial year 2013-14	(19.96)
Tax on profits on sale of fixed assets during financial year 2013-14	(1.48)
Tax expenses on increase in profit before tax by ₹37.66 crore consequent upon a favorable decision in a legal case during the financial year 2013-14	(12.80)
Increase in tax expenses in CMC Americas, Inc. in line with increase in the profits of the company	2.60
Decrease in tax expenses in CMC Limited, in line with decrease in profits	(8.17)
Net decrease in tax expense	(52.57)

E. FINANCIAL POSITION (CONSOLIDATED):**Capital Structure****1. Share Capital:**

Share Capital of the Company remained unchanged at ₹30.30 crore.

2. Reserves and Surplus:

General reserve as at 31 March, 2015 increased to ₹128.05 crore compared to ₹108.27 crore as at 31 March, 2014. The Company has transferred ₹19.78 crore being 10% of standalone profits after tax for the year to general reserve as stipulated by Companies Act.

Foreign currency translation reserve increased to ₹30.63 crore as at 31 March, 2015 compared to ₹25.23 crore as at 31 March, 2014 due to the foreign currency translation gain of ₹5.40 crore on net investments and current year profits of foreign subsidiary.

Net worth of the Company as at 31 March, 2015 increased to ₹1,355.16 crore compared to ₹1,155.97 crore at the beginning of the year resulting in an increase of 17% during the year mainly on account of retained profits after tax earned during the year.

3. Other long term liabilities:

The long term liability increased to ₹24.60 crore as at 31 March, 2015 as compared to ₹11.59 crore as at 31 March, 2014. The Company has received ₹12.66 crore as security deposit towards lease of SEZ premises during the financial year 2014-15.

The Income received in advance mainly includes warranty related income received in advance against which services will be rendered after a period of 12 months.

4. Long term provisions:

The long term provisions increased to ₹24.06 crore as at 31 March, 2015 compared to ₹23.59 crore as at 31 March, 2014, mainly on account of increase in liabilities for post-retirement medical benefits partially offset by reduction in provision of gratuity.

The post-retirement medical benefits increased to ₹4.52 crore as at 31 March, 2015 compared to ₹3.91 crore as at 31 March, 2014. The liability on this account increased mainly on account of decrease in discount rate to 8% as at 31 March, 2015 compared to 9% as at 31 March, 2014.

The gross liability for Gratuity increased as a result of decrease in discount rates to 8% as at 31 March, 2015 compared to 9% as at 31 March, 2014. The increase due to decrease in discount rate is offset by increase in plan assets for employee gratuity resulted in marginal decrease in net provision for gratuity.

The reconciliation of Provision for Gratuity is as follows:

Particulars	(₹/crore)		
	As at 31 March, 2015	As at 31 March, 2014	Variation
Gross Provisions for Gratuity	30.35	29.52	3%
Plan Assets	10.80	9.84	10%
Net Liability	19.55	19.68	(1%)

5. Trade payables:

The trade payable increased to ₹373.87 crore as at 31 March, 2015 compared to ₹ 367.77 crore as at 31 March, 2014 in line with increase in business. However, the Days Payable Outstanding (DPO) decreased to 54 days during the financial year 2014-15 compared to 60 days during the financial year 2013-14.

6. Other current liabilities:

Other current liabilities decreased to ₹40.01 crore as at 31 March, 2015 compared to ₹ 66.50 crore as at 31 March, 2014. The reduction in other current liabilities was mainly on account of decrease in creditors for fixed assets. The other current liabilities mainly decreased due to:

Particulars	(₹/crore)
Decrease in creditors for fixed assets	(20.12)
Decrease in advance for supplies and others payables	(4.00)
Decrease in statutory due	(2.60)
Decrease in security deposits	(0.74)
Increase in income received in advance	0.97
Net Decrease in other current liabilities	(26.49)

7. Short term provisions:

The short term provisions increased to ₹122.29 crore as at 31 March, 2015 compared to ₹115.89 crore as at 31 March, 2014. The short term provision during the year increased mainly due to:

Particulars	(₹/crore)
Increase in dividend on equity shares	15.15
Increase in provision for compensated absences	2.80
Increase in provision for taxes	0.04
Decrease in tax on dividend	(11.59)
Net increase in short term provisions	6.40

8. Tangible assets:

The gross block of tangible assets increased to ₹616.68 crore (including capital WIP) as at 31 March, 2015 compared to ₹578.21 crore as at the beginning of the year, resulting in an increase of 7% on net basis during the financial year 2014-15 mainly on account of building construction activities in SEZ Hyderabad and Kolkata projects.

9. Intangible assets:

The Company has recognized intangible assets of ₹2.88 crore during the financial year 2014-15. The total gross block of intangible assets as at 31 March, 2015 stood at ₹11.21 crore compared to ₹8.33 crore as at 31 March, 2014.

The Company recognizes perpetual software licenses purchased for internal uses as intangible assets. The Company amortizes such software over a period of 4 years.

10. Deferred tax assets (net):

The deferred tax assets increased to ₹17.51 crore as at 31 March, 2015 as compared to ₹4.81 crore as at 31 March, 2014. The increase in deferred tax assets is mainly on account of:

Particulars	(₹/crore)
Deferred tax assets on provision for doubtful debts during the year	5.85
Reversal of deferred tax liabilities on fixed assets mainly due to change in useful life	5.39
Increase in deferred tax assets on employee related benefits	1.21
Increase in deferred tax assets on other items	0.25
Net increase in deferred tax assets	12.70

11. Long term loans and advances:

Long term loans and advances increased to ₹171.17 crore as at 31 March, 2015 compared to ₹127.33 crore as at 31 March, 2014. The increase in long term loans and advances are mainly on account of:

Particulars	(₹/crore)
MAT credit entitlement during the year	26.01
Increase in advance tax mainly due to increased tax deductions by customers eligible for refund	12.07
Increase in security deposits	2.38
Increase in prepaid expenses for warranty related projects	2.85
Increase in other long term advances	2.73
Decrease in capital advances during the year	(2.20)
Net increase in long term loans and advances	43.84

12. Other non-current assets:

The other non-current asset represents unbilled revenue which is scheduled to be billed after a period of 12 months. The Company assessed these amounts that may be billable only after a period of 12 months and hence classified these transactions as other non-current assets.

13. Current investments:

Current Investments increased to ₹218.68 crore as at 31 March, 2015 from ₹200.85 crore as at 31 March, 2014. The Company invests its surplus funds generated from operations in low risk debt funds that optimized the return and protected invested principle, details of which are given in note 14 of the financial statements.

14. Inventory:

Inventory mainly consists of equipment purchased for resale to customers. The inventory as at 31 March, 2015 decreased to ₹3.15 crore compared to ₹6.25 crore as at 31 March, 2014.

15. Trade Receivables

The Trade receivables increased to ₹594.83 crore as at 31 March, 2015 as compared to ₹467.83 crore as at 31 March, 2014. The Days Sales Outstanding (DSO) increased to 86 days as compared to 77 days during the previous financial year. The following table provides age wise analysis of the Trade Receivables (Net of Provisions for doubtful debts) as on 31 March, 2015:

Ageing	(₹/crore)	
	As at 31 March, 2015	As at 31 March, 2014
Not due	175.53	86.13
Due < 30 days	224.45	180.69
Due 30 - 60 days	49.10	48.69
Due 60 - 90 days	30.05	34.20
Due 90 days - 120 days	19.93	16.88
Due 120 days - 180 days	19.91	14.78
Due > 180 days	75.86	86.46
Total	594.83	467.83

The Company has collected \$13.65 mn (equivalent to ₹85.44 crore) on 2 April, 2015 from a large overseas project. This outstanding was due for less than 30 days as at 31 March, 2015. After factoring the impact of this collection, the day's sales outstanding during the financial year 2014-15 was 74 days.

16. Short term loans and advances:

The short term loans and advances decreased to ₹37.77 crore as at 31 March, 2015 compared to ₹48.72 crore as at 31 March, 2014. The details of movement in short term loans and advances are as follows:

Particulars	(₹/crore)
Decrease in other short term advances mainly due to property tax recovered from lessee for SEZ facility.	(8.88)
Decrease in indirect tax credits	(2.39)
Decrease in security deposits	(3.39)
Decrease in employee loans	(0.42)
Increase in short term advances for supplies	1.28
Increase in prepaid expenses	2.85
Net decrease in short term loans and advances	(10.95)

17. Other current assets

Other current assets represents unbilled revenue (accrued debtors) which are recognized for services rendered / goods supplied but not invoiced till the Balance Sheet date as per the customer contracts other than those amounts which are likely to take more than 12 months to bill. Unbilled revenue as at 31 March, 2015 was ₹ 314.71 crore compared to ₹278.14 crore as at 31 March, 2014. The level of current unbilled revenue has remained unchanged at 46 days in financial year 2014-15.

F. FUTURE OUTLOOK

Indian IT-BPM industry would continue its growth path and will weather any volatility in the global economy on the back of strong domestic market which is still largely unserved and has unmet needs. The IT skills supply is marked by some very high levels of skills in areas such as ER&DC and cutting edge web technologies. In addition there is a strong trend towards digital and e commerce based start-ups indicating a healthy innovative culture building up which would foster IP led as an add-on to services led growth so far witnessed.

G. RISK AND CONCERNS:

The increasing global trends in digitization driven by the forces of social, mobility, analytics and cloud coupled with the large size of the addressable global market and the relatively low current levels of penetration of the target markets suggest significant headroom for future growth. The Company has positioned itself well for the growth in business with an aligned strategy, structure and capabilities.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of the line managers so that risks at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion.

The Board of Directors is responsible for monitoring risk levels on various parameters and the Managing Director & CEO ensures implementation of mitigation measures. The Audit Committee provides the overall direction on the risk management policies.

The following table lists some of the key risks which may be faced by the Company.

Key Risk	Impact on the Company	Mitigation Plan
Global economic situation	The global economy has been showing signs of growth. For the IT service industry, the demand momentum is looking healthy in the major markets. Discretionary spend is increasing. However, there are pockets of global markets where there are still some uncertainties. IT service industry is closely linked with the global economic situation.	<ul style="list-style-type: none"> The Company aggressively looks for new markets segment where the growth is relatively faster. CMC focus on several selected vertical segments with a view to leverage accumulated domain expertise to deliver enhanced value to its clients.
Business Risk	<p>Excessive dependence on any single business and exposure to a few large clients has the potential to impact profitability and to increase credit risks segment increases risks.</p> <p>Hardware supply and integration is significant part of our revenue for which the Company depends on OEMs. Any default and delays on the part of OEMs exposes the Company to the risk of not meeting its commitments to the Customer.</p> <p>Further, a high geographical concentration of business could lead to volatility because of political and economic factors in target markets.</p>	<ul style="list-style-type: none"> The Company aggressively focuses on broad base and diversify revenue stream to prevent undesirable concentration in any one vertical technology client or geographic area. CMC actively seeks new business opportunities and clients to reduce client concentration levels. However large clients and high repeat business lead to higher revenue growth and lower marketing cost. The Company makes efforts to strike a balance. The Company continuously focusesto negotiate better terms with OEMs. In addition, the Company has reduced its share of such business and is focusing on increasing value added services business. Exposure to the inherent risks in a specific geography consists of legal and contractual risks as well as tax related changes. The company has a process of evaluating country risks by taking legal opinion from the legal counsel operating/familiar with the geography. Proactively looking for business opportunities in new geographies and thereby increasing their contribution to total revenues helps manage this risk.

Financial Risk	The Company is exposed to longer recovery cycles and incidents of defaults by customers due to its involvement in large turnkey projects implementation and Government entities in its customer profile resulting in need to finance higher level of working capital.	<ul style="list-style-type: none"> • The Company has been focusing on improved execution and negotiation of better terms with customers and vendors. • Credit assessment done at the time of initial client acceptance and every subsequent project acceptance. The collection follow-up process has been tightened up. • These measures have helped Company in significant reduction in collection cycle and working capital, resulting in cash surplus. • The Company is confident to have adequate funding to finance its working capital requirements as well as future growth needs.
Currency volatility	Volatility in currency exchange movements resulting in transaction and translation exposure	<ul style="list-style-type: none"> • Currency hedging policies and practices are in place. • Hedging strategy is continuously monitored by the Audit Committee frequently.
Cost pressures	Increasing employee costs and escalating operation expenses may create pressure on margin	<ul style="list-style-type: none"> • Well monitored framework of cost management is in place. • Company continuously focuses on productivity improvement. • Leveraging offshoring and utilization of employees under direct contract, to the maximum extent possible.
Compliance Risk	Increasing regulatory requirement may pose compliance related risk to the Company.	<ul style="list-style-type: none"> • The Company has a well-established process of identifying the regulatory requirements. • The Company has a dedicated in-house team of professionals to mitigate any compliance related risk. • All processes and check lists, to comply with the statutory requirement are well documented and are regularly followed and reviewed to incorporate any changes.
Availability of desired Resources	Non availability of resources with right skill at the right time may pose risk to the Company. Ability of the Company to attract and retain talent is critical.	<ul style="list-style-type: none"> • The Company has a well-established process for identification of career aspiration of professionals and helping them reach their goals. • Identification of competency and skill gaps on a continuous basis and aligning the market needs. • Focus on career aspiration planning for high performers and incentivize them with learning, growth and leadership opportunities.

H. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

CMC has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. CMC has a well-defined delegation of power with authority limits for approving revenue as well as expenditure and processing payments. Processes for formulating and reviewing annual and long term business plans have been laid down.

CMC uses a state-of-the-art ERP system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices in the group and industry. CMC has appointed Ernst & Young to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as software and hardware delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes including the subsidiaries. CMC has an audit committee, the details of which have been provided in the corporate governance report. The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The Audit Committee also meets CMC' statutory auditors to ascertain, inter-alia, their views on the adequacy of internal control systems and keep the board of directors informed of its major observations periodically.

I. HUMAN RESOURCES:

Your Company maintained the momentum during the year implementing Human Resource practices for effective staffing, retention, training and staff development facilitating delivery excellence for our customers.

CMC's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year. CMC has continually adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities.

Your company improved efficiency in HR operations by digitizing key HR processes during the year. External recognition of this was in terms of being awarded the DMA Thomas National Award for HR Process Digitization and the SHRM Runner Up trophy for Best Practices Award for HR Analytics. CMC continued to build upon its PCMM Level 5 practices demonstrating high commitment in the area of People Engagement.

During the year the E- Learning access was extended to all employees including direct contract employees. Increased emphasis was also given to Instructor led class room training and there was significant increase in training hours across the employee base. Competency measurement was done across the company with standardized online assessment tools to drive specific training and skill development initiatives.

The company improved its focus on enhancing per person realization by balancing the mix of senior-junior and regular-direct contract-outsourced employees in the resource management area. This also helped the company retain talent by giving adequate job rotation opportunities to the staff - thus keeping their interests alive and continuously engaging with them.

Employee Engagement through Mentoring programmes for campus hires, high performers and senior leadership team, CMC Connects at each location, Mini-Connects at project locations and Maitree events helped bringing employees together to celebrate birthdays, recognize Stars of the Month, and encourage participation by staff in cultural activities. Your organization also celebrated the Tata Volunteering Week in March, 2014, September, 2014 and March, 2015 where several employees across the Tata Group of Companies came together in a Tata Engage forum and participated in Community Development activities for the welfare of Women and Children across the country. This helped give everybody a sense of fulfilment and belonging to the Group.

For fostering Diversity and Inclusion, specific focussed initiatives have been launched to promote gender diversity in the Company - CMC women workforce now stands at 23% of total workforce.

The total staff strength including employees on direct contract rolls of the Company as on 31 March, 2015 stood at 12665 as compared to 11109 as on 31 March, 2014.

J. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in Government regulations, tax laws, economic & political developments within and outside the country and such other factors.

PERFORMANCE SUMMARY - CONSOLIDATED

(₹/crore)

Particulars	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Income from sales and services	2,513.49	2,230.93	1,926.09	1,466.96	1,080.53
International Revenue	1,713.54	1,501.29	1,223.23	884.14	597.71
Domestic Revenue	799.95	729.64	702.86	582.82	482.82
Income from sales and services by Geographic Segment					
India	905.75	842.62	790.44	664.62	555.40
USA	1,498.27	1,273.85	1,044.51	733.54	468.23
UK	33.56	41.92	42.57	30.43	24.54
Others	75.91	72.54	50.34	38.37	32.36
Cost					
Employee Cost	591.47	554.68	521.64	440.22	345.13
Other Operating Cost	1,537.64	1,286.91	1,087.64	802.41	524.69
Total Cost(excluding interest & depreciation)	2,129.11	1,841.59	1,609.28	1,242.63	869.82
Profitability					
EBIDTA(before other income)	384.38	389.34	316.81	224.33	210.71
Profit before tax	331.42	387.29	306.59	220.40	211.83
Profit after tax	277.12	280.42	230.23	151.81	179.41
Capital Accounts					
Share Capital	30.30	30.30	30.30	30.30	15.15
Reserves And Surplus	1,324.86	1,125.67	915.96	741.89	638.87
Gross Block - Tangible Assets	616.68	578.21	402.72	354.27	172.91
Current Investments	218.68	200.85	85.33	151.58	226.17
Earnings per share in ₹					
EPS - as reported*	91.46	92.55	75.98	50.10	59.21

Notes:

Previous years figures have been regrouped/reclassified where necessary.

*EPS for all previous years has been adjusted for bonus issue of 1:1 in financial year 2011-12

RATIO ANALYSIS CONSOLIDATED

Particulars	Unit	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Financial Performance:						
International Revenue / Income from sales and services	%	68.17	67.29	63.51	60.27	55.32
Domestic Revenue / Income from sales and services	%	31.83	32.71	36.49	39.73	44.68
Equipment Revenue / Income from sales and services	%	8.79	10.24	10.38	10.51	9.51
Services Revenue / Income from sales and services	%	91.21	89.76	89.62	89.49	90.49
Employee Cost / Income from sales and services	%	23.53	24.86	27.08	30.01	31.94
Other Operating Cost / Income from sales and services	%	61.18	57.68	56.47	54.70	48.56
Total Cost / Income from sales and services	%	84.71	82.55	83.55	84.71	80.50
EBIDTA (before other income) / Income from sales and services	%	15.29	17.45	16.44	15.29	19.50
Profit before tax / Income from sales and services	%	13.19	17.36	15.92	15.02	19.60
Tax / Income from sales and services	%	2.16	4.79	3.96	4.68	3.00
Effective Tax Rate-Tax / PBT	%	16.38	27.59	24.91	31.12	15.30
Profit after tax / Income from sales and services	%	11.03	12.57	11.95	10.35	16.60
Growth Rates:						
International Sales and services	%	14.14	22.73	38.59	47.92	37.30
Total Income from sales and services	%	12.67	15.83	31.30	35.76	24.10
EBIDTA (before other Income)	%	(1.27)	22.89	41.22	6.46	27.89
Profits after tax	%	(1.17)	21.80	51.66	(15.38)	25.26
Balance Sheet Ratios:						
Debt - Equity Ratio	Nos.	0.00	0.00	0.00	0.00	0.00
DSO Days - Debtors	Days	86	77	79	95	85
DSO Days - Accrued Debtors	Days	46	50	44	37	42
Capital turnover	%	1.85	1.93	2.04	1.90	1.65
Per share information:						
Earnings Per Share*		91.46	92.55	75.98	50.10	59.21
Price Earnings Ratio, end of year	Nos.	21	15	18	20	18
Dividend Per Share	₹.	27.50	22.50**	17.50**	12.50**	20.00
Dividend Payout (including CDT) / PAT	%	30.01	28.45	26.95	29.00	19.63
Market Capitalization as at 31 March	Cr.	5,811	4,198	4,066	3,014	3,151

Notes:

* EPS for all previous years has been adjusted for bonus issue of 1:1 in financial year 2011- 12.

** On enhanced share capital after bonus issue in the ratio of 1:1 issued during financial year 2011- 12.

CORPORATE GOVERNANCE REPORT

1. Company's practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organisation. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered on time at high competitive prices.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all.

Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself with the best standards of Corporate Governance, not only in form but also in spirit. Good Governance practices stem from the dynamic culture and positive mindset of the organization. The Corporate Governance guidelines are in compliance with the requirements of the clause 49 of the Listing Agreements with the stock exchanges. In its pursuit of excellence towards corporate governance, Company has adopted the Tata Group Governance Guidelines on Board Effectiveness, Tata Code of Conduct, exclusive Code of Conduct for Independent Directors and Non-Executive Directors, Tata Business Excellence Model, Tata Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices, Vigil Mechanism Policy and an information security policy that ensures proper utilization of IT resources.

Your Company has been consistently recognized with coveted Certificate of Recognition **for five consecutive years** (2010-2014) from the Institute of Company Secretaries of India (ICSI) as one of the top 7 companies in the country for promotion of excellent Corporate Governance Practices.

1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation and budgets. In addition, the Board reviews the business plans of Strategic Business Units. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit and Secretarial Standards as per guidelines of ICSI and Companies Act, 2013 (Act).

1.2 Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the company and regulatory authorities. All the Directors of the Company have access to the services of the Company Secretary. The Company Secretary ensures that all the decisions and observations of the Board are covered and implemented through Action Taken Report (ATR) and Board is apprised of the actions taken.

1.3 Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board and the broad guidelines issued by the Tata Group Counsel to all Tata Group Companies, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.

1.4 Selection criteria of Board Members

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. The Company has adopted Tata Group Guidelines on selection criteria of Board members. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director.

1.5 Familiarization Program of Independent Directors

The Independent directors of CMC are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.cmcltd.com to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

1.6 Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the guidelines received from the Tata Group as adopted by the Company, a Securities Dealing Code 'Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the designated employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company shares. The aforesaid Code is available at the website of the Company www.cmcltd.com.

1.7 Vigil Mechanism

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Ethics Counselor/Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the 'Vigil Mechanism Policy' uploaded at the website of the Company.

2. Board of Directors

The Company has a high profiled Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. Directors are provided with well structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting.

During the year, information as per Clause 49 of the Listing Agreement has been placed before the Board for its consideration from time to time as and when required.

Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

(A) Composition of Board

The present Board of the Company consists of one Executive Director and six Non-Executive Directors including one woman director. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints.

All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

(B) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee as well as commission within the limits prescribed under Section 197(1)(ii) of the Act. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive Directors

did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees and commission to them during the year 2014-15.

Independent Directors are not serving as Independent Directors in more than seven listed companies.

None of Directors of the Company hold the position as whole Time Director in company itself nor serve as Independent Director in more than three listed companies.

(C) Performance evaluation of Independent Directors:

The Nomination and Remuneration Committee evaluates the performance of Independent Directors and recommends Commission payable to them based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and committee meetings attended by them. The evaluation mechanism of Independent Directors is detailed in Directors Report.

(D) Other provisions as to Board and Committees

The Board comprises of Mr. N Chandrasekaran as Non-Executive Non-Independent Chairman, Mr. R Ramanan as Managing Director & CEO and Mr. S Mahalingam and Ms. Aarthi Subramanian as Non-Executive Directors. Mr. Sudhakar Rao, Prof. M S Ananth and Mr. Ashok Sinha are Independent Directors.

During the year 2014-15, 06 (Six) meetings of the Board of Directors were held on 14 April, 17 May, 16 July, 16 October, 5 December 2014 and on 12 January, 2015. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2015 have been made by the Directors as per Clause 49 (II) (D) of the listing agreement.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 23 June, 2014, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31 March, 2015 are given below:

Name	Category	Attendance		No. of Directorships in other public companies	No. of Committees and positions held in other public companies	
		Board Meetings	Last AGM		Member	Chairman
Mr. S Ramadorai* DIN 00000002	Non-Independent, Non-Executive	4	Yes	-	-	-
Mr. N Chandrasekaran** (Chairman) DIN 00121863	Non-Independent, Non-Executive	2	N.A.	2	2	1
Mr. R Ramanan (MD & CEO) DIN 00838658	Non-Independent, Executive	6	Yes	1	-	-
Ms. Kalpana Morparia*** DIN 00046081	Independent, Non-Executive	6	Yes	-	-	-
Mr. S Mahalingam DIN 00121727	Non-Independent, Non-Executive	6	Yes	6	10	5
Mr. Sudhakar Rao DIN 00267211	Independent, Non-Executive	6	Yes	6	7	1
Prof. M S Ananth DIN 00482391	Independent, Non-Executive	5	Yes	1	1	-
Mr. Ashok Sinha DIN 00070477	Independent, Non-Executive	6	Yes	9	6	4
Ms. Aarthi Subramanian**** DIN 07121802	Non-Independent, Non-Executive	-	N.A.	1	-	-

* Retired as the Director and Chairman of the Company w.e.f. 17 October, 2014

** Appointed as Director and Chairman w.e.f. 17 October, 2014

*** Resigned from the Board w.e.f. 10 March, 2015

**** Appointed as Director w.e.f. 31 March, 2015

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Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

No Director of the Company is related to any other Director of the Company.

(E) Code of Conduct

- (i) The Board of Directors has laid down Code of Conduct for Non-Executive Directors, Independent Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - www.cmcltd.com.
- (ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31 March, 2015. The Annual Report of the Company contains a Certificate by the Managing Director & CEO in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

3. Board Committees

3.1 Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of the three Non-Executive Directors, out of which two are Independent Directors;
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 23 June, 2014.

(B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

- Oversight of the company's financial reporting process and the disclosure of its financial information;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Approval of the related party transactions as per policy of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including frequency of internal audit;

- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the Vigil mechanism;
- Management discussion and analysis of financial condition and results of operations.

(C) Composition, names of Members and Chairperson, its meetings and attendance:

The composition of the Committee is Mr. Sudhakar Rao, Chairman and Mr. S Mahalingam and Mr. Ashok Sinha as members of the Committee. During the year, 8 Audit Committee meetings were held on 14 April, 23 June, 16 July, 28 August, 15-16 October, 5 December in 2014 and on 12 January and 12 March in 2015.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held during FY 2015	Meetings attended
Mr. Sudhakar Rao	Independent	8	8
Mr. S Mahalingam	Non-Independent	8	8
Mr. Ashok Sinha	Independent	8	8

The Committee meetings are attended by invitation by the Managing Director & CEO, CFO, the representatives of Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

3.2 Nomination and Remuneration Committee

(A) Constitution

The Nomination and Remuneration Committee comprises of Mr. Sudhakar Rao as Chairman of the Committee and Mr. N Chandrasekaran, Mr. S Mahalingam and Prof. M S Ananth as Members of the Committee.

(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulation of the criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board. The Company has adopted the Tata Governance guidelines on Board Effectiveness which includes the policy on evaluation of Independent Directors;
- Devising a Policy on Board Diversity.

(C) Meetings and attendance during the year:

During the year, three meetings of Nomination and Remuneration Committee were held on 14 April, 2014, 17 May, 2014 and 16 October, 2014.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held during FY 2015	Meetings attended
Mr. Sudhakar Rao	Independent	3	3
Mr. N Chandrasekaran (w.e.f. 17 October, 2014)	Non-Independent	3	N.A.
Mr. S Mahalingam	Non-Independent	3	3
Prof. M S Ananth	Independent	3	2

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(D) Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

(E) Remuneration to Managing Director & CEO

- (a) Mr. R Ramanan is the Managing Director & Chief Executive Officer (MD & CEO) of the Company. The salary, benefits and perquisites paid to Mr. R Ramanan, MD & CEO during the year 2014-15 were ₹ 182.78 Lakh.

Details of Remuneration to MD & CEO	Amount (₹ / Lakh)
Salary	182.78
Allowances and Perquisites	28.43
Contribution to Retiral funds	10.84
Stock options	NIL
Number of Shares held	NIL
Service Contracts	01.05.2013 - 30.4.2016
Notice period	6 Months

(F) Remuneration to Non-Executive Directors

- (a) The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings. A sitting fee of ₹ 20,000 for attending each meeting of the Board, Audit and Nomination and Remuneration Committee and ₹ 10,000 for attending each of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Executive Committee Meeting was paid to the Non-Executive Directors during the year under review.

The Non-Executive Directors are also considered for payment of commission up to 1% of the net profit of the Company. The Board considered the performance of the Non-Executive Directors based on their attendance and contribution at the Board and Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Payment of sitting fee and Commission to the Non-Executive Directors for the year ended 31 March, 2015 are as under:

Name of Director	Sitting Fee (₹/Lakh)	Commission (₹/Lakh)	Total (₹/Lakh)
Mr. S. Ramadorai (till 16 October, 2014)	1.40	18.00	19.40
Mr. N Chandrasekaran (w.e.f. 17 October, 2014)	-	-	-
Ms. Kalpana Morparia (till 9 March, 2015)	1.90	16.00	17.90
Mr. S Mahalingam	4.10	25.00	29.10
Mr. Sudhakar Rao	3.80	20.00	23.80
Prof. M S Ananth	1.50	16.00	17.50
Mr. Ashok Sinha	3.00	20.00	23.00
Ms. Aarthi subramanian (w.e.f. 31 March, 2015)	-	-	-

Notes:

- (i) The Non-Executive Directors have disclosed that they do not hold any shares in the Company.
(ii) There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.3 Stakeholders Relationship Committee

(A) Composition, Members, its meetings and attendance

Stakeholders Relationship Committee comprises of Mr. Sudhakar Rao as Chairman with Mr. R Ramanan and Mr. S Mahalingam as members of the Committee.

The Committee is set up to monitor the process of share transfer, issue of fresh Share Certificates as well as review of redressal of investors/shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of Investor services.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities once in a fortnight and the RTA has convened 22 concall meetings with the Compliance Officer during the year under review for the purpose.

During the year, 4 meetings of the Stakeholders Relationship Committee were held on 14 April, 16 July and 16 October in 2014 and on 12 January in 2015.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Name of member	Category	Meetings held during FY 2015	Meetings attended
Mr. Sudhakar Rao	Independent	4	4
Mr. S Mahalingam	Non-Independent	4	4
Mr. R Ramanan	Executive	4	4

(B) Name and Designation of the Compliance Officer

Mr Vivek Agarwal, Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges and can be contacted at:

CMC Limited	Tel : 91-11-23736151
PTI Building, 5th Floor	Fax : 91-11-23736159
4, Sansad Marg	E-mail: investor.relations@cmcltd.com
New Delhi-110001	

In addition to the above e-mail of the Compliance Officer, the Investors/Shareholders can also lodge their complaints, if any, at investor.relations@cmcltd.com. A link has been provided to the Shareholders to register their grievances to company's website www.cmcltd.com.

(C) Complaints received and redressed during the year 2014-15

Opening Balance	Received during the year 2014-15	Resolved during the year 2014-15	Closing Balance
0	1	1	0

Pursuant to clause 47(c) of the Listing Agreement, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

(D) Suspense Account for the unclaimed shares

Pursuant to Clause 5A of the Listing Agreement, the requisite information as per aforesaid Clause is given below:

No. of Shareholders as on 01.04.2014	Opening Balance of Shares in Suspense Account As on 01.04.2014	Requests received during the year	Shares transferred during the year	No. of Shareholders as on 31.03.2015	Closing Balance of Shares in Suspense Account as on 31.03.2015
27	1138	0	0	27	1138 *

* The voting rights on these shares shall remain frozen till the rightful owner claims such shares.

(E) Transfer of Unclaimed Dividend to IEPF

Pursuant to provisions of Section 205A(5) of the Companies Act, 1956 an amount of ₹ 3,15,696 was transferred to Investors Education and Protection Fund (IEPF) during the year.

(F) Unclaimed Dividend

Reminders for unpaid dividend are sent to those Shareholders whose dividend is lying unclaimed in Dividend Accounts as per Bank records every year. Also year-wise list of the Shareholders who have not claimed their dividend is posted at website of MCA as well as website of the Company in line with MCA Circular.

3.4 Independent Directors Meeting

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr. Sudhakar Rao, Prof. M S Ananth and Mr. Ashok Sinha met on 29 March, 2015 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

3.5 Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013 CSR Committee was constituted on 6 March, 2014.

(A) Composition of CSR Committee, terms of reference, its meetings and attendance:

The Committee comprises of Mr. Ashok Sinha as Chairman with Mr. S Mahalingam and Mr. R Ramanan as members of the Committee.

(B) Terms of Reference

- To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013;
- To recommend amount of expenditure on CSR activities;
- To monitor CSR Policy of the company.

During the year, 2 CSR Committee meetings were held on 17 May and 16 July in 2014 and it was attended by all the committee members.

During the year, Company has framed the CSR Policy which is available at its website: www.cmcltd.com.

3.6 Executive Committee

(A) Composition of Executive Committee and terms of reference, its meetings and attendance:

Presently the Executive Committee comprises of Mr. N Chandrasekaran as Chairman and Mr. R Ramanan, Mr. S Mahalingam and Prof. M S Ananth as members of the Committee.

(B) Terms and reference of the Executive Committee:

- Long term financial projections and cash flows;
- Capital and Revenue Budgets and Capital Expenditure Programs;
- Acquisitions, divestment and business restructuring proposals.

During the year, 1 Executive Committee meeting was held on 5 December, 2014 and all the members had attended the meeting.

4. Subsidiary Company

- (i) The Company does not have any Indian Subsidiary Company.
- (ii) The financial statements of the unlisted foreign Subsidiary Companies are being placed before the Board.

5. Disclosures

(A) Basis of related party transactions

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.
- (iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

(B) Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

(E) Secretarial Audit Report

The Company has obtained Secretarial Audit Report on quarterly/Annual basis from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed elsewhere.

(F) Secretarial Standards

The Company during the year under review has undertaken the audit for compliance of Secretarial Standards and procedures followed by the Company in compliance with Secretarial Standards on Annual General meeting and Board Meeting issued by Institute of Company Secretaries of India. The Secretarial Standards Report is published elsewhere forming a part of this Report.

(G) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

(H) Shareholders

- (i) The quarterly results and presentations made by the Company to analysts are put on the Company's website www.cmcltd.com under the Disclosure Requirements Section.
- (ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.
- (iii) Mr. S Mahalingam is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Non-Executive Director.
- (iv) Mr. N Chandrasekaran and Ms. Aarthi Subramanian have been appointed as additional directors and, being eligible, they have given the consent to continue as director of the company. They are being regularized in the ensuing Annual General Meeting of the Company. Their brief profile is published elsewhere in the Annual Report.

6. CEO and CFO Certification

The Managing Director & CEO and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Clause 41 and 49 II((E)(2) of the Listing Agreement.

7. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

8. General Body Meetings

(A) Location and time of General Meetings held in the last 3 years:

Year	Date	Venue of Meeting	Time	Whether any Special Resolution passed in previous AGM
2012	27.06.2012	CMC Centre, Gachibowli, Hyderabad - 500 032	3 :00 p.m.	Yes
2013	26.06.2013	CMC Centre, Gachibowli, Hyderabad - 500 032	3 :00 p.m.	No
2014	23.06.2014	CMC Centre, Gachibowli, Hyderabad - 500 032	3:00 p.m.	No

(B) Special Resolution Passed at Court Convened Meeting:

A court convened meeting of the equity shareholders of the Company was held on Thursday, 5 March, 2015 in terms of the Order dated 27 January, 2015 of the Hon'ble High Court of Judicature at Hyderabad for the state of Telangana and Andhra Pradesh for obtaining requisite approval of the shareholders for the Composite Scheme of Arrangement under

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Sections 391-394 of the Companies Act, 1956 between CMC Limited (CMC) and Tata Consultancy Services Limited (TCS) for amalgamation of CMC with TCS. Result of the scheme of amalgamation passed by the shareholders is as under:

Brief description of the matter put to vote	In favour	% of votes cast with assent	Against	% of votes cast with dissent
Resolution of Amalgamation of CMC with TCS	26580984	99.81	5946	0.19

9. Means of Communication

The Company's website is a comprehensive reference on CMC's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, Dividend Policy, information relating to Stock Exchanges, Registrars & Share Transfer Agents, list of shareholders who have not claimed their dividend during the last six years to comply with MCA Guidelines and frequently asked questions. The website covers all major press reports, releases, awards, campaigns etc.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly report sent to each household of Shareholders	The results of the Company are published in the the newspapers
Quarterly results and in which newspaper normally published in.	Results are published in The Hindu. Business Line (all editions) and in Navtelangana (Telugu - Hyderabad edition)
Any website where displayed	Yes, the results are displayed on the Company's website www.cmcltd.com under Investor Center - Disclosure Requirements Section
Whether it also displays official news releases	Yes
Whether the website displays the presentation made to the institutional investors and to the analysts	Yes

10. General Shareholder Information

Annual General Meeting:

- (i) **Date, time and Venue** : Thursday, 11 June, 2015 at 3:00 p.m.
CMC's Auditorium, CMC Limited,
CMC Centre, Gachibowli, Hyderabad - 500 032
- (ii) **Financial Year** : 1st April, 2014 to 31st March, 2015
- (iii) **Date of Book Closure** : Tuesday, 26 May, 2015 to Thursday 28 May, 2015 (both days inclusive)
- (iv) **Dividend** : ₹ 27.50 per equity share of face value of ₹ 10 each.
- (v) **Dividend Payment Date** : Dividend will be paid on or after 12 June, 2015 but before 10 July, 2015.
- (vi) Amalgamation of the company with Tata Consultancy Services Limited is at the advanced stage, hence tentative calendar for Board Meeting for financial year 2015-16 has not been finalized.

(vii) Listing

The Stock Exchanges on which the Company's shares are listed:

- BSE Limited
- National Stock Exchange of India Limited
- The Calcutta Stock Exchange Limited

(viii) Stock Code

- BSE Limited : 517326
- National Stock Exchange of India Limited : CMC
- The Calcutta Stock Exchange Limited : 10000071
- The ISIN of the Company for its shares : INE314A01017

(ix) Market price information

- a. The reported high and low closing prices during the year ended 31 March, 2015 on the National Stock Exchange and the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	NSE		BSE		BSE SENSEX	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
2014-15						
April	1596.00	1390.70	1600.00	1394.45	22939.31	22197.51
May	1575.00	1352.00	1574.00	1355.00	25375.63	22277.04
June	2009.00	1511.00	2005.95	1518.40	25725.12	24270.20
July	2119.00	1845.00	2114.00	1739.85	26300.17	24892.00
August	2175.00	1786.60	2175.00	1815.00	26674.38	25232.82
September	2407.00	2125.00	2403.00	2125.00	27354.99	26220.49
October	2320.00	1805.10	2314.00	1809.55	27894.32	25910.77
November	2044.00	1906.40	2043.00	1905.00	28822.37	27739.56
December	2149.40	1815.00	2147.00	1810.00	28809.64	26469.42
January	1985.00	1838.75	1982.85	1842.00	29844.16	26776.12
February	2235.80	1814.50	2053.00	1846.00	29560.32	28044.49
March	2129.00	1857.95	2115.00	1856.30	30024.74	27868.21

- b. Performance in comparison to BSE Sensex

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

	1 April, 2014	31 March, 2015	% CHANGE
Company Share Price (closing)	1414.25	1917.70	35.60
SENSEX (closing)	22446.44	27957.49	24.55

(x) Registrars and Share Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents - M/s Karvy Computershare Private Limited quoting their Folio Number, Client ID and DP ID at the following address:

M/s Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,
Haydrabad - 500 032
Tel: 91 40 6716 2222
Fax: 91 40 2300 1153
Email: einward.ris@karvy.com

(xi) Shareholding as on 31 March, 2015

(a) Distribution of shareholding as on 31 March, 2015

No. of shares	No. of of shareholders	% of shareholders	Total no. of shares	% of holding
1-500	29577	96.19	1288593	4.25
501-1000	647	2.11	487647	1.61
1001-2000	241	0.78	347420	1.15
2001-3000	79	0.26	197873	0.65
3001-4000	44	0.14	158433	0.52
4001-5000	14	0.05	63799	0.21
5001-10000	52	0.17	387048	1.28
10001 & above	93	0.30	27369187	90.33
Total	30747	100	30300000	100
Physical Mode	270	0.88	15103	0.05
Electronic Mode	30477	99.12	30284897	99.95

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(b) Shareholding pattern as on 31 March, 2015

Category	No. of shares Held	% of issued share capital
Promoter-Tata Consultancy Services Limited	15489922	51.12
Mutual Funds and UTI	2936422	9.69
Financial Institutions / Insurance Companies	1370265	4.52
FII	6620243	21.85
NRIs/Foreign Nationals	118520	0.39
Corporate Bodies	811876	2.68
Indian Public & Others	2952752	9.75
Total	30300000	100

(c) Capital of the Company

The authorized and paid-up capital of your Company is ₹ 35 crore and ₹ 30.30 crore respectively.

(d) Top ten Shareholders as on 31 March, 2015

Category	Name	No. of shares held	% of issued share capital
Promoter	Tata Consultancy Services Limited	15489922	51.12
FII	Aberdeen Global - Asian Smaller Companies Fund	2124060	7.01
FII	Aberdeen Global Indian Equity (Mauritius) Limited	1820000	6.01
Mutual Fund	HDFC Trustees Company Limited - HDFC Equity Fund	1681392	5.55
IFI	General Insurance Corporation of India	800000	2.64
FII	Aberdeen Asian Smaller Companies Investment Trust PLC	470000	1.55
Mutual Fund	HDFC Trustees Company Limited - HDFC Prudence Fund	438460	1.45
IFI	The Scottish Oriental Smaller Companies Trust PLC	362383	1.20
IFI	The New India Insurance Company Limited	334514	1.10
FII	Government Pension Fund Global	279278	0.92

(xii) Dematerialisation of shares and liquidity

99.95% of the equity shares have been dematerialised by about 99.12% of the total shareholders as on 31 March, 2015. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are actively traded in BSE and NSE.

(xiii) Outstandings GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

(xiv) Plant locations

The Company is not a manufacturing unit and thus not having any Plant. However, the offices of the Company are located in almost all main cities in India.

(xv) Address for correspondence

The Company Secretary
 CMC Limited, PTI Building, 5th Floor
 4, Sansad Marg, New Delhi-110001
 Tel.: 91 11 2373 6151-58
 Fax : 91 11 2373 6159
 Email : vivek.agarwal@cmcltd.com

(xvi) Electronic Clearing Service (ECS)

The Company is availing of the ECS facility to distribute dividend in main cities to those Members who have opted for it.

11. Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

12. Details of mandatory requirement of listing Agreement

Sl. No.	Particulars	Clause No.	Compliance Status
I.	Board of Directors	49 (II)	
	(A) Composition of Board	49 (II A)	Complied with
	(B) Independent Directors	49 (II B)	Complied with
	(C) Non-Executive Directors' Compensation & Disclosures	49 (II C)	Complied with
	(D) Other provisions as to Board and Committees	49 (II D)	Complied with
	(E) Code of Conduct	49 (II E)	Complied with
	(F) Whistle Blower Policy	49 (II F)	Complied with
II.	Audit Committee	49 (III)	
	(A) Qualified & Independent Audit Committee	49 (III A)	Complied with
	(B) Meeting of Audit Committee	49 (III B)	Complied with
	(C) Powers of Audit Committee	49 (III C)	Complied with
	(D) Role of Audit Committee	49 (III D)	Complied with
	(E) Review of Information by Audit Committee	49 (III E)	Complied with
III.	Nomination and Remuneration Committee	49 (IV)	Complied with
IV.	Subsidiary Companies	49 (V)	Complied with
V.	Risk Management	49 (VI)	Complied with
VI.	Related Party Transaction	49 (VII)	Complied with
VII.	Disclosures	49 (VIII)	Complied with
	(A) Related party transactions	49 (VIII A)	Complied with
	(B) Disclosure of Accounting Treatment	49 (VIII B)	Complied with
	(C) Remuneration to Directors	49 (VIII C)	Complied with
	(D) Management	49 (VIII D)	Complied with
	(E) Shareholders	49 (VIII E)	Complied with
	(F) Proceeds from public issue, rights issue, preference issue etc.	49 (VIII F)	Not Applicable
VIII.	CEO/ CFO Certification	49 (IX)	Complied with
IX.	Report on Corporate Governance	49 (X)	Complied with
X.	Compliance	49 (XI)	Complied with

COMPLIANCE CERTIFICATE

TO THE MEMBERS OF CMC LIMITED

1. We have examined the compliance of conditions of Corporate Governance by CMC Limited ("the Company"), for the year ended on 31 March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

MUMBAI, 9 April, 2015

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – www.cmcltd.com.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31 March, 2015.

Mumbai
9 April, 2015

R RAMANAN
Managing Director & CEO

SECRETARIAL AUDIT REPORT

To the Members

CMC Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CMC Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by CMC Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions as applicable to the Company during the period of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014. **Not Applicable** ;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **Not Applicable** ; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **Not Applicable**;
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
 - 1. The Information Technology Act, 2000
 - 2. The Special Economic Zone Act, 2005
 - 3. Policy relating to Software technology Parks of India and its regulations
 - 4. The Indian Copyright Act, 1957
 - 5. The Patents Act, 1970
 - 6. The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. Not applicable for the financial year 2014-2015.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has filed the petition for Amalgamation of the Company with Tata Consultancy Services Limited.

Dr. S Chandrasekaran
Senior Partner

For **Chandrasekaran Associates**
Company Secretaries
Membership No. FCS1644
Certificate of Practice No. 715

New Delhi
7 April, 2015

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE-A

The Members
CMC Limited
CMC Centre, Old Mumbai Highway,
Gachibowli, Hyderabad – 500032

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc..
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. S Chandrasekaran
Senior Partner

For **Chandrasekaran Associates**
Company Secretaries
Membership No. FCS1644
Certificate of Practice No. 715

New Delhi
7 April, 2015

SECRETARIAL STANDARDS REPORT

THE BOARD OF DIRECTORS OF CMC LIMITED

CMC Centre,
Old Mumbai Highway,
Gachibowli,
Hyderabad - 500 032

We have examined the relevant registers, records and documents maintained by CMC Ltd. ("the Company") for the financial year ended March 31, 2015 for compliances of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2) as applicable during the Financial Year 2014-15.

The management has voluntarily decided to adhere to the Secretarial Standards and comply with the same. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the above said Secretarial Standards.

In our opinion and to the best of our information and according to the explanation given and documents/papers furnished to us, we report that the Company has complied with applicable Secretarial Standards relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2).

Dr. S Chandrasekaran
Senior Partner

For **Chandrasekaran Associates**
Company Secretaries
Membership No. FCS1644
Certificate of Practice No. 715

New Delhi
7 April, 2015

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF CMC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CMC LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2015;
- b. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.015125N)

Alka Chadha
(Partner)

(Membership No.93474)

MUMBAI, 9 April, 2015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2015

Particulars	Note No.	As at 31 March, 2015 ₹/lacs	As at 31 March, 2014 ₹/lacs
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,030.00	3,030.00
(b) Reserves and surplus	4	<u>132,486.34</u>	<u>112,567.13</u>
		135,516.34	115,597.13
2. Non-current liabilities			
(a) Other long-term liabilities	5	2,459.55	1,159.42
(b) Long-term provisions	6	<u>2,406.31</u>	<u>2,359.26</u>
		4,865.86	3,518.68
3. Current liabilities			
(a) Trade payables	7	37,386.61	36,776.83
(b) Other current liabilities	8	4,000.87	6,650.29
(c) Short-term provisions	9	<u>12,228.77</u>	<u>11,588.70</u>
		53,616.25	55,015.82
	TOTAL	<u>193,998.45</u>	<u>174,131.63</u>
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	39,868.66	39,269.17
(ii) Intangible assets	10.B	653.35	636.19
(ii) Capital work-in-progress		<u>3,853.59</u>	<u>5,071.11</u>
		44,375.60	44,976.47
(b) Goodwill on consolidation		34.12	34.12
(c) Deferred tax assets (net)	11	1,750.67	481.45
(d) Long-term loans and advances	12	17,116.71	12,733.17
(e) Other non-current assets	13	<u>4,291.24</u>	<u>2,954.98</u>
		67,568.34	61,180.19
2. Current assets			
(a) Current investments	14	21,867.85	20,084.52
(b) Inventories	15	315.01	624.67
(c) Trade receivables	16	59,483.29	46,783.00
(d) Cash and bank balances	17	9,516.35	12,773.32
(e) Short-term loans and advances	18	3,776.94	4,872.16
(f) Other current assets	19	<u>31,470.67</u>	<u>27,813.77</u>
		126,430.11	112,951.44
	TOTAL	<u>193,998.45</u>	<u>174,131.63</u>

See accompanying notes forming part of the consolidated financial statements

1 to 33

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 April, 2015

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

J. K. Gupta
Chief Financial Officer

Mumbai
9 April, 2015

R. Ramanan
Managing Director & CEO

Vivek Agarwal
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2015	31 March, 2014
		₹/lacs	₹/lacs
1. Revenue			
(a) Revenue from operations	20	251,348.58	223,092.50
(b) Other income	21	1,431.99	2,500.98
2. Total revenue		252,780.57	225,593.48
3. Expenses			
(a) Purchases of stock-in-trade	22	20,832.57	19,405.54
(b) Changes in inventories of work-in-progress and stock-in-trade	23	241.50	792.25
(c) Employee benefits expense	24	59,146.98	55,467.51
(d) Finance costs	25	5.31	7.30
(e) Depreciation and amortisation expense	10,31	4,840.03	2,698.32
(f) Other expenses	26	132,689.33	108,493.81
4. Total expenses		217,755.72	186,864.73
5. Profit before exceptional items and tax (2 - 4)		35,024.85	38,728.75
6. Exceptional item	31	1,882.78	-
7. Profit before tax (5-6)		33,142.07	38,728.75
8. Tax expense			
(a) Current tax expense		9,290.23	12,709.63
(b) (Less): MAT credit		(2,601.66)	(2,271.44)
(c) Net current tax expense		6,688.57	10,438.19
(d) Deferred tax		(1,258.64)	249.05
		5,429.93	10,687.24
9. Profit for the year (7-8)		27,712.14	28,041.51
10. Earnings per share (of ₹ 10 each)	28.5		
- Basic and diluted		91.46	92.55
See accompanying notes forming part of the consolidated financial statements	1 to 33		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 April, 2015

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

J. K. Gupta
Chief Financial Officer

Mumbai
9 April, 2015

R. Ramanan
Managing Director & CEO

Vivek Agarwal
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For the year ended 31 March, 2015 ₹/lacs	For the year ended 31 March, 2014 ₹/lacs
A. Cash flow from operating activities			
Profit before tax		33,142.07	38,728.75
Adjustments for:			
Depreciation and amortisation expense		6,722.81	2,698.32
Profit on sale of fixed assets (net)		(29.51)	(436.02)
Loss on fixed assets written off		6.95	22.88
Finance costs		5.31	7.30
Interest income		(30.89)	(618.79)
Dividend income		(792.45)	(764.89)
Net gain on sale of current investments in mutual funds		(194.46)	(199.70)
Bad trade and other receivables, loans and advances, others written off/(written back) (net)		(797.23)	(1,779.13)
Provision for doubtful trade and other receivables, loans and advances (net)		1,720.61	1,344.41
Exchange difference on translation of foreign currency cash and cash equivalent		(1.00)	(1.49)
Net unrealised exchange (gain) / loss		(126.59)	35.79
Operating profit before working capital changes		<u>39,625.62</u>	<u>39,037.43</u>
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		309.66	806.36
Trade receivables		(13,495.03)	(4,755.39)
Short-term loans and advances		1,098.96	129.29
Long-term loans and advances		(2,002.15)	1,516.04
Other current assets		(3,625.07)	(6,867.22)
Other non-current assets		(1,336.26)	(676.23)
		<u>(19,049.89)</u>	<u>(9,847.15)</u>
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		575.91	7,622.76
Other current liabilities		(642.46)	(391.52)
Other long-term Liabilities		1,300.13	(341.52)
Short-term provisions		1,476.80	278.08
Long-term provisions		47.05	(305.16)
		<u>2,757.43</u>	<u>6,862.64</u>
Cash generated from operations		<u>23,333.16</u>	<u>36,052.92</u>
Net income tax paid		(10,493.92)	(13,326.75)
Net cash flow from operating activities	(A)	<u>12,839.24</u>	<u>22,726.17</u>
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(8,009.01)	(8,875.71)
Proceeds from sale of fixed assets		118.63	441.20
Bank balances not considered as Cash and cash equivalents		0.63	9.68
Foreign currency translation reserve		539.57	905.76
Current investments in mutual funds not considered as Cash and cash equivalents			
- Purchased		(85,905.10)	(84,239.23)
- Proceeds from sale		84,316.23	72,887.89
Interest received		27.15	627.64
Dividend received from current investments in mutual funds		792.45	764.89
Net cash flow used in investing activities	(B)	<u>(8,119.45)</u>	<u>(17,477.88)</u>



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For the year ended 31 March, 2015 ₹/lacs	For the year ended 31 March, 2014 ₹/lacs
C. Cash flow from financing activities			
Finance costs		(3.87)	(7.04)
Dividend paid		(6,814.63)	(5,300.39)
Tax on proposed dividend		(1,158.63)	(901.16)
Net cash flow used in financing activities	(C)	<u>(7,977.13)</u>	<u>(6,208.59)</u>
Net increase / (decrease) in Cash and cash equivalents	(A+B+C)	<u>(3,257.34)</u>	<u>(960.30)</u>
Cash and cash equivalents at the beginning of the year		12,736.73	13,695.54
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		1.00	1.49
Cash and cash equivalents at the end of the year*	17	<u>9,480.39</u>	<u>12,736.73</u>
* Comprises:			
(a) Cash on hand		64.75	118.42
(b) Cheques, drafts on hand		435.30	146.90
(c) Balances with banks			
(i) In current accounts		7,726.72	11,947.82
(ii) In EEFC accounts		397.46	511.80
(ii) In demand deposit accounts		856.16	11.79
Total		<u>9,480.39</u>	<u>12,736.73</u>
See accompanying notes forming part of the consolidated financial statements	1 to 33		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 April, 2015

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

J. K. Gupta
Chief Financial Officer

Mumbai
9 April, 2015

R. Ramanan
Managing Director & CEO

Vivek Agarwal
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

CMC Limited ('the Parent'/'the Company'/'CMC') is engaged in the design, development and implementation of software technologies and applications, providing professional services in India and overseas, and procurement, installation, commissioning, warranty and maintenance of imported/indigenous computer and networking systems, and in education and training.

The Parent was a Government of India (GoI) enterprise up to 15 October, 2001. Under the disinvestment process, GoI sold 7,726,500 shares representing 51 percent of the share capital to Tata Sons Limited, on 16 October, 2001. The GoI further sold its entire remaining shares representing 26.25 percent of the share capital, in March 2004 by an open offer to the public.

On 29 March, 2004, as per specific approval granted by SEBI, Tata Sons Limited transferred its entire shareholding in the Parent to Tata Consultancy Services Limited (a subsidiary of Tata Sons Limited). As a result, the Parent has become a subsidiary of Tata Consultancy Services Limited.

During the current year, the Board of Directors of CMC and Tata Consultancy Services Limited approved the amalgamation of CMC on a going concern with TCS pursuant to and subject to the provisions of Section 391 to 394 of the Companies Act, 1956 and/or the Companies Act, 2013. As per the terms of the Scheme of Amalgamation, shareholders of CMC will receive 79 equity shares of Re 1 each of TCS for 100 equity shares of Rs 10 each of CMC.

The Scheme is subject to approval of High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh and other related regulatory approvals.

CMC Americas, Inc. ('the Subsidiary') renders Information Technology and IT enabled Services in the United States of America.

2. Significant accounting policies

a. Basis of consolidation and significant accounting policies

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the Act 1956"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Principles of consolidation

The consolidated financial statements relate to CMC Limited (the 'Company') and of the consolidated financial statements of its wholly owned subsidiary CMC Americas, Inc. (Collectively referred to as the 'Group'). The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31 March, 2015.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the date on which the investment in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.
- iv. Goodwill arising on consolidation is not amortised but tested for impairment.
- v. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Country of Incorporation	Percentage of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March, 2015	As at 31 March, 2014
Subsidiaries (held directly)			
CMC Americas, Inc.	USA	100%	100%
Subsidiaries (held indirectly)			
CMC eBiz, Inc. (100% subsidiary of CMC Americas, Inc.)	USA	100%	100%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

vi. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

c. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d. Inventories

Inventories are valued at the lower of cost (on First in first out basis in respect of stock in trade / on weighted average basis in respect of finished goods and stores and spares) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

e. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. Depreciation and amortisation

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to 1 April, 2014, the carrying amount as on 1 April, 2014 is depreciated over the remaining useful life based on an evaluation:

Type of asset	Estimated useful life (Years)
Leasehold land	Lease period
Buildings	20
Leasehold improvement	Lease period
Plant and equipment	
- Computers	4
- Others	10
Furniture and fixtures	5
Vehicles	4
Office equipment	5
Intangible assets	4

Assets costing less than ₹ 5,000 individually have been fully depreciated in the year of purchase.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

h. Revenue recognition

Sale of Product

Revenue relating to equipment supplied is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from time bound fixed price contracts, are recognised over the life of the contract using the proportionate of completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenue from "Education and Training" is recognised on accrual basis over the course term.

i. Other income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

j. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

k. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

l. Foreign exchange transactions and translations

Initial recognition

- i. Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- ii. Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- iii. Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

- i. Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.
- ii. Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.
- iii. Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Treatment of exchange differences

- i. Company: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
- ii. Integral foreign operations: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.
- iii. Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised as income or as expenses in the period in which such cancellation or renewal is made.

m. Grants

- i. Grants received for capital expenditure incurred are included in "Capital Reserve". Fixed assets received free of cost are considered as a grant and are capitalised at notional value with a corresponding credit to the Capital Reserve account.
 An amount equivalent to the depreciation charge on such assets is appropriated from capital reserve and recognised as revenue in the Statement of profit and loss.
- ii. Grants received for execution of projects is recognised as revenue to the extent utilised.
- iii. Unutilised grants are shown under other liabilities.

n. Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in the carrying value of each investment. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

o. Employee benefits

Employee benefits include provident fund, gratuity fund, superannuation fund, employee state insurance scheme, compensated absences, and post-employment medical benefits.

Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits.

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive, overseas social security contributions and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- i. in case of accumulated compensated absences when employees render the services that increase their entitlement of future compensated absences; and
- ii. in case of non-accumulating compensated absences, when the absences occur.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTSLong-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

p. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction /development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

q. Leases

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of profit and loss on a straight-line basis over the lease term.

r. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

s. Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax are recognised only if there is virtual certainty supported by convincing evidence that there will be

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

t. Research and development expenses

Research and development costs of revenue nature are charged to the statement of profit and loss, when incurred. Expenditure of capital nature is capitalized and depreciated in accordance with the rates set out in note 2(g).

u. Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued asset such reversal is not recognised.

v. Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Note 27.1. Contingent assets are not recognised in the financial statements.

w. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

x. Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

y. Segment Information

The Group has identified business segments as its primary segment and geographic segment as its secondary segment.

i. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Group has structured its operations into the following segments:

Customer Services (CS)

Creating solutions and providing services for the IT infrastructure requirements covering infrastructure architecture, design and consulting services; turnkey system integration of large network and data centre infrastructures. The scope of services mainly includes supply of associated equipment, software; on-site and remote support services for multi-locations for the IT infrastructures and facilities management of customers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Systems Integration (SI)

Solution deployment activities that mainly includes embedded systems, software development, software maintenance and support, turnkey project implementation and systems consultancy, implementation of Enterprise Resource Planning (ERP) and testing services.

IT enabled Services (ITeS)

Primary value added services including business process outsourcing and knowledge process outsourcing for front end and back office, data network, data center services such as office records digitisation, document management, legacy data migration management and web design.

Education and Training (E&T)

IT education and training service through its own centers, through franchisees and for corporate.

Special Economic Zone Development (SEZ)

Lease of developed SEZ infrastructure in Hyderabad.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

ii. Geographic segments

The Group also provides services overseas, primarily in the United States of America, United Kingdom and others.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amount ₹/Lacs	Number of shares	Amount ₹/Lacs
(a) Authorised				
Equity share capital	35,000,000	3,500.00	35,000,000	3,500.00
Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights				
(b) Issued				
Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights	30,300,000	3,030.00	30,300,000	3,030.00
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights	30,300,000	3,030.00	30,300,000	3,030.00

Refer Notes (i) to (v) below

Notes:

- (i) The Company has one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Tata Consultancy Services Limited	15,489,922	51.12	15,489,922	51.12
Aberdeen Global - Asian Smaller Companies Fund	2,124,060	7.01	2,053,220	6.78
Aberdeen Global Indian Equity (Mauritius) Limited	1,820,000	6.01	1,920,000	6.34
HDFC Trustees Company Limited - HDFC Equity Fund	1,681,392	5.55	1,691,392	5.58
Total	21,115,374	69.69	21,154,534	69.82

- (iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Shares issued	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2015			
- Number of shares	30,300,000	-	30,300,000
- Amount (₹/lacs)	3,030.00	-	3,030.00
Year ended 31 March, 2014			
- Number of shares	30,300,000	-	30,300,000
- Amount (₹/lacs)	3,030.00	-	3,030.00

- (iv) Details of shares held by Tata Consultancy Services Limited, the holding company:

Particulars	Aggregate number of shares	
	As at 31 March, 2015	As at 31 March, 2014
Fully paid up equity shares with voting rights	15,489,922	15,489,922

- (v) Aggregate number and class of shares allotted as bonus shares for the period of 5 years immediately preceding the balance sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2015	As at 31 March, 2014
Equity shares with voting rights		
Fully paid up by way of bonus shares	15,150,000	15,150,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 Reserves and surplus

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) General reserve		
Opening balance	10,827.09	7,591.02
Add: Transferred from surplus in Statement of Profit and Loss	1,977.77	3,236.07
Closing balance	12,804.86	10,827.09
(b) Surplus in Consolidated Statement of Profit and Loss		
Opening balance	99,216.72	82,387.41
Add: Profit for the year	27,712.14	28,041.51
Less: Dividend proposed to be distributed to equity shareholders ₹ 27.50 per share (Previous year ₹ 22.50 per share)	(8,332.50)	(6,817.50)
Tax on proposed dividend	-	(1,158.63)
Transferred to general reserve	(1,977.77)	(3,236.07)
Closing balance	116,618.59	99,216.72
(c) Foreign currency translation reserve		
Opening balance	2,523.32	1,617.56
Additions during the year (net)	539.57	905.76
Closing balance	3,062.89	2,523.32
Total	132,486.34	112,567.13

Note 5 Other long-term liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Trade payables - other than acceptances	-	56.68
(b) Others		
(i) Security deposit received		
- from related parties (Refer note 28.3)	1,266.48	-
- from others	17.35	-
(ii) Advances from customers	17.00	89.04
(iii) Income received in advance	903.70	763.95
(iv) Others	255.02	249.75
Total	2,459.55	1,102.74
	2,459.55	1,159.42

Note 6 Long-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Provision for employee benefits		
(a) Provision for gratuity (net) (Refer note 28.1)	1,954.72	1,968.25
(b) Provision for post-employment medical benefits (Refer note 28.1)	451.59	391.01
Total	2,406.31	2,359.26



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7 Trade payables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Trade payables - Other than acceptances	37,386.61	36,776.83
Total	<u>37,386.61</u>	<u>36,776.83</u>

Note 8 Other current liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Income received in advance (unearned revenue)	1,485.41	1,388.20
(b) Unclaimed dividends	35.96	33.09
(c) Other payables		
(i) Statutory dues (Contributions to PF and ESIC, VAT, Service Tax, Withholding Taxes etc.)	776.79	1,037.37
(ii) Payables for purchase of fixed assets	765.25	2,776.52
(iii) Interest accrued on trade payables	15.68	14.33
(iv) Interest accrued on others	0.33	0.24
(v) Security deposits received	265.14	338.71
(vi) Advances from customers	583.56	955.86
(vii) Others	72.75	105.97
Total	<u>4,000.87</u>	<u>6,650.29</u>

Note 9 Short-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Provision for employee benefits		
- Provision for compensated absences	3,602.29	3,322.08
(b) Provision - Others		
(i) Provision for current income taxes (net)	293.98	290.49
(ii) Provision for proposed equity dividend	8,332.50	6,817.50
(iii) Provision for tax on proposed dividend	-	1,158.63
	<u>8,626.48</u>	<u>8,266.62</u>
Total	<u>12,228.77</u>	<u>11,588.70</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10 Fixed assets										
Particulars	Gross block				Accumulated depreciation				Net Block	
	As at	Additions	Deletions/	As at	As at	and amortisation	Deletions/	As at	As at 31	As at 31
	1 April, 2014		adjustments	31 March, 2015	1 April, 2014	expense for the	adjustments	31 March, 2015	March, 2015	March, 2014
	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs
A TANGIBLE ASSETS - OWNED										
(a) Land										
Freehold	6.05	-	-	6.05	-	-	-	-	6.05	6.05
	<i>6.05</i>	-	-	<i>6.05</i>	-	-	-	-	<i>6.05</i>	<i>6.05</i>
Leasehold	783.65	-	-	783.65	154.39	10.04	-	164.43	619.22	629.26
	<i>783.65</i>	-	-	<i>783.65</i>	<i>144.35</i>	<i>10.04</i>	-	<i>154.39</i>	<i>629.26</i>	<i>639.30</i>
(b) Buildings										
Own use	5,133.86	29.05	-	5,162.91	1,479.55	1,712.33	-	3,191.88	1,971.03	3,654.31
	<i>4,619.50</i>	<i>525.91</i>	<i>11.55</i>	<i>5,133.86</i>	<i>1,416.64</i>	<i>67.86</i>	<i>4.95</i>	<i>1,479.55</i>	<i>3,654.31</i>	<i>3,202.86</i>
Given under operating lease	26,589.07	5,792.91	-	32,381.98	935.63	1,713.04	-	2,648.67	29,733.31	25,653.44
	<i>17,367.36</i>	<i>9,219.83</i>	<i>(1.88)</i>	<i>26,589.07</i>	<i>514.19</i>	<i>421.44</i>	-	<i>935.63</i>	<i>25,653.44</i>	<i>16,853.17</i>
(c) Plant and equipment										
Own use	11,017.51	1,117.40	1,653.34	10,481.57	7,552.32	1,550.78	1,637.41	7,465.69	3,015.88	3,465.19
	<i>10,656.84</i>	<i>985.81</i>	<i>625.14</i>	<i>11,017.51</i>	<i>7,029.34</i>	<i>1,140.58</i>	<i>617.60</i>	<i>7,552.32</i>	<i>3,465.19</i>	<i>3,627.50</i>
Given under operating lease	5,830.93	88.95	164.10	5,755.78	1,745.73	489.98	85.74	2,149.97	3,605.81	4,085.20
	<i>3,377.84</i>	<i>2,453.09</i>	-	<i>5,830.93</i>	<i>1,079.43</i>	<i>666.30</i>	-	<i>1,745.73</i>	<i>4,085.20</i>	<i>2,298.41</i>
Taken under finance lease	35.36	-	35.36	-	35.36	-	35.36	-	-	-
	<i>26.25</i>	-	<i>(9.11)</i>	<i>35.36</i>	<i>26.25</i>	-	<i>(9.11)</i>	<i>35.36</i>	-	-
(d) Furniture and fixtures										
Own use	1,578.76	39.64	129.68	1,488.72	1,025.43	396.60	129.56	1,292.47	196.25	553.33
	<i>1,489.40</i>	<i>49.85</i>	<i>(39.51)</i>	<i>1,578.76</i>	<i>917.04</i>	<i>63.49</i>	<i>(44.90)</i>	<i>1,025.43</i>	<i>553.33</i>	<i>572.36</i>
Given under operating lease	720.18	33.02	-	753.20	113.71	253.49	-	367.20	386.00	606.47
	<i>660.99</i>	<i>59.19</i>	-	<i>720.18</i>	<i>71.54</i>	<i>42.17</i>	-	<i>113.71</i>	<i>606.47</i>	<i>589.45</i>
(e) Vehicles - Own use										
	85.09	-	30.20	54.89	48.07	24.95	30.19	42.83	12.06	37.02
	<i>85.09</i>	-	-	<i>85.09</i>	<i>42.53</i>	<i>5.54</i>	-	<i>48.07</i>	<i>37.02</i>	<i>42.56</i>
(f) Office equipment										
Own use	525.69	36.61	70.30	492.00	215.00	185.99	68.65	332.34	159.66	310.69
	<i>565.93</i>	<i>58.92</i>	<i>99.16</i>	<i>525.69</i>	<i>278.74</i>	<i>25.01</i>	<i>88.75</i>	<i>215.00</i>	<i>310.69</i>	<i>287.19</i>
Given under operating lease	108.08	9.48	-	117.56	10.44	40.27	-	50.71	66.85	97.64
	<i>108.08</i>	-	-	<i>108.08</i>	<i>5.31</i>	<i>5.13</i>	-	<i>10.44</i>	<i>97.64</i>	<i>102.77</i>
(g) Leasehold improvements										
	336.08	-	-	336.08	165.51	74.03	-	239.54	96.54	170.57
	<i>336.08</i>	-	-	<i>336.08</i>	<i>91.47</i>	<i>74.04</i>	-	<i>165.51</i>	<i>170.57</i>	<i>244.61</i>
Total (A)	52,750.31	7,147.06	2,082.98	57,814.39	13,481.14	6,451.50	1,986.91	17,945.73	39,868.66	39,269.17
Previous year (C)	<i>40,083.06</i>	<i>13,352.60</i>	<i>685.35</i>	<i>52,750.31</i>	<i>11,616.83</i>	<i>2,521.60</i>	<i>657.29</i>	<i>13,481.14</i>	<i>39,269.17</i>	<i>28,466.23</i>
B INTANGIBLE ASSETS - OWNED										
Computer software	832.57	288.47	-	1,121.04	196.38	271.31	-	467.69	653.35	636.19
	<i>188.99</i>	<i>643.58</i>	-	<i>832.57</i>	<i>19.66</i>	<i>176.72</i>	-	<i>196.38</i>	<i>636.19</i>	<i>169.33</i>
Total (B)	832.57	288.47	-	1,121.04	196.38	271.31	-	467.69	653.35	636.19
Previous year (D)	<i>188.99</i>	<i>643.58</i>	-	<i>832.57</i>	<i>19.66</i>	<i>176.72</i>	-	<i>196.38</i>	<i>636.19</i>	<i>169.33</i>
Total (A+B)	53,582.88	7,435.53	2,082.98	58,935.43	13,677.52	6,722.81	1,986.91	18,413.42	40,522.01	39,905.36
Previous year (C+D)	<i>40,272.05</i>	<i>13,996.18</i>	<i>685.35</i>	<i>53,582.88</i>	<i>11,636.49</i>	<i>2,698.32</i>	<i>657.29</i>	<i>13,677.52</i>	<i>39,905.36</i>	<i>28,635.56</i>

Amounts in italics represent previous year's figures.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11 Deferred tax assets (net)

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Tax effect of items constituting deferred tax liability		
(i) On difference between book balance and tax balance of fixed assets	(1,983.62)	(2,498.64)
(ii) Others	-	(24.03)
	<u>(1,983.62)</u>	<u>(2,522.67)</u>
(b) Tax effect of items constituting deferred tax asset		
(i) Provision for doubtful trade receivables	1,250.14	665.30
(ii) Provision for employee benefits	1,969.39	1,848.40
(iii) Others	514.76	490.42
	<u>3,734.29</u>	<u>3,004.12</u>
Total	<u>1,750.67</u>	<u>481.45</u>

Note 12 Long-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Capital advances - Unsecured, considered good	278.22	498.49
(b) Security deposits - Unsecured, considered good	1,403.92	1,166.17
(c) Loans and advances to employees (Refer note below)		
(i) Secured, considered good	16.80	23.60
(ii) Unsecured, considered good	2.30	2.13
(d) Prepaid expenses - Unsecured, considered good	456.24	171.41
(e) Advance tax (including refunds receivable (net)) - Unsecured, considered good	7,734.16	6,526.98
(f) MAT credit entitlement - Unsecured, considered good	6,929.20	4,327.54
(g) Other loans and advances - Unsecured, considered good	295.87	16.85
Total	<u>17,116.71</u>	<u>12,733.17</u>

Note: Long-term loans and advances to employees include amounts due from:
Managing Director and CEO

- 5.41

Note 13 Other non-current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Unbilled revenue	4,291.24	2,954.98
Total	<u>4,291.24</u>	<u>2,954.98</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14 Current investments

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No of Units	₹/lacs	No of Units	₹/lacs
Investment in mutual funds (unquoted)				
(a) Fixed maturity plan (FMP)				
Birla Sun Life - FTP Series - Regular	10,000,000	1,000.00	-	-
ICICI Prudential - FMP Series 73 - 366 Days Plan A	-	-	20,000,000	2,000.00
ICICI Prudential - FMP Series 74 - 368 Days Plan H - Cumulative	25,000,000	2,500.00	-	-
HDFC - FMP Series 31 - 367 Days - Regular - Growth	10,000,000	1,000.00	-	-
Total (A)		4,500.00		2,000.00
(b) Liquid / Liquid plus				
ICICI Prudential Bank and PSU Fund - Regular Plan	3,499,906	500.00	24,869,079	2,503.79
Kotak Floater Short Term - Daily Dividend - Regular Plan	855,525	8,654.66	163,269	1,651.66
Kotak Banking and PSU Debt Fund - Daily Dividend	-	-	51,956,482	5,213.05
HDFC Cash Management Fund	9,440,316	1,004.11	1,420,085	151.05
Birla Sun Life Cash Plus - Daily Dividend - Regular Plan	449,618	450.49	5,511,905	5,530.03
Birla Sun Life Floating Rate Fund - STP - Daily Dividend	654,209	654.54	854,177	855.64
Birla Sun Life Floating Rate Fund - Daily Dividend	710,628	713.44	-	-
Birla Sun Life Saving Fund - Daily Dividend - Regular Plan	2,300,749	2,307.58	-	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend	-	-	1,171,925	1,172.70
ICICI Prudential Flexible Income - Regular Plan	-	-	473,674	500.84
ICICI Prudential Money Market Fund - Regular Growth	1,348,747	1,350.49	-	-
Tata Liquid Fund Plan A - Daily Dividend	-	-	45,379	505.76
IDFC Cash Fund - Daily Dividend - Regular Plan	121,018	1,210.74	-	-
HDFC Liquid Fund - Daily Dividend - Regular Plan	5,116,547	521.80	-	-
Total (B)		17,367.85		18,084.52
Total (A+B)		21,867.85		20,084.52
Note:				
Aggregate amount of current unquoted investments		21,867.85		20,084.52

Note 15 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
		₹/lacs		₹/lacs
(a) Finished goods				
Education and training material		26.07		31.33
Others		2.73		4.05
		28.80		35.38
(b) Stock-in-trade				
Goods-in-transit		-		71.74
		169.38		410.88
(c) Stores and spares				
		116.83		178.41
Total		315.01		624.67



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16 Trade receivables

Particulars	As at 31 March, 2015 ₹/lacs	As at 31 March, 2014 ₹/lacs
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	7,585.93	8,645.63
(ii) Doubtful	3,677.95	1,957.34
	11,263.88	10,602.97
Less: Provision for doubtful trade receivables	(3,677.95)	(1,957.34)
	7,585.93	8,645.63
(b) Other trade receivables		
Unsecured, considered good	51,897.36	38,137.37
Total	59,483.29	46,783.00

Note 17 Cash and bank balances

Particulars	As at 31 March, 2015 ₹/lacs	As at 31 March, 2014 ₹/lacs
A Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash on hand	64.75	118.42
(b) Cheques, drafts on hand	435.30	146.90
(c) Balances with banks		
(i) In current accounts	7,726.72	11,947.82
(ii) In EEFC accounts	397.46	511.80
(iii) In demand deposit accounts	856.16	11.79
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)	9,480.39	12,736.73
B Other bank balances		
In earmarked accounts		
- Unclaimed dividend accounts	35.96	33.09
- Balances held as margin money against guarantees	-	3.50
Total - Other bank balances (B)	35.96	36.59
Total Cash and bank balances (A+B)	9,516.35	12,773.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18 Short-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Security deposits		
(i) Secured, considered good	-	131.99
(ii) Unsecured, considered good	536.33	742.58
(iii) Doubtful	137.00	137.00
	673.33	1,011.57
Less: Provision for doubtful security deposits	(137.00)	(137.00)
	536.33	874.57
(b) Loans and advances to employees (Refer note below)		
(i) Secured, considered good	37.05	45.21
(ii) Unsecured, considered good	143.10	176.68
(iii) Doubtful	113.46	113.46
	293.61	335.35
Less: Provision for doubtful loans and advances to employees	(113.46)	(113.46)
	180.15	221.89
(c) Prepaid expenses - Unsecured, considered good	790.51	506.42
(d) Advance to suppliers		
(i) Unsecured, considered good	716.02	588.36
(ii) Doubtful	181.14	181.14
	897.16	769.50
Less: Provision for doubtful advances to suppliers	(181.14)	(181.14)
	716.02	588.36
(e) Balances with government authorities - Unsecured, considered good		
(i) VAT credit receivable	456.21	426.09
(ii) Service Tax credit receivable	559.82	828.63
	1,016.03	1,254.72
(f) Others		
(i) Unsecured, considered good	537.90	1,426.20
(ii) Doubtful	128.20	128.20
	666.10	1,554.40
Less: Provision for other doubtful loans and advances	(128.20)	(128.20)
	537.90	1,426.20
Total	3,776.94	4,872.16

Note: Short-term loans and advances to employee include amounts due from:
Managing Director and CEO

- 1.68

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19 Other current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Unbilled revenue	31,470.67	27,813.77
Total	31,470.67	27,813.77

Note 20 Revenue from operations

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
(a) Sale of equipment and software licenses	22,087.57	22,849.44
(b) Sale of services (Refer note below)	222,317.50	195,753.01
(c) Rentals from special economic zone	6,943.51	4,490.05
Total	251,348.58	223,092.50

Note:

Sale of services comprises :

(a) Software services	159,219.30	140,383.11
(b) Maintenance services	5,411.10	5,263.17
(c) Facility management services	23,508.39	20,311.98
(d) Education and training	4,821.90	5,313.32
(e) Other services	29,356.81	24,481.43
Total	222,317.50	195,753.01

Note 21 Other income

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
(a) Interest income		
(i) Interest from banks on deposits	6.17	0.98
(ii) Interest on loans and advances	1.72	1.85
(iii) Other interest	23.00	615.96
	30.89	618.79
(b) Dividend income from current investments in mutual funds	792.45	764.89
(c) Net gain on sale of current investments in mutual funds	194.46	199.70
(d) Profit on sale of fixed assets (net)	29.51	436.02
(e) Miscellaneous income	384.68	481.58
Total	1,431.99	2,500.98

Note 22 Purchases of stock- in- trade

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
Purchase of equipment for resale	20,832.57	19,405.54
Total	20,832.57	19,405.54

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 Changes in inventories of work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
(a) Inventories at the end of the year		
Stock-in-trade	169.38	410.88
(b) Inventories at the beginning of the year		
Stock-in-trade	410.88	1,203.13
Net (Increase)/Decrease	<u><u>241.50</u></u>	<u><u>792.25</u></u>

Note 24 Employee benefits expense

(Refer note 28.1)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
(a) Salaries and wages	53,170.97	50,566.73
(b) Contributions to provident and other funds	2,204.62	1,889.93
(c) Staff welfare expenses	3,771.39	3,010.85
Total	<u><u>59,146.98</u></u>	<u><u>55,467.51</u></u>

Note 25 Finance costs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
Interest expenses - others	5.31	7.30
Total	<u><u>5.31</u></u>	<u><u>7.30</u></u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26 Other expenses

Particulars	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
	₹/lacs	₹/lacs
(a) Consumption of stores and spare parts	2,347.03	2,202.22
(b) Purchased software	391.80	288.13
(c) Subcontracting and outsourcing cost	109,980.30	88,789.34
(d) Electricity charges	2,819.41	2,858.66
(e) Rent including lease rentals (Refer note 28.4)	2,505.50	2,551.17
(f) Repairs and maintenance - Buildings	1,134.60	1,029.88
(g) Repairs and maintenance - Plant and equipment	428.24	387.44
(h) Repairs and maintenance - Others	44.57	50.61
(i) Insurance	237.79	185.73
(j) Rates and taxes	120.58	306.80
(k) Communication and postage	1,169.19	1,142.83
(l) Travelling and conveyance	3,472.46	3,019.48
(m) Printing and stationery	823.03	820.19
(n) Freight and forwarding	366.33	283.83
(o) Business promotion, advertisement and publicity	274.38	263.58
(p) Legal and professional	1,710.21	1,426.27
(q) Education and training		
(i) Payment to franchisees	751.56	1,485.67
(ii) Other expenses	289.08	390.29
(r) Living expenses - overseas contracts	1,658.23	1,586.20
(s) Directors sitting fees	15.70	14.00
(t) Commission to non-executive directors	115.00	100.00
(u) Expenditure on corporate social responsibility	418.14	-
(v) Payments to auditors (Refer note 27.3)	171.22	172.79
(w) Bad trade and other receivables, loans and advances, others written off/(written back) (net)	(797.23)	(1,779.13)
(x) Net loss on foreign currency transactions and translation	(441.10)	(1,288.19)
(y) Loss on fixed assets written off	6.95	22.88
(z) Provision for doubtful trade and other receivables, loans and advances (net)	1,720.61	1,344.41
(aa) Miscellaneous expenses	955.75	838.73
Total	132,689.33	108,493.81

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27. Additional information to the financial statements

27.1 Contingent liabilities and commitments

Particulars	As at 31 March, 2015 ₹/lacs	As at 31 March, 2014 ₹/lacs
1. Contingent liabilities		
i. Contingent liabilities – Pending litigation		
- Claims against the Company not acknowledged as debts*		
• Under litigation	2,511.63	1,976.22
• Demand from income tax authorities	44.36	586.34
• Disputed demands raised by sales tax authorities	341.69	417.11
• Demands raised by service tax authorities	10,558.75	6,173.03
• Disputed demand towards land use conversion fee	2,025.00	2,025.00
• Others	572.04	572.04
ii. Contingent liabilities – Others	844.39	709.74
Unexpired letters of credit		
*No provision is considered necessary since the Company expects favorable decisions. The advance paid against the above is ₹ 158.02 lacs (Previous year ₹ 141.81 lacs).		
2. Commitments		
Estimated amount of contracts remaining to be executed on tangible assets (net of advances) and not provided	2,871.51	5,143.11

27.2 Unexpired foreign exchange forward contracts

- i. The following are outstanding foreign exchange forward contracts as at 31 March, 2015.

Foreign Currency	No. of Contracts	Notional amount of Forward contracts in foreign currency (USD)	Rupee Equivalent ₹/Lacs
USD	-	-	-
	(6)	(18,000,000.00)	(10,811.38)

Amounts in brackets represent previous year's figures.

- ii. The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as on 31 March, 2015 is as follows:

Currency	31 March, 2015		31 March, 2014	
	Receivables/(Payables) (FC)	Rupee equivalent (₹/lacs)	Receivables/(Payables) (FC)	Rupee equivalent (₹/lacs)
EURO	750,413	503.78	-	-
	(53,785)	(36.11)	(-)	(-)
GBP	875,861	810.19	-	-
	(-)	(-)	(-)	(-)
MYR	893,671	150.96	-	-
	(-)	(-)	(-)	(-)
USD	17,329,526	10,844.38	-	-
	(4,148,310)	(2,595.91)	(-)	(-)
AED	939,570	160.09	-	-
	(-)	(-)	(-)	(-)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27.3 Auditors' remuneration*

Payment to auditors includes auditors' remuneration as follows:

Particulars	Year ended	Year ended
	31 March, 2015	31 March, 2014
	₹/lacs	₹/lacs
Audit fee (including limited reviews)	88.66	83.97
Tax audit	10.00	9.50
Certification work	7.40	4.75
Reimbursement of out-of-pocket expenses	16.65	15.09
	<u>122.71</u>	<u>113.31</u>

* Service tax credit has been / will be availed.

The remuneration disclosed above excludes fees of ₹ 48.51 lacs (Previous year ₹ 59.48 lacs) including ₹ 20.01 lacs (Previous year ₹ 20.75 lacs) for representation before various authorities for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.

28. Disclosures under Accounting Standards

28.1 Employee benefit plans

a. Defined contribution plans

The Company and its subsidiaries make provident fund, foreign contribution fund and superannuation fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company and its subsidiaries are required to contribute a specified percentage of the payroll costs to fund the benefits. In case of provident fund, the contributions as specified under the law are paid to the provident fund set up as a trust by the Company and to the administrator of funds in case of foreign contribution plans. In respect of provident fund contributions to trust set up for this purpose, the Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 are recognized, if any, as an expense in the year it is determined.

As of 31 March, 2015, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 33,569.59 lacs and ₹ 30,179.64 lacs respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75%. The actuarial assumptions include discount rate of 8.00% and an average expected future period of 19.87 years.

The Company recognised ₹ 1,749.85 lacs (Previous year ₹ 1,570.71 lacs) for provident fund contributions and ₹ 9.32 lacs (Previous year ₹ 8.99 lacs) for superannuation fund in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

The subsidiaries have contributed ₹ 43.38 lacs (Previous year ₹ 46.04 lacs) towards other foreign defined contribution plans.

b. Defined benefit plans

i. Gratuity plan

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum of ₹ 10 lacs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

ii. Medical plan

The Medical plan liability arises on retirement of an employee. The aforesaid liability for employees retired upto 31 March, 2010 is calculated on the basis of fixed annual amount per employee (based on the basic salary) for eligible employees. For employees retiring after 31 March, 2010, the Company has affected a Health Insurance plan for coverage of Post Retirement Medical expenses. The liability on this account has also been actuarially valued.

The most recent actuarial valuation of the present value of the defined obligation was carried out on 31 March, 2015. The present value of the defined obligation and the related current service cost and past service cost, was measured using Projected Unit Credit Method.

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- c. The following tables set out the status of the gratuity plan and medical plan and amounts recognised in the Company's financial statements as at 31 March, 2015.

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Gratuity	Medical benefit plan (Unfunded)	Gratuity	Medical benefit plan (Unfunded)
(All amounts in ₹/lacs)				
i. Components of employer expense				
Current service cost	205.74	46.24	213.46	47.03
Interest cost	265.70	35.19	235.31	31.65
Expected return on plan assets	(88.56)	-	(58.51)	-
Actuarial losses / (gains)	(37.82)	18.81	(216.30)	(45.52)
Total expense recognised in Statement of profit and loss	345.06	100.24	173.96	33.16
ii. Actual contribution and benefit payments for year				
Actual benefit payments	348.41	39.66	254.14	37.73
Actual contributions	358.59	-	474.55	-
iii. Net asset/ (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	(3,035.11)	(451.59)	(2,952.26)	(391.01)
Fair value of plan assets	1,080.39	-	984.01	-
Funded status [Surplus/ (Deficit)]	(1,954.72)	(451.59)	(1,968.25)	(391.01)
Net asset / (liability) recognised in the balance sheet	(1,954.72)	(451.59)	(1,968.25)	(391.01)
iv. Change in defined benefit obligations (DBO) during the year				
Present value of DBO at the beginning of the year	2,952.26	391.01	2,941.35	395.58
Current service cost	205.74	46.24	213.46	47.03
Interest cost	265.70	35.19	235.31	31.65
Actuarial (gain)/losses	(40.18)	18.81	(183.72)	(45.52)
Benefits paid	(348.41)	(39.66)	(254.14)	(37.73)
Present value of DBO at the end of the year	3,035.11	(451.59)	2,952.26	391.01
v. Change in fair value of assets during the year:				
Plan assets at the beginning of the year	984.01	-	672.51	-
Expected return on plan assets	88.56	-	58.51	-
Actual company contributions	358.59	-	474.55	-
Actuarial gain/(loss)	(2.36)	-	32.58	-
Benefits paid	(348.41)	-	(254.14)	-
Plan assets at the end of the year	1,080.39	-	984.01	-
Actual return on plan assets	85.96	-	91.09	-
vi. Actuarial assumptions:				
Discount rate	8.00%	8.00%	9.00%	9.00%
Expected return on plan assets	8.00%	-	9.00%	-
Salary escalation	6.00%	-	4.00%	-
Attrition for service:				
- below 5 years	14.10%	14.10%	20.00%	20.00%
- 5 years and more	7.90%	7.90%	20.00%	20.00%
Mortality tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
vii. Estimate of amount of contribution in the immediate next year	774.65	-	710.43	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

viii. Experience adjustments (All amounts in ₹/lacs)

Particulars	2015	2014	2013	2012	2011
Gratuity					
Present value of DBO	3,035.11	2,952.26	2,941.35	2,898.52	2,643.27
Fair value of plan assets	1,080.39	984.01	672.51	565.73	514.12
Funded status - (Deficit)	(1,954.72)	(1,968.25)	(2,268.84)	(2,332.79)	(2,129.15)
Experience gain / (loss) adjustments on plan liabilities	(40.18)	(183.72)	(258.97)	(129.20)	72.05
Experience gain / (loss) adjustments on plan assets	2.36	32.58	6.03	(11.27)	178.34
Post Retirement Medical Benefits					
Present value of DBO	451.59	391.01	395.58	412.94	382.61
Fair value of plan asset*	-	-	-	-	-
Funded status - (Deficit)	(451.59)	(391.01)	(395.58)	(412.94)	(382.61)
Experience gain / (loss) adjustments on plan liabilities	18.81	(45.52)	(21.67)	29.47	(0.79)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

* Plan is unfunded

Notes:

- The planned assets of the group are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets is not available with the Company.
- The discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

28.2 Segment information

(a) Financial information about the primary business segments is given below: (All amounts in ₹/lacs)

Particulars	CS	SI	ITeS	E&T	SEZ	Total
i. Revenue	43,515.18	165,248.69	30,177.90	5,463.30	6,943.51	251,348.58
	(40,845.87)	(141,350.63)	(30,613.69)	(5,792.26)	(4,490.05)	(223,092.50)
ii. Segment result	2,560.66	29,107.75	9,085.44	65.84	4,400.87	45,220.56
	(2,968.59)	(31,352.91)	(9,077.09)	(631.39)	(3,343.85)	(47,373.83)
iii. Unallocable Expenses						11,627.70
						(11,146.06)
iv. Operating income						33,592.86
						(36,227.77)
v. Other income						1,431.99
						(2,500.98)
vi. Profit before tax and exceptional items						35,024.85
						(38,728.75)
vii. Exceptional item						1,882.78
						(-)
viii. Profit before Tax						33,142.07
						(38,728.75)
ix. Tax expense						5,429.93
						(10,687.24)
x. Net profit for the year						27,712.14
						(28,041.51)

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(All amounts in ₹/lacs)

Particulars	CS	SI	ITeS	E&T	SEZ	Total
xi. Segment assets	31,900.01	56,263.99	10,460.59	3,377.74	37,971.40	139,973.73
	(25,330.00)	(46,033.68)	(11,869.27)	(4,040.85)	(37,981.02)	(125,254.82)
xii. Unallocable assets						54,024.72
						(48,876.81)
xiii. Total assets						193,998.45
						(174,131.63)
xiv. Segment liabilities	12,240.47	27,494.97	4,798.52	2,685.47	1,871.08	49,090.51
	(12,001.11)	(24,096.81)	(5,225.76)	(3,280.79)	(2,508.21)	(47,112.68)
xv. Unallocable liabilities						9,391.60
						(11,421.82)
xvi. Total liabilities						58,482.11
						(58,534.50)
xvii. Other information						
Capital expenditure (allocable)	93.12	547.20	131.08	91.28	2,405.22	3,267.90
	(7.87)	(682.17)	(61.48)	(29.98)	(7,700.92)	(8,482.42)
Capital expenditure (unallocable)						2,950.11
						(2,254.19)
Depreciation and amortisation (allocable)	176.21	554.89	79.19	225.75	2,496.79	3,532.83
	(65.06)	(326.58)	(86.89)	(109.55)	(1,033.77)	(1,621.85)
Depreciation and amortisation (unallocable)						3,189.98
						(1,076.47)
Other significant non-cash expense (allocable)	554.80	331.95	162.61	767.50	-	1,816.86
	(396.05)	(717.50)	(66.98)	(181.83)	(-)	(1,362.36)
Other significant non-cash expense (unallocable)						5.56
						(-)

Notes:

- Unallocated assets include investments, advance tax and tax deducted at source.
- Unallocated liabilities include deferred tax/current tax liabilities, proposed dividend and tax on proposed dividend.
- Amounts in brackets represent previous year's figures.

(b) Geographical Segment

(All amounts in ₹/lacs)

Particulars	India	United States of America	United Kingdom	Others	Total
Segment Revenue					
- Revenue from operations	90,575.30	149,826.55	3,356.22	7,590.51	251,348.58
	(84,262.12)	(127,384.90)	(4,190.66)	(7,254.82)	(223,092.50)
- Other Income	1,365.23	66.48	0.19	0.09	1,431.99
	(1,763.36)	(140.22)	(1.30)	(596.10)	(2,500.98)
Segment Assets	142,477.29	45,164.03	1,685.97	4,671.16	193,998.45
	(128,929.51)	(34,311.92)	(1,315.92)	(9,574.28)	(174,131.63)
Segment Liabilities	36,329.57	21,362.47	248.34	541.73	58,482.11
	(38,214.76)	(19,601.20)	(298.22)	(420.32)	(58,534.50)

Note: Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28.3 Related Party Disclosures

(a) List of related parties

i. Ultimate Holding Company

- Tata Sons Limited

ii. Holding Company

- Tata Consultancy Services Limited

iii. Fellow Subsidiaries

- Tata AIG General Insurance Company Limited
- Tata Consultancy Services, Netherlands BV
- Tata Consultancy Services Sverige AB
- Tata Business Support Services Limited (formerly E2E Serwiz Solutions Limited)
- Infiniti Retail Limited
- Tata Consultancy Services, Asia Pacific Pte Limited
- Tata Housing Development Company Limited
- Tata Consultancy Services Deutschland GmbH
- Tata International Limited
- Tata Realty and Infrastructure Limited
- Tata Value Homes Limited
- Tata Africa Holdings (Tanzania) Limited
- Tata Africa Services (Nigeria) Limited
- Tata Capital Forex Limited
- TCS Foundation
- Tata America International Corporation

iv. Key Management Personnel

- Mr. R. Ramanan

(b) Transactions /balances outstanding with Related Parties.

(All amounts in ₹ /lacs)

Transactions/ Outstanding Balances	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Sale of goods	4.01	447.13	193.87 (note a)	-	645.01
	(1.34)	(1,787.30)	(292.21)	(-)	(2,080.85)
Service income	51.25	133,987.51	8,151.18 (note b)	-	142,189.94
	(39.26)	(118,218.94)	(5,937.03)	(-)	(124,195.23)
Purchase of fixed assets	-	-	4.32 (note c)	-	4.32
	(-)	(-)	(0.49)	(-)	(0.49)
Purchase of goods/services	17.25	3,001.62	24.94 (note d)	-	3,043.81
	(25.02)	(2,605.60)	(82.61)	(-)	(2,713.23)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Transactions/ Outstanding Balances	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Managerial Remuneration	-	-	-	222.05 (note e)	222.05
	(-)	(-)	(-)	(180.27)	(180.27)
Brand equity contribution	188.79	-	-	-	188.79
	(168.00)	(-)	(-)	(-)	(168.00)
Purchase of foreign currency/others	-	-	138.02 (note f)	-	138.02
	(-)	(-)	(-)	(-)	(-)
Expenditure on corporate social responsibility	-	-	196.80 (note g)	-	196.80
	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	3,485.23	-	-	3,485.23
	(-)	(2,710.74)	(-)	(-)	(2,710.74)
Reimbursement of expenses to the Company	6.69	3,952.53	85.13 (note h)	-	4,044.35
	(2.66)	(2,515.69)	(-)	(-)	(2,518.35)
Balances Outstanding at the end of the year					
Trade payables/Advances received from customers	187.55	762.02	26.87 (note i)	-	976.44
	(152.62)	(757.62)	(-)	(-)	(910.24)
Income received in advance	-	64.54	33.20 (note j)	-	97.74
	(8.64)	(168.43)	(7.14)	(-)	(184.21)
Security Deposit	-	1,266.48	-	-	1,266.48
	(-)	(-)	(-)	(-)	(-)
Trade receivables	23.00	24,123.71	3,083.80 (note k)	-	27,230.51
	(49.61)	(12,976.26)	(1,241.87)	(-)	(14,267.74)
Loans and advances	-	-	30.62 (note l)	-	30.62
	(-)	(-)	(-)	(7.09)	(7.09)
Unbilled revenues	-	16,091.34	888.79 (note m)	-	16,980.13
	(-)	(13,745.85)	(1,500.36)	(-)	(15,246.21)

Note: Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type.

Notes Ref.	Particulars	Year ended/ As at 31 March, 2015 (₹ /lacs)	Year ended/ As at 31 March, 2014 (₹ /lacs)
(a)	Sale of goods		
	Tata Housing Development Company Limited	106.47	31.89
	Tata AIG General Insurance Company Limited	-	55.89
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	71.94	204.43
(b)	Service income		
	Tata AIG General Insurance Company Limited	267.68	219.69
	Tata America International Corporation	7,290.77	5,167.44
	Tata Consultancy Services, Asia Pacific Pte Limited	14.31	118.30
	Tata Housing Development Company Limited	186.07	136.23
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	150.86	258.27
	Tata Africa Services(Nigeria) Limited	189.55	-
(c)	Purchase of fixed assets		
	Infinity Retail Limited	4.32	0.49
(d)	Purchase of goods / services		
	Tata AIG General Insurance Company Limited	8.76	-
	Tata Consultancy Services Deutschland GmbH	11.23	64.99
	Tata America International Corporation	4.92	-
(e)	Managerial remuneration		
	R. Ramanan	222.05	180.27
(f)	Purchase of foreign currency/others		
	Tata Capital Forex Limited	138.02	-
(g)	Expenditure on corporate social responsibility		
	TCS Foundation	196.80	-
(h)	Reimbursement of expenses		
	Tata America International Corporation	85.13	-
(i)	Trade payables / advances received from customers		
	Tata Capital Forex Limited	17.77	-
	Tata Consultancy Services Deutschland GmbH	9.10	-
(j)	Income received in advance		
	Tata America International Corporation	24.21	-
	Tata AIG General Insurance Company Limited	8.84	4.45
	Tata Housing Development Company Limited	0.15	2.69

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes Ref.	Particulars	Year ended/ As at 31 March, 2015 (₹ /lacs)	Year ended/ As at 31 March, 2014 (₹ /lacs)
(k)	Trade receivables		
	Tata America International Corporation	2,643.73	876.99
	Tata AIG General Insurance Company Limited	156.31	187.08
	Tata Housing Development Company Limited	139.43	105.95
	Tata Consultancy Services, Asia Pacific Pte Limited	-	29.36
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	27.20	31.21
	Tata Africa Services (Nigeria) Limited	108.88	-
(l)	Advances paid/loans		
	Tata AIG General Insurance Company Limited	7.86	-
	Tata Africa Holdings(Tanzania) Limited	22.76	-
(m)	Unbilled revenue		
	Tata America International Corporation	626.01	1,319.52
	Tata Consultancy Services, Asia Pacific Pte Limited	-	41.64
	Tata AIG General Insurance Company Limited	151.71	102.22
	Tata Housing Development Company Limited	14.38	13.71
	Tata Business Support Services Limited	12.94	23.28
	Tata Africa Services(Nigeria) Limited	83.75	-

28.4 Lease Commitments**Obligations towards operating leases (As lessee)**

The Group has entered into operating lease arrangements for certain facilities and office premises. Rent expenses of ₹ 1,135.45 lacs (Previous year ₹ 1,470.00 lacs) in respect of obligation under non-cancellable operating leases have been recognised in the Statement of Profit and Loss. Further, a sum of ₹ 1,370.05 lacs (Previous year ₹ 1,081.17 lacs) has been charged to the Statement of Profit and Loss in respect of cancellable operating leases.

The total of future minimum lease payments under non-cancellable operating leases for the following periods:

Particulars	As at 31 March, 2015 (₹ /lacs)	As at 31 March, 2014 (₹ /lacs)
a. Not later than one year	1,121.95	1,392.15
b. Later than one year but not later than five years	2,769.98	2,804.35
c. Later than five years	167.65	185.39

28.5 Earnings per share

Particulars	Units	Year ended 31 March, 2015	Year ended 31 March, 2014
Net profit attributable to shareholders	₹/lacs	27,712.14	28,041.51
Weighted average number of equity shares in issue	Nos./lacs	303.00	303.00
Earnings per share basic and diluted	₹	91.46	92.55
Face value per Equity share	₹	10.00	10.00



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28.6 Taxes

The provision for taxes is as follows:

Particulars	Year ended	Year ended
	31 March, 2015	31 March, 2014
	(₹ /lacs)	(₹ /lacs)
a. Current taxes		
i. Domestic taxes*	1,932.87	5,957.66
ii. Foreign taxes	4,755.70	4,480.53
b. Deferred taxes		
i. Domestic taxes	(1,230.17)	262.33
ii. Foreign taxes	(28.47)	(13.28)

*includes ₹ 35.45 lacs taxes in foreign jurisdiction (Previous year Nil)

28.7 Research and development expenditure

Particulars	Year ended	Year ended
	31 March, 2015	31 March, 2014
	(₹ /lacs)	(₹ /lacs)
Employee benefit expenses	1,118.49	901.54
Purchased software	23.49	61.25
Subcontracting and outsourcing cost	93.31	52.07
Communication and postage	3.07	31.84
Travelling and conveyance	20.31	13.30
Legal and professional	2.73	0.13
Depreciation and amortisation expenses	1,033.50	42.03
Miscellaneous expenses	10.67	70.70
Total expenditure recognised as expenses	2,305.57	1,172.86

Amounts aggregating to ₹ 70.15 lacs (Previous year ₹ 67.05 lacs) have been capitalised during the year.

29. During the financial year 2013-14, the Company had received a favourable decision in a legal case against a customer which had resulted in increase in profit before tax by ₹ 3,766.15 lacs for the year ended 31 March, 2014. The increase was on account of increase in income from operations and other income by ₹ 1,897.77 lacs and ₹ 594.19 lacs respectively, increase in purchase of stock in trade by ₹ 582.81 lacs and reduction in other expenses by ₹ 1,857.00 lacs.
30. During the year, the Group has revised the estimated useful life of its assets to align the useful life as assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. The details of previously applied useful life and revised useful life are as follows:

Class of asset	Estimated previous useful life (Years)	Estimated revised useful life (Years)
Buildings	60	20
Plant and equipment		
- Computers	6	4
- Others	6	10
Furniture and fixtures	15	5
Vehicles	10	4
Office equipment	21	5

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 31.** The Group has revised its policy of providing depreciation on fixed assets effective 1 April, 2014. Depreciation is now provided based on the revised remaining useful life which has been revised based on an evaluation. The carrying amount as on 1 April, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended 31 March, 2015 of ₹ 6,722.81 is higher by ₹ 3,756.87 lacs and the effect relating to the period prior to 1 April, 2014 is ₹ 1,882.78 lacs (excluding deferred tax credit of ₹ 639.96 lacs) which has been shown as an 'Exceptional Item'. Accordingly, depreciation and amortisation expense for the year ended 31 March, 2015 aggregates to ₹ 4,840.03 lacs.
- 32.** Additional information on net assets and share of profits of the Company and its subsidiaries as considered in Consolidated Financial Statements.

Name of Entity	Net Assets		Share in profit or loss	
	As a % of Consolidated net assets	₹/lacs	As a % of Consolidated profit or loss	₹/lacs
Parent Company	87.89%	119,105.95	71.37%	19,777.68
Foreign Subsidiaries				
1. CMC Americas, Inc. (wholly owned subsidiary)	10.72%	14,528.84	28.93%	8,016.62
2. CMC eBiz, Inc. (step-down subsidiary)	1.39%	1,881.55	(0.30%)	(82.16)

- 33.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

Mumbai
9 April, 2015

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part A : Subsidiaries

1. Name of the subsidiary	CMC Americas, Inc. USA wholly owned subsidiary		CMC eBiz, Inc USA step-down subsidiary	
	USD	₹/lacs	USD	₹/lacs
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April, 2014 to 31 March, 2015		1 April, 2014 to 31 March, 2015	
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD = INR 62.5775		USD = INR 62.5775	
4. Share capital	1,600,010	1,001.25	10	0.01
5. Reserves & surplus	22,869,879	14,311.40	3,006,738	1,881.54
6. Total assets	68,987,165	43,170.45	3,501,383	2,191.08
7. Total Liabilities	44,517,276	27,857.80	494,635	309.53
8. Investments	10	0.01	-	-
9. Turnover	243,799,325	152,563.52	799,232	500.14
10. Profit before taxation	20,900,655	13,079.11	(214,534)	(134.25)
11. Provision for taxation	7,801,827	4,882.19	(74,000)	(46.31)
12. Profit after taxation	13,098,828	8,196.92	(140,534)	(87.94)
13. Proposed Dividend	-	-	-	-
14. % of shareholding	100%	100%	100%	100%

Notes:

There is no subsidiary which is yet to commence operations.

There is no subsidiary which has been liquidated or sold during the year.

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

Mumbai
9 April, 2015

Mumbai
9 April, 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CMC LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of CMC LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
- e. On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2015, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 9 April, 2015

BALANCE SHEET AS AT 31 MARCH, 2015

Particulars	Note No.	As at 31 March, 2015 ₹/lacs	As at 31 March, 2014 ₹/lacs
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,030.00	3,030.00
(b) Reserves and surplus	4	116,075.95	104,630.77
		119,105.95	107,660.77
2. Non-current liabilities			
(a) Other long-term liabilities	5	2,459.55	1,159.42
(b) Long-term provisions	6	2,406.31	2,359.26
		4,865.86	3,518.68
3. Current liabilities			
(a) Trade payables	7	17,248.10	18,763.76
(b) Other current liabilities	8	3,966.38	6,098.39
(c) Short-term provisions	9	11,639.69	10,674.51
		32,854.17	35,536.66
	TOTAL	156,825.98	146,716.11
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	39,865.94	39,262.98
(ii) Intangible assets	10.B	653.35	636.19
(ii) Capital work-in-progress		3,853.59	5,071.11
		44,372.88	44,970.28
(b) Non-current investments	11	818.01	818.01
(c) Deferred tax assets (net)	12	1,466.56	236.39
(d) Long-term loans and advances	13	16,560.89	12,733.17
(e) Other non-current assets	14	4,291.24	2,954.98
		67,509.58	61,712.83
2. Current assets			
(a) Current investments	15	21,867.85	20,084.52
(b) Inventories	16	315.01	624.67
(c) Trade receivables	17	38,569.21	38,321.01
(d) Cash and bank balances	18	3,253.08	2,712.63
(e) Short-term loans and advances	19	3,521.93	4,724.03
(f) Other current assets	20	21,789.32	18,536.42
		89,316.40	85,003.28
	TOTAL	156,825.98	146,716.11

See accompanying notes forming part of the financial statements

1 to 33

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 April, 2015

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

J. K. Gupta
Chief Financial Officer

Mumbai
9 April, 2015

R. Ramanan
Managing Director & CEO

Vivek Agarwal
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		₹/lacs	₹/lacs
1. Revenue			
(a) Revenue from operations	21	128,846.13	118,979.15
(b) Other income	22	1,367.60	14,110.82
2. Total revenue		130,213.73	133,089.97
3. Expenses			
(a) Purchases of stock-in-trade	23	20,832.57	19,405.54
(b) Changes in inventories of work-in-progress and stock-in-trade	24	241.50	792.25
(c) Employee benefits expense	25	44,379.52	40,260.84
(d) Finance costs	26	3.07	0.69
(e) Depreciation and amortisation expense	10, 32	4,836.38	2,655.92
(f) Other expenses	27	37,557.53	31,394.05
4. Total expense		107,850.57	94,509.29
5. Profit before exceptional items and tax (2 - 4)		22,363.16	38,580.68
6. Exceptional item	32	1,882.78	-
7. Profit before tax (5-6)		20,480.38	38,580.68
8. Tax expense			
(a) Current tax expense		4,534.53	8,229.10
(b) (Less): MAT credit		(2,601.66)	(2,271.44)
(c) Net current tax expense		1,932.87	5,957.66
(d) Deferred tax		(1,230.17)	262.33
		702.70	6,219.99
9. Profit for the year (7-8)		19,777.68	32,360.69
10. Earnings per share (of ₹ 10 each)	29.5		
- Basic and diluted		65.27	106.80
See accompanying notes forming part of the financial statements	1 to 33		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 April, 2015

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

J. K. Gupta
Chief Financial Officer

Mumbai
9 April, 2015

R. Ramanan
Managing Director & CEO

Vivek Agarwal
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For the year ended 31 March, 2015 ₹/lacs	For the year ended 31 March, 2014 ₹/lacs
A. Cash flow from operating activities			
Profit before tax		20,480.38	38,580.68
Adjustments for:			
Depreciation and amortisation expense		6,719.16	2,655.92
Profit on sale of fixed assets (net)		(8.77)	(436.02)
Loss on fixed assets written off		6.95	22.88
Finance costs		3.07	0.69
Interest income		(27.62)	(614.25)
Dividend income		(792.45)	(12,511.54)
Net gain on sale of current investments in mutual funds		(194.46)	(199.70)
Provision for doubtful trade and other receivables, loans and advances (net)		1,720.61	1,344.41
Bad trade and other receivables, loans and advances, others written off/(written back) (net)		(797.23)	(1,779.13)
Exchange difference on translation of foreign currency cash and cash equivalents		(1.00)	(1.49)
Net unrealised exchange (gain) / loss		(126.59)	35.79
Operating profit before working capital changes		<u>26,982.05</u>	<u>27,098.24</u>
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		309.66	806.36
Trade receivables		(1,042.95)	(4,417.54)
Short-term loans and advances		1,205.84	(298.30)
Long-term loans and advances		(1,446.33)	1,486.24
Other current assets		(3,221.07)	(3,236.06)
Other non-current assets		(1,336.26)	(676.23)
		<u>(5,531.11)</u>	<u>(6,335.53)</u>
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(1,549.53)	736.29
Other current liabilities		(125.05)	44.24
Other long-term liabilities		1,300.13	(341.52)
Short-term provisions		991.20	194.72
Long-term provisions		47.05	(305.16)
		<u>663.80</u>	<u>328.57</u>
Cash generated from operations		<u>22,114.74</u>	21,091.28
Net income tax paid		<u>(4,916.92)</u>	<u>(8,519.31)</u>
Net cash flow from operating activities	(A)	<u>17,197.82</u>	<u>12,571.97</u>
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(7,999.71)	(8,871.80)
Proceeds from sale of fixed assets		88.77	445.33
Bank balances not considered as Cash and cash equivalents		0.63	9.68
Current investments in mutual funds not considered as cash and cash equivalents			
- Purchased		(85,905.10)	(84,239.23)
- Proceeds from sale		84,316.23	72,887.89
Interest received		23.88	623.10
Dividend received			
- from long-term investments - subsidiary		-	11,746.65
- from current investments - mutual funds		792.45	764.89
Net cash flow used in investing activities	(B)	<u>(8,682.85)</u>	<u>(6,633.49)</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	For the year ended 31 March, 2015 ₹/lacs	For the year ended 31 March, 2014 ₹/lacs
C. Cash flow from financing activities			
Finance costs		(1.63)	(0.43)
Dividend paid		(6,814.63)	(5,300.39)
Tax on proposed dividend		(1,158.63)	(901.16)
Net cash flow used in financing activities	(C)	<u>(7,974.89)</u>	<u>(6,201.98)</u>
Net increase / (decrease) in Cash and cash equivalents	(A+B+C)	540.08	(263.50)
Cash and cash equivalents at the beginning of the year		2,676.04	2,941.03
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		1.00	(1.49)
Cash and cash equivalents at the end of the year*	18	<u>3,217.12</u>	<u>2,676.04</u>
* Comprises:			
(a) Cash on hand		64.75	118.42
(b) Cheques, drafts on hand		435.30	146.90
(c) Balances with banks			
(i) In current accounts		1,463.45	1,887.13
(ii) In EEFC accounts		397.46	511.80
(iii) In demand deposit accounts		856.16	11.79
Total		<u>3,217.12</u>	<u>2,676.04</u>
See accompanying notes forming part of the financial statements	1 to 33		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 April, 2015

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

J. K. Gupta
Chief Financial Officer

Mumbai
9 April, 2015

R. Ramanan
Managing Director & CEO

Vivek Agarwal
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**1. Corporate information**

CMC Limited ("the Company" / "CMC") is engaged in the design, development and implementation of software technologies and applications, providing professional services in India and overseas, and procurement, installation, commissioning, warranty and maintenance of imported/indigenous computer and networking systems, and in education and training.

The Company was a Government of India (GoI) enterprise up to 15 October, 2001. Under the disinvestment process, GoI sold 7,726,500 shares representing 51 percent of the share capital to Tata Sons Limited, on 16 October, 2001. The GoI further sold its entire remaining shares representing 26.25 percent of the share capital, in March 2004 by an open offer to the public.

On 29 March, 2004, as per specific approval granted by SEBI, Tata Sons Limited transferred its entire shareholding in the Company to Tata Consultancy Services Limited (a subsidiary of Tata Sons Limited). As a result, the Company has become a subsidiary of Tata Consultancy Services Limited.

During the current year, the Board of Directors of CMC and Tata Consultancy Services Limited approved the amalgamation of CMC as a going concern with TCS pursuant to and subject to the provisions of Section 391 to 394 of the Companies Act, 1956 and/or the Companies Act, 2013. As per the terms of the Scheme of Amalgamation, shareholders of CMC will receive 79 equity shares of ₹ 1 each of TCS for 100 equity shares of ₹ 10 each of CMC.

The Scheme is subject to approval of High Court of Judicature at Hyderabad for the state of Telangana and the state of Andhra Pradesh and other related regulatory approvals.

2. Significant accounting policies**a. Basis of accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c. Inventories

Inventories are valued at the lower of cost (on First in first out basis in respect of stock in trade / on weighted average basis in respect of finished goods and stores and spares) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

d. Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f. Depreciation and amortisation

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to 1 April, 2014, the carrying amount as on 1 April, 2014 is depreciated over the remaining useful life based on an evaluation:

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Type of asset	Estimated useful life (Years)
Leasehold land	Lease period
Buildings	20
Leasehold improvements	Lease period
Plant and equipment	
- Computers	4
- Others	10
Furniture and fixtures	5
Vehicles	4
Office equipment	5
Intangible assets	4

Assets costing less than ₹ 5,000 individually have been fully depreciated in the year of purchase.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

g. Revenue recognition

Sale of Products

Revenue relating to equipment supplied is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from time bound fixed price contracts, are recognised over the life of the contract using the proportionate of completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenue from "Education and Training" is recognised on accrual basis over the course term.

h. Other income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

i. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the balance sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

j. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an

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expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

k. Foreign exchange transactions and translationsInitial recognition

- i. Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- ii. Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- iii. Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

- i. Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.
- ii. Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.
- iii. Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences

- i. Company: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
- ii. Integral foreign operations: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.
- iii. Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

l. Grants

- i. Grants received for capital expenditure incurred are included in "Capital Reserve". Fixed assets received free of cost are considered as a grant and are capitalised at notional value with a corresponding credit to the Capital Reserve account.
An amount equivalent to the depreciation charge on such assets is appropriated from capital reserve and recognised as revenue in the Statement of Profit and Loss.
- ii. Grants received for execution of projects is recognised as revenue to the extent utilised.
- iii. Unutilised grants are shown under other liabilities.

m. Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in the carrying value of each investment. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

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n. Employee benefits

Employee benefits include provident fund, gratuity fund, superannuation fund, employee state insurance scheme, compensated absences and post-employment medical benefits.

Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits.

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- i. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii. in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

o. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction /development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

p. Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

q. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by

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dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

s. Research and development expenses

Research and development costs of revenue nature are charged to the Statement of Profit and Loss, when incurred. Expenditure of capital nature is capitalised and depreciated in accordance with the rates set out in note 2(f).

t. Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceeds the estimated recoverable amount an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued asset such reversal is not recognised.

u. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle

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the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the note 28.1. Contingent assets are not recognised in the financial statements.

v. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

w. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

x. Segment information

The Company has identified business segments as its primary segment and geographic segment as its secondary segment.

i. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into the following segments:

Customer Services (CS)

Creating solutions and providing services for the IT infrastructure requirements covering infrastructure architecture, design and consulting services; turnkey system integration of large network and data centre infrastructures. The scope of services mainly includes supply of associated equipment, software; on-site and remote support services for multi-locations for the IT infrastructures and facilities management of customers.

Systems Integration (SI)

Solution deployment activities that mainly includes embedded systems, software development, software maintenance and support, turnkey project implementation and systems consultancy, implementation of Enterprise Resource Planning (ERP) and testing services.

IT Enabled Services (ITeS)

Primary value added services including business process outsourcing and knowledge process outsourcing for front end and back office, data network, data center services such as office records digitisation, document management, legacy data migration management and web design.

Education and Training (E&T)

IT education and training service through its own centers, through franchisees and for corporate.

Special Economic Zone Development (SEZ)

Lease of developed SEZ infrastructure in Hyderabad.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

ii. Geographic segments

The Company also provides services overseas, primarily in the United States of America, United Kingdom and others.

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Note 3 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	Amount ₹/Lacs	Number of shares	Amount ₹/Lacs
(a) Authorised				
Equity share capital	35,000,000	3,500.00	35,000,000	3,500.00
Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights				
(b) Issued				
Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights	30,300,000	3,030.00	30,300,000	3,030.00
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights	30,300,000	3,030.00	30,300,000	3,030.00

Refer Notes (i) to (v) below

Notes:

- (i) The Company has one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Tata Consultancy Services Limited	15,489,922	51.12	15,489,922	51.12
Aberdeen Global - Asian Smaller Companies Fund	2,124,060	7.01	2,053,220	6.78
Aberdeen Global Indian Equity (Mauritius) Limited	1,820,000	6.01	1,920,000	6.34
HDFC Trustees Company Limited - HDFC Equity Fund	1,681,392	5.55	1,691,392	5.58
Total	21,115,374	69.69	21,154,534	69.82

- (iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Shares issued	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2015			
- Number of shares	30,300,000	-	30,300,000
- Amount (₹/lacs)	3,030.00	-	3,030.00
Year ended 31 March, 2014			
- Number of shares	30,300,000	-	30,300,000
- Amount (₹/lacs)	3,030.00	-	3,030.00

- (iv) Details of shares held by Tata Consultancy Services Limited, the holding company:

Particulars	Aggregate number of shares	
	As at 31 March, 2015	As at 31 March, 2014
Fully paid up equity shares with voting rights	15,489,922	15,489,922

- (v) Aggregate number and class of shares allotted as bonus shares for the period of 5 years immediately preceding the balance sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2015	As at 31 March, 2014
Equity shares with voting rights		
Fully paid up by way of bonus shares	15,150,000	15,150,000

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Note 4 Reserves and surplus

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) General reserve		
Opening balance	10,827.09	7,591.02
Add: Transferred from surplus in Statement of Profit and Loss	1,977.77	3,236.07
Closing balance	12,804.86	10,827.09
(b) Surplus in Statement of Profit and Loss		
Opening balance	93,803.68	72,655.19
Add: Profit for the year	19,777.68	32,360.69
Less: Dividend proposed to be distributed to equity shareholders ₹ 27.50 per share (Previous year ₹ 22.50 per share)	(8,332.50)	(6,817.50)
Tax on proposed dividend	-	(1,158.63)
Transferred to general reserve	(1,977.77)	(3,236.07)
Closing balance	103,271.09	93,803.68
Total	116,075.95	104,630.77

Note 5 Other long-term liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Trade payables - other than acceptances	-	56.68
(b) Others		
(i) Security deposit received		
- from related parties (Refer note 29.3)	1,266.48	-
- from others	17.35	-
(ii) Advances from customers	17.00	89.04
(iii) Income received in advance	903.70	763.95
(iv) Others	255.02	249.75
Total	2,459.55	1,102.74
	2,459.55	1,159.42

Note 6 Long-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Provision for employee benefits		
(a) Provision for gratuity (net) (Refer Note 29.1)	1,954.72	1,968.25
(b) Provision for post-employment medical benefits (Refer Note 29.1)	451.59	391.01
Total	2,406.31	2,359.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7 Trade payables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Trade payables - Other than acceptances	17,248.10	18,763.76
Total	17,248.10	18,763.76

Note 8 Other current liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Income received in advance (unearned revenue)	1,516.46	1,388.20
(b) Unclaimed dividends	35.96	33.09
(c) Other payables		
(i) Statutory dues (Contributions to PF and ESIC, VAT, Service Tax, Withholding Taxes etc.)	776.79	1,037.37
(ii) Payables for purchase of fixed assets	765.25	2,776.52
(iii) Interest accrued on trade payables	15.68	14.33
(iv) Interest accrued on others	0.33	0.24
(v) Security deposits received	265.14	338.71
(vi) Advances from customers	518.02	403.96
(vii) Others	72.75	105.97
Total	3,966.38	6,098.39

Note 9 Short-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Provision for employee benefits		
- Provision for compensated absences	3,013.21	2,673.37
(b) Provision - Others		
(i) Provision for current income taxes (net)	293.98	25.01
(ii) Provision for proposed equity dividend	8,332.50	6,817.50
(iii) Provision for tax on proposed dividend	-	1,158.63
Total	11,639.69	10,674.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 10 Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April, 2014	Additions	Deletions / adjustments	As at 31 March, 2015	As at 1 April, 2014	Depreciation and amortisation expense for the year (Refer note 32)	Deletions/ adjustments	As at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs	₹/lacs
A TANGIBLE ASSETS - OWNED										
(a) Land										
Freehold	6.05	-	-	6.05	-	-	-	-	6.05	6.05
	(6.05)	(-)	(-)	(6.05)	(-)	(-)	(-)	(-)	(6.05)	(6.05)
Leasehold	783.65	-	-	783.65	154.39	10.04	-	164.43	619.22	629.26
	(783.65)	(-)	(-)	(783.65)	(144.35)	(10.04)	(-)	(154.39)	(629.26)	(639.30)
(b) Buildings										
Own use	5,133.86	29.05	-	5,162.91	1,479.55	1,712.33	-	3,191.88	1,971.03	3,654.31
	(4,616.35)	(525.91)	(8.40)	(5,133.86)	(1,416.64)	(67.86)	(4.95)	(1,479.55)	(3,654.31)	(3,199.71)
Given under operating lease	26,589.07	5,792.91	-	32,381.98	935.63	1,713.04	-	2,648.67	29,733.31	25,653.44
	(17,369.24)	(9,219.83)	(-)	(26,589.07)	(514.19)	(421.44)	(-)	(935.63)	(25,653.44)	(16,855.05)
(c) Plant and equipment										
Own use	10,825.64	1,108.10	1,480.21	10,453.53	7,363.09	1,549.02	1,473.56	7,438.55	3,014.98	3,462.55
	(10,474.90)	(984.60)	(633.86)	(10,825.64)	(6,885.96)	(1,094.73)	(617.60)	(7,363.09)	(3,462.55)	(3,588.94)
Given under operating lease	5,830.93	88.95	164.10	5,755.78	1,745.73	489.98	85.74	2,149.97	3,605.81	4,085.20
	(3,377.84)	(2,453.09)	(-)	(5,830.93)	(1,079.43)	(666.30)	(-)	(1,745.73)	(4,085.20)	(2,298.41)
(d) Furniture and fixtures										
Own use	1,468.82	39.64	78.50	1,429.96	919.04	394.71	78.22	1,235.53	194.43	549.78
	(1,489.40)	(47.16)	(67.74)	(1,468.82)	(917.04)	(66.94)	(64.94)	(919.04)	(549.78)	(572.36)
Given under operating lease	720.18	33.02	-	753.20	113.71	253.49	-	367.20	386.00	606.47
	(660.99)	(59.19)	(-)	(720.18)	(71.54)	(42.17)	(-)	(113.71)	(606.47)	(589.45)
(e) Vehicles - Own use										
	85.09	-	30.20	54.89	48.07	24.95	30.19	42.83	12.06	37.02
	(85.09)	(-)	(-)	(85.09)	(42.53)	(5.54)	(-)	(48.07)	(37.02)	(42.56)
(f) Office equipment										
Own use	525.69	36.61	70.30	492.00	215.00	185.99	68.65	332.34	159.66	310.69
	(520.74)	(58.92)	(53.97)	(525.69)	(234.28)	(25.01)	(44.29)	(215.00)	(310.69)	(286.46)
Given under operating lease	108.08	9.48	-	117.56	10.44	40.27	-	50.71	66.85	97.64
	(108.08)	(-)	(-)	(108.08)	(5.31)	(5.13)	(-)	(10.44)	(97.64)	(102.77)
(g) Leasehold improvements										
	336.08	-	-	336.08	165.51	74.03	-	239.54	96.54	170.57
	(336.08)	(-)	(-)	(336.08)	(91.47)	(74.04)	(-)	(165.51)	(170.57)	(244.61)
Total (A)	52,413.14	7,137.76	1,823.31	57,727.59	13,150.16	6,447.85	1,736.36	17,861.65	39,865.94	39,262.98
Previous year (C)	(39,828.41)	(13,348.70)	(763.97)	(52,413.14)	(11,402.74)	(2,479.20)	(731.78)	(13,150.16)	(39,262.98)	(28,425.67)
B INTANGIBLE ASSETS - OWNED										
Computer software	832.57	288.47	-	1,121.04	196.38	271.31	-	467.69	653.35	636.19
	(188.99)	(643.58)	(-)	(832.57)	(19.66)	(176.72)	(-)	(196.38)	(636.19)	(169.33)
Total (B)	832.57	288.47	-	1,121.04	196.38	271.31	-	467.69	653.35	636.19
Previous year (D)	(188.99)	(643.58)	-	(832.57)	(19.66)	(176.72)	(-)	(196.38)	(636.19)	(169.33)
Total (A+B)	53,245.71	7,426.23	1,823.31	58,848.63	13,346.54	6,719.16	1,736.36	18,329.34	40,519.29	39,899.17
Previous year (C+D)	(40,017.40)	(13,992.28)	(763.97)	(53,245.71)	(11,422.40)	(2,655.92)	(731.78)	(13,346.54)	(39,899.17)	(28,595.00)

Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Non-current investments

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Unquoted	Amount	Unquoted	Amount
	Nos.	₹/Lacs	Nos.	₹/Lacs
Investment (At cost)				
Trade investment in equity instruments				
Investment in non-assessable fully paid up equity shares of USD 0.01 each in wholly owned subsidiary - CMC Americas Inc., USA	<u>160,001,000</u>	<u>818.01</u>	160,001,000	818.01
Total	<u>160,001,000</u>	<u>818.01</u>	<u>160,001,000</u>	<u>818.01</u>

Note 12 Deferred tax assets (net)

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Tax effect of items constituting deferred tax liability		
(i) On difference between book balance and tax balance of fixed assets	<u>(1,983.62)</u>	(2,507.39)
	<u>(1,983.62)</u>	<u>(2,507.39)</u>
(b) Tax effect of items constituting deferred tax asset		
(i) Provision for doubtful trade receivables	1,250.14	665.30
(ii) Provision for employee benefits	1,685.28	1,588.06
(iii) Others	514.76	490.42
	<u>3,450.18</u>	<u>2,743.78</u>
Total	<u>1,466.56</u>	<u>236.39</u>

Note 13 Long-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Capital advances - Unsecured, considered good	278.22	498.49
(b) Security deposits - Unsecured, considered good	1,403.92	1,166.17
(c) Loans and advances to employees (Refer note below)		
(i) Secured, considered good	16.80	23.60
(ii) Unsecured, considered good	2.30	2.13
(d) Prepaid expenses - Unsecured, considered good	456.24	171.41
(e) Advance tax (including refunds receivable (net)) - Unsecured, considered good	7,178.34	6,526.98
(f) MAT credit entitlement - Unsecured, considered good	6,929.20	4,327.54
(g) Other loans and advances - Unsecured, considered good	295.87	16.85
Total	<u>16,560.89</u>	<u>12,733.17</u>

Note: Long-term loans and advances to employees include amounts due from:

Managing Director and CEO	-	5.41
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Note 14 Other non-current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Unbilled revenue	4,291.24	2,954.98
Total	<u>4,291.24</u>	<u>2,954.98</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 15 Current investments

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No of Units	₹/lacs	No of Units	₹/lacs
Investment in mutual funds (unquoted)				
(a) Fixed maturity plan (FMP)				
Birla Sun Life - FTP Series - Regular	10,000,000	1,000.00	-	-
ICICI Prudential - FMP Series 73 - 366 Days Plan A	-	-	20,000,000	2,000.00
ICICI Prudential - FMP Series 74 - 368 Days Plan H - Cumulative	25,000,000	2,500.00	-	-
HDFC - FMP Series 31 - 367 Days - Regular - Growth	10,000,000	1,000.00	-	-
Total (A)		4,500.00		2,000.00
(b) Liquid / Liquid plus				
ICICI Prudential Bank and PSU Fund - Regular Plan	3,499,906	500.00	24,869,079	2,503.79
Kotak Floater Short Term - Daily Dividend - Regular Plan	855,525	8,654.66	163,269	1,651.66
Kotak Banking and PSU Debt Fund - Daily Dividend	-	-	51,956,482	5,213.05
HDFC Cash Management Fund	9,440,316	1,004.11	1,420,085	151.05
Birla Sun Life Cash Plus - Daily Dividend - Regular Plan	449,618	450.49	5,511,905	5,530.03
Birla Sun Life Floating Rate Fund - STP - Daily Dividend	654,209	654.54	854,177	855.64
Birla Sun Life Floating Rate Fund - Daily Dividend	710,628	713.44	-	-
Birla Sun Life Saving Fund - Daily Dividend - Regular Plan	2,300,749	2,307.58	-	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend	-	-	1,171,925	1,172.70
ICICI Prudential Flexible Income - Regular Plan	-	-	473,674	500.84
ICICI Prudential Money Market Fund - Regular Growth	1,348,747	1,350.49	-	-
Tata Liquid Fund Plan A - Daily Dividend	-	-	45,379	505.76
IDFC Cash Fund - Daily Dividend - Regular Plan	121,018	1,210.74	-	-
HDFC Liquid Fund - Daily Dividend - Regular Plan	5,116,547	521.80	-	-
Total (B)		17,367.85		18,084.52
Total (A+B)		21,867.85		20,084.52
Note:				
Aggregate amount of current unquoted investments		21,867.85		20,084.52

Note 16 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2015		As at 31 March, 2014	
		₹/lacs		₹/lacs
(a) Finished goods				
Education and training material		26.07		31.33
Others		2.73		4.05
		28.80		35.38
(b) Stock-in-trade				
Goods-in-transit		-		71.74
		169.38		410.88
(c) Stores and spares				
		116.83		178.41
Total		315.01		624.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 Trade receivables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
(i) Unsecured, considered good	7,585.93	8,645.63
(ii) Doubtful	3,677.95	1,957.34
	11,263.88	10,602.97
Less: Provision for doubtful trade receivables	(3,677.95)	(1,957.34)
	7,585.93	8,645.63
(b) Other trade receivables		
Unsecured, considered good	30,983.28	29,675.38
Total	38,569.21	38,321.01

Note 18 Cash and bank balances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
A Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash on hand	64.75	118.42
(b) Cheques, drafts on hand	435.30	146.90
(c) Balances with banks		
(i) In current accounts	1,463.45	1,887.13
(ii) In EEFC accounts	397.46	511.80
(iii) In demand deposit accounts	856.16	11.79
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)	3,217.12	2,676.04
B Other bank balances		
In earmarked accounts		
- Unpaid dividend accounts	35.96	33.09
- Balances held as margin money against guarantees	-	3.50
Total - Other bank balances (B)	35.96	36.59
Total Cash and bank balances (A+B)	3,253.08	2,712.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 19 Short-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
(a) Security deposits		
(i) Secured, considered good	-	131.99
(ii) Unsecured, considered good	533.01	709.62
(iii) Doubtful	137.00	137.00
	<u>670.01</u>	<u>978.61</u>
Less: Provision for doubtful security deposits	(137.00)	(137.00)
	<u>533.01</u>	<u>841.61</u>
(b) Loans and advances to employees (Refer note below)		
(i) Secured, considered good	16.45	24.91
(ii) Unsecured, considered good	135.15	154.32
(iii) Doubtful	113.46	113.46
	<u>265.06</u>	<u>292.69</u>
Less: Provision for doubtful loans and advances to employees	(113.46)	(113.46)
	<u>151.60</u>	<u>179.23</u>
(c) Prepaid expenses - Unsecured, considered good	569.73	437.63
(d) Advance to suppliers		
(i) Unsecured, considered good	713.66	586.94
(ii) Doubtful	181.14	181.14
	<u>894.80</u>	<u>768.08</u>
Less: Provision for doubtful advances to suppliers	(181.14)	(181.14)
	<u>713.66</u>	<u>586.94</u>
(e) Balances with government authorities - Unsecured, considered good		
(i) VAT credit receivable	456.21	426.09
(ii) Service tax credit receivable	559.82	828.63
	<u>1,016.03</u>	<u>1,254.72</u>
(f) Others		
(i) Unsecured, considered good	537.90	1,423.90
(ii) Doubtful	128.20	128.20
	<u>666.10</u>	<u>1,552.10</u>
Less: Provision for other doubtful loans and advances	(128.20)	(128.20)
	<u>537.90</u>	<u>1,423.90</u>
Total	<u>3,521.93</u>	<u>4,724.03</u>

Note: Short-term loans and advances to employees include amounts due from:

Managing Director and CEO	-	1.68
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Note 20 Other current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
Unbilled revenue	21,789.32	18,536.42
Total	<u>21,789.32</u>	<u>18,536.42</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 21 Revenue from operations

Particulars	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
	₹/lacs	₹/lacs
(a) Sale of equipment and software licences	22,087.57	22,849.44
(b) Sale of services (Refer note below)	99,815.05	91,639.66
(c) Rentals from special economic zone	6,943.51	4,490.05
Total	128,846.13	118,979.15

Note:

Sale of services comprises :

(a) Software services	46,965.55	44,513.24
(b) Maintenance services	5,411.10	5,263.17
(c) Facility management services	23,508.39	20,311.98
(d) Education and training	4,821.90	5,313.32
(e) Other services	19,108.11	16,237.95
Total	99,815.05	91,639.66

Note 22 Other income

Particulars	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
	₹/lacs	₹/lacs
(a) Interest income		
(i) Interest from banks on deposits	6.17	0.98
(ii) Interest on loans and advances	1.72	1.85
(iii) Other interest	19.73	611.42
	27.62	614.25
(b) Dividend income		
(i) from current investments in mutual funds	792.45	764.89
(ii) from long-term investments - subsidiary	-	11,746.65
(c) Net gain on sale of current investments in mutual funds	194.46	199.70
(d) Profit on sale of fixed assets (net)	8.77	436.02
(e) Miscellaneous income	344.30	349.31
Total	1,367.60	14,110.82



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 23 Purchase of stock- in- trade

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
Purchase of equipment for resale	20,832.57	19,405.54
Total	20,832.57	19,405.54

Note 24 Changes in inventories of work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
(a) Inventories at the end of the year		
Stock-in-trade	169.38	410.88
(b) Inventories at the beginning of the year		
Stock-in-trade	410.88	1,203.13
Net (Increase)/Decrease	241.50	792.25

Note 25 Employee benefits expense

(Refer note 29.1)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
(a) Salaries and wages	40,270.46	36,836.04
(b) Contributions to provident and other funds	2,104.23	1,753.66
(c) Staff welfare expenses	2,004.83	1,671.14
Total	44,379.52	40,260.84

Note 26 Finance costs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹/lacs	₹/lacs
Interest expenses - others	3.07	0.69
Total	3.07	0.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27 Other expenses

Particulars	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
	₹/lacs	₹/lacs
(a) Consumption of stores and spare parts	2,347.03	2,202.22
(b) Purchased software	391.80	288.13
(c) Subcontracting and outsourcing cost	16,175.80	13,349.92
(d) Electricity charges	2,818.08	2,839.28
(e) Rent including lease rentals (Refer note 29.4)	2,266.95	2,156.34
(f) Repairs and maintenance - Buildings	1,134.60	1,029.88
(g) Repairs and maintenance - Plant and equipment	428.24	387.44
(h) Repairs and maintenance - Others	40.46	44.56
(i) Insurance	155.66	97.35
(j) Rates and taxes	114.52	297.83
(k) Communication and postage	1,083.03	1,013.28
(l) Travelling and conveyance	3,021.20	2,493.26
(m) Printing and stationery	777.02	767.59
(n) Freight and forwarding	342.45	263.98
(o) Business promotion, advertisement and publicity	261.71	254.30
(p) Legal and professional	1,437.15	1,132.35
(q) Education and training		
(i) Payment to franchisees	751.56	1,485.67
(ii) Other expenses	289.08	390.29
(r) Living expenses - overseas contracts	1,658.23	1,585.75
(s) Directors sitting fees	15.70	14.00
(t) Commission to non-executive directors	115.00	100.00
(u) Expenditure on corporate social responsibility	418.14	-
(v) Payments to auditors (Refer note 28.7)	130.24	132.97
(w) Bad trade and other receivables, loans and advances, others written off/ (written back) (net)	(797.23)	(1,779.13)
(x) Net loss on foreign currency transactions and translation	(441.10)	(1,288.19)
(y) Loss on fixed assets written off	6.95	22.88
(z) Provision for doubtful trade and other receivables, loans and advances (net)	1,720.61	1,344.41
(aa) Miscellaneous expenses	894.65	767.69
Total	37,557.53	31,394.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Additional information to the financial statements

28.1 Contingent liabilities and commitments

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
A. Contingent liabilities		
i Contingent liabilities – Pending litigation		
- Claims against the Company not acknowledged as debts*		
• Under litigation	2,511.63	1,976.22
• Demand from income tax authorities	44.36	586.34
• Disputed demands raised by sales tax authorities	341.69	417.11
• Demands raised by service tax authorities	10,558.75	6,173.03
• Disputed demand towards land use conversion fee	2,025.00	2,025.00
• Others	572.04	572.04
ii Contingent liabilities – Others		
Unexpired letters of credit	844.39	709.74
*No provision is considered necessary since the Company expects favorable decisions. The advance paid against the above is ₹ 158.02 lacs (Previous year ₹ 141.81 lacs).		
B. Commitments		
Estimated amount of contracts remaining to be executed on tangible assets (net of advances) and not provided	2,871.51	5,143.11

28.2 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹/lacs	₹/lacs
a. Amounts payable to suppliers under MSMED (suppliers) as on 31 March, 2015		
- Principal	243.42	3.25
- Interest due thereon	-	-
b. Payments made to suppliers beyond the appointed day during the year		
- Principal	0.14	-
- Interest due thereon	-	-
c. Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	-	-
d. Amount of interest accrued and remaining unpaid as on 31 March, 2015	15.68	14.33
e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	1.35	0.26

Note:

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED on the basis of information available with the Company. This has been relied upon by the auditors.

28.3 Unexpired foreign exchange forward contracts

i. The following are outstanding Foreign Exchange Forward contracts as at 31 March, 2015.

Foreign Currency	No. of Contracts	Notional amount of Forward contracts in foreign currency (USD)	Rupee Equivalent ₹/Lacs
USD	-	-	-
	(6)	(18,000,000.00)	(10,811.38)

Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii. The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as on 31 March, 2015 is as follows:

Currency	31 March, 2015		31 March, 2014	
	Receivables/(Payables) (FC)	Rupee equivalent (₹/lacs)	Receivables/(Payables) (FC)	Rupee equivalent (₹/lacs)
EURO	750,413	503.78	-	-
	(53,785)	(36.11)	(-)	(-)
GBP	875,861	810.19	-	-
	(-)	(-)	(-)	(-)
MYR	893,671	150.96	-	-
	(-)	(-)	(-)	(-)
USD	17,329,526	10,844.38	-	-
	(4,148,310)	(2,595.91)	(-)	(-)
AED	939,570	160.09	-	-
	(-)	(-)	(-)	(-)

Particulars	Year ended	Year ended
	31 March, 2015	31 March, 2014
	₹/lacs	₹/lacs

28.4 Value of imports (calculated on CIF basis)

(a) Purchase of equipment for resale	4,698.04	4,213.61
(b) Capital equipment	79.20	460.58

28.5 Expenditure in foreign currency (on accrual basis)

(a) Living expenses - overseas contracts	1,641.50	1,520.44
(b) Travelling and conveyance	102.09	69.85
(c) Overseas branch expenses and others	571.30	587.98
(d) Legal and professional	1,355.26	818.86
(e) Taxes in foreign jurisdiction	35.45	1,996.34
(f) Bad debts written off recovered	-	(1,527.71)

28.6 Earnings in foreign currency (on accrual basis)

(a) Sale of services	38,776.31	32,900.60
(b) Sale of equipment and software licenses	143.49	2,474.99
(c) Dividend income received from subsidiary	-	11,746.65
(d) Interest income - others	-	594.19

28.7 Auditors' remuneration*

Payment to auditors includes auditors' remuneration as follows:

Audit fee (including limited reviews)	55.00	50.50
Tax audit	10.00	9.50
Certification work	7.40	4.75
Reimbursement of out-of-pocket expenses	9.33	8.74
Total	81.73	73.49

* Service tax credit has been / will be availed.

The remuneration disclosed above excludes fees of ₹ 48.51 lacs (Previous year ₹ 59.48 lacs) including ₹ 20.01 lacs (Previous year ₹ 20.75 lacs) for representation before various authorities for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28.8 Details of consumption of imported and indigenous stores and spares

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
	(₹)	(%)	(₹)	(%)
<u>Imported</u>				
(a) stores and spare parts	-	-	-	-
<u>Indigenous</u>				
(a) stores and spare parts	2,347.03	100%	2,202.22	100%

29. Disclosures under Accounting Standards

29.1 Employee benefit plans

a. Defined contribution plans

The Company makes provident fund and superannuation fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 are recognizes, if any, as an expense in the year it is determined.

As of 31 March, 2015, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 33,569.59 lacs and ₹ 30,179.64 lacs respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75%. The actuarial assumptions include discount rate of 8.00% and an average expected future period of 19.87 years.

The Company recognised ₹ 1,749.85 lacs (Previous year ₹ 1,570.71 lacs) for provident fund contributions and ₹ 9.32 lacs (Previous year ₹ 8.99 lacs) for superannuation fund in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

b. Defined benefit plans

i. Gratuity plan

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum of ₹ 10 lacs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

ii Medical plan

The Medical plan liability arises on retirement of an employee. The aforesaid liability for employees retired upto 31 March, 2010 is calculated on the basis of fixed annual amount per employee (based on the basic salary) for eligible employees. For employees retiring after 31 March, 2010, the Company has affected a Health Insurance plan for coverage of Post Retirement Medical expenses. The liability on this account has also been actuarially valued.

The most recent actuarial valuation of the present value of the defined obligation was carried out on 31 March, 2015. The present value of the defined obligation and the related current service cost and past service cost, was measured using Projected Unit Credit Method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. The following tables set out the status of the gratuity plan (funded) and medical plan and amounts recognised in the Company's financial statements as at 31 March, 2015.

Particulars	(All amounts in ₹/lacs)			
	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Gratuity	Medical benefit plan (Unfunded)	Gratuity	Medical benefit plan (Unfunded)
i. Components of employer expense				
Current service cost	205.74	46.24	213.46	47.03
Interest cost	265.70	35.19	235.31	31.65
Expected return on plan assets	(88.56)	-	(58.51)	-
Actuarial losses / (gains)	(37.82)	18.81	(216.30)	(45.52)
Total expense recognised in Statement of profit and loss	345.06	100.24	173.96	33.16
ii. Actual contribution and benefit payments for year				
Actual benefit payments	348.41	39.66	254.14	37.73
Actual contributions	358.59	-	474.55	-
iii. Net asset/ (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	(3,035.11)	(451.59)	(2,952.26)	(391.01)
Fair value of plan assets	1,080.39	-	984.01	-
Funded status [Surplus/ (Deficit)]	(1,954.72)	(451.59)	(1,968.25)	(391.01)
Net asset / (liability) recognised in the balance sheet	(1,954.72)	(451.59)	(1,968.25)	(391.01)
iv. Change in defined benefit obligations (DBO) during the year				
Present value of DBO at the beginning of the year	2,952.26	391.01	2,941.35	395.58
Current service cost	205.74	46.24	213.46	47.03
Interest cost	265.70	35.19	235.31	31.65
Actuarial (gain)/losses	(40.18)	18.81	(183.72)	(45.52)
Benefits paid	(348.41)	(39.66)	(254.14)	(37.73)
Present value of DBO at the end of the year	3,035.11	451.59	2,952.26	391.01
v. Change in fair value of assets during the year:				
Plan assets at the beginning of the year	984.01	-	672.51	-
Expected return on plan assets	88.56	-	58.51	-
Actual company contributions	358.59	-	474.55	-
Actuarial gain/(loss)	(2.36)	-	32.58	-
Benefits paid	(348.41)	-	(254.14)	-
Plan assets at the end of the year	1,080.39	-	984.01	-
Actual return on plan assets	85.96	-	91.09	-
vi. Actuarial assumptions:				
Discount rate	8.00%	8.00%	9.00%	9.00%
Expected return on plan assets	8.00%	-	9.00%	-
Salary escalation	6.00%	-	4.00%	-
Attrition for service:				
- below 5 years	14.10%	14.10%	20.00%	20.00%
-5 years and more	7.90%	7.90%	20.00%	20.00%
Mortality tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
vii. Estimate of amount of contribution in the immediate next year	774.65	-	710.43	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in ₹/lacs)

viii. Experience adjustments

Particulars	2015	2014	2013	2012	2011
Gratuity					
Present value of DBO	3,035.11	2,952.26	2,941.35	2,898.52	2,643.27
Fair value of plan assets	1,080.39	984.01	672.51	565.73	514.12
Funded status - (Deficit)	(1,954.72)	(1,968.25)	(2,268.84)	(2,332.79)	(2,129.15)
Experience gain / (loss) adjustments on plan liabilities	(40.18)	(183.72)	(258.97)	(129.20)	72.05
Experience gain / (loss) adjustments on plan assets	2.36	32.58	6.03	(11.27)	178.34
Post Retirement Medical Benefits					
Present value of DBO	451.59	391.01	395.58	412.94	382.61
Fair value of plan asset*	-	-	-	-	-
Funded status - (Deficit)	(451.59)	(391.01)	(395.58)	(412.94)	(382.61)
Experience gain / (loss) adjustments on plan liabilities	18.81	(45.52)	(21.67)	29.47	(0.79)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

* Plan is unfunded

Notes:

- The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets is not available with the Company.
- The discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

29.2 Segment information

(a) Financial information about the primary business segments is given below:

Particulars	(All amount in ₹/ lacs)					
	CS	SI	ITeS	E&T	SEZ	Total
i. Revenue	39,883.28	47,402.64	29,153.40	5,463.30	6,943.51	128,846.13
	(36,902.62)	(45,497.30)	(26,296.92)	(5,792.26)	(4,490.05)	(118,979.15)
ii. Segment results	1,476.55	17,058.51	8,326.27	65.84	4,400.87	31,328.04
	(1,848.64)	(19,758.00)	(7,845.00)	(631.39)	(3,343.85)	(33,426.88)
iii. Unallocable expenses						10,332.48
						(8,957.02)
iv. Operating income						20,995.56
						(24,469.86)
v. Other income						1,367.60
						(14,110.82)
vi. Profit before tax and exceptional items						22,363.16
						(38,580.68)
vii. Exceptional item						1,882.78
						(-)
viii. Profit before tax						20,480.38
						(38,580.68)
ix. Tax expense						702.70
						(6,219.99)

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(All amount in ₹/ lacs)					
	CS	SI	ITeS	E&T	SEZ	Total
x. Net profit for the year						19,777.68 (32,360.69)
xi. Segment assets	31,339.83 (24,902.27)	25,750.46 (28,583.58)	10,880.08 (9,700.68)	3,377.74 (4,040.85)	37,971.40 (37,981.02)	109,319.51 (105,208.40)
xii. Unallocable assets						47,506.47 (41,507.71)
xiii. Total assets						156,825.98 (146,716.11)
xiv. Segment liabilities	12,208.37 (11,811.53)	7,181.00 (6,741.72)	4,182.49 (3,995.52)	2,685.47 (3,280.79)	1,871.08 (2,508.21)	28,128.41 (28,337.77)
xv. Unallocable liabilities						9,591.62 (10,717.57)
xvi. Total liabilities						37,720.03 (39,055.34)
xvii. Other information						
Capital expenditure (allocable)	93.12 (7.87)	547.20 (682.17)	131.08 (57.59)	91.28 (29.98)	2,405.22 (7,700.92)	3,267.90 (8,478.53)
Capital expenditure (unallocable)						2,940.81 (2,254.19)
Depreciation and amortisation expense (allocable)	176.21 (65.06)	554.89 (326.58)	79.19 (47.89)	225.75 (109.55)	2,496.79 (1,033.77)	3,532.83 (1,582.85)
Depreciation and amortisation expense (unallocable)						3,186.33 (1,073.07)
Other significant non-cash expense (allocable)	554.80 (396.05)	331.95 (717.50)	162.61 (66.98)	767.50 (181.83)	-	1,816.86 (1,362.36)
Other significant non-cash expense (unallocable)						5.56 (-)

Notes:

- Unallocated assets include investments, advance tax and tax deducted at source.
- Unallocated liabilities include deferred tax/current tax liabilities, proposed dividend and tax on proposed dividend.
- Amounts in brackets represent previous year's figures.

(b) Geographical Segment

Particulars	(All amounts in ₹/lacs)				
	India	United States of America	United Kingdom	Others	Total
Segment revenue					
- Revenue from operations	90,575.30 (84,262.12)	27,324.10 (23,271.55)	3,356.22 (4,190.66)	7,590.51 (7,254.82)	128,846.13 (118,979.15)
- Other income	1,365.23 (13,510.01)	2.09 (3.41)	0.19 (1.30)	0.09 (596.10)	1,367.60 (14,110.82)
Segment assets	143,261.19 (129,713.40)	7,207.66 (6,112.51)	1,685.97 (1,315.92)	4,671.16 (9,574.28)	156,825.98 (146,716.11)
Segment liabilities	36,329.57 (38,214.76)	600.39 (122.04)	248.34 (298.22)	541.73 (420.32)	37,720.03 (39,055.34)

Note: Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29.3 Related party disclosures

(a) List of related parties

i. Ultimate Holding Company

- Tata Sons Limited

ii Holding Company

- Tata Consultancy Services Limited

iii. Subsidiary

- CMC Americas Inc., USA

iv. Step-down Subsidiary

- CMC eBiz, Inc. (wholly owned subsidiary of CMC Americas Inc.)

v. Fellow Subsidiaries

- Tata AIG General Insurance Company Limited
- Tata Consultancy Services, Netherlands BV
- Tata Consultancy Services Sverige AB
- Tata Business Support Services Limited (formerly E2E Serwiz Solutions Limited)
- Infiniti Retail Limited
- Tata Consultancy Services, Asia Pacific Pte Limited
- Tata Housing Development Company Limited
- Tata Consultancy Services Deutschland GmbH
- Tata International Limited
- Tata Realty and Infrastructure Limited
- Tata Value Homes Limited
- Tata Africa Holdings (Tanzania) Limited
- Tata Africa Services (Nigeria) Limited
- Tata Capital Forex Limited
- TCS Foundation

vi. Key Management Personnel

- Mr.R.Ramanan

(b) Transactions /balances outstanding with related parties.

	(All amounts in ₹/lacs)					
Transactions/ Outstanding Balances	Ultimate Holding Company	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
Sale of goods	4.01	447.13	-	193.87	-	645.01
	(1.34)	(1,787.30)	(-)	(292.21)	(-)	(2,080.85)
Service income	51.25	23,520.37	27,324.10	860.41	-	51,756.13
	(39.26)	(23,456.31)	(23,271.66)	(769.59)	(-)	(47,536.82)
Dividend income	-	-	-	-	-	-
	(-)	(-)	(11,746.65)	(-)	(-)	(11,746.65)
Purchase of fixed assets	-	-	-	4.32	-	4.32
	(-)	(-)	(-)	(0.49)	(-)	(0.49)

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Transactions/ Outstanding Balances	Ultimate Holding Company	Holding Company	Subsidiary Company	Fellow Subsidiary	(All amounts in ₹/lacs)	
					Key Management Personnel	Total
Purchase of goods/services	17.25	603.53	6.52	20.02	-	647.32
	(25.02)	(754.98)	(6.70)	(82.61)	(-)	(869.31)
Managerial Remuneration	-	-	-	-	222.05	222.05
	(-)	(-)	(-)	(-)	(180.27)	(180.27)
Brand equity contribution	188.79	-	-	-	-	188.79
	(168.00)	(-)	(-)	(-)	(-)	(168.00)
Purchase of foreign currency/ others	-	-	-	138.02	-	138.02
	(-)	(-)	(-)	(-)	(-)	(-)
Expenditure on corporate social responsibility	-	-	-	196.80	-	196.80
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	3,485.23	-	-	-	3,485.23
	(-)	(2,710.74)	(-)	(-)	(-)	(2,710.74)
Reimbursement of expenses to the Company	6.69	3,513.56	-	-	-	3,520.25
	(2.66)	(2,256.74)	(-)	(-)	(-)	(2,259.40)
Balances outstanding at the end of the year						
Trade payables / Advances received from customers	187.55	253.62	2.08	26.87	-	470.12
	(152.62)	(628.30)	(6.17)	(-)	(-)	(787.09)
Income received in advance	-	64.54	57.10	8.99	-	130.63
	(8.64)	(168.43)	(122.04)	(7.14)	(-)	(306.25)
Security deposits	-	1,266.48	-	-	-	1,266.48
	(-)	(-)	(-)	(-)	(-)	(-)
Investment in share capital	-	-	818.01	-	-	818.01
	(-)	(-)	(818.01)	(-)	(-)	(818.01)
Trade receivables	23.00	5,719.27	6,722.48	440.07	-	12,904.82
	(49.61)	(5,062.54)	(6,032.79)	(364.88)	(-)	(11,509.82)
Loans and advances	-	-	-	30.62	-	30.62
	(-)	(-)	(-)	(-)	(7.09)	(7.09)
Unbilled revenues	-	7,102.38	401.21	262.77	-	7,766.36
	(-)	(6,074.81)	(88.97)	(180.84)	(-)	(6,344.62)

Note: Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type.

		(All amounts in ₹/lacs)	
Notes Ref.	Particulars	Year ended/As at 31 March, 2015	Year ended/As at 31 March, 2014
(a)	Sale of goods		
	Tata Housing Development Company Limited	106.47	31.89
	Tata AIG General Insurance Company Limited	-	55.89
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	71.94	204.43
(b)	Service income		
	Tata AIG General Insurance Company Limited	267.68	219.69
	Tata Consultancy Services, Asia Pacific Pte Limited	14.31	118.30
	Tata Housing Development Company Limited	186.07	136.23
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	150.86	258.27
	Tata Africa Services (Nigeria) Limited	189.55	-
(c)	Purchase of fixed assets		
	Infinity Retail Limited	4.32	0.49
(d)	Purchase of goods / services		
	Tata AIG General Insurance Company Limited	8.76	-
	Tata Consultancy Services Deutschland GmbH	11.23	64.99
(e)	Managerial remuneration		
	R. Ramanan	222.05	180.27
(f)	Purchase of foreign currency/others		
	Tata Capital Forex Limited	138.02	-
(g)	Expenditure on corporate social responsibility		
	TCS Foundation	196.80	-
(h)	Trade payable / advances received from customers		
	Tata Capital Forex Limited	17.77	-
	Tata Consultancy Services Deutschland GmbH	9.10	-
(i)	Income received in advance		
	Tata AIG General Insurance Company Limited	8.84	4.45
	Tata Housing Development Company Limited	0.15	2.69
(j)	Trade receivables		
	Tata AIG General Insurance Company Limited	156.31	187.08
	Tata Housing Development Company Limited	139.43	105.95
	Tata Consultancy Services, Asia Pacific Pte Limited	-	29.36
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	27.20	31.21
	Tata Africa Services (Nigeria) Limited	108.88	-
(k)	Advances paid/loans		
	Tata AIG General Insurance Company Limited	7.86	-
	Tata Africa Services (Tanzania) Limited	22.76	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in ₹/lacs)

Notes Ref.	Particulars	Year ended/As at 31 March, 2015	Year ended/As at 31 March, 2014
(I)	Unbilled revenue		
	Tata Consultancy Services, Asia Pacific Pte Limited	-	41.64
	Tata AIG General Insurance Company Limited	151.71	102.22
	Tata Housing Development Company Limited	14.38	13.71
	Tata Business Support Services Limited	12.94	23.28
	Tata Africa Services (Nigeria) Limited	83.75	-

29.4 Lease commitments**Obligations towards operating leases (As lessee)**

The Company has entered into operating lease arrangements for certain facilities and office premises. Rent expenses of ₹ 1,135.45 lacs (Previous year ₹ 1,110.48 lacs) in respect of obligation under non-cancellable operating leases have been recognised in the Statement of Profit and Loss. Further a sum of ₹ 1,131.50 lacs (Previous year ₹ 1,045.86 lacs) has been charged to the Statement of Profit and Loss in respect of cancellable operating leases.

The total of future minimum lease payments under non-cancellable operating leases for the following periods:

Particulars	As at 31 March, 2015 (₹/lacs)	As at 31 March, 2014 (₹/lacs)
a. Not later than one year	1,121.95	1,045.71
b. Later than one year but not later than five years	2,769.98	2,804.35
c. Later than five years	167.75	185.39

29.5 Earnings per share

Particulars	Units	Year ended 31 March, 2015	Year ended 31 March, 2014
Net profit attributable to shareholders	₹/ lacs	19,777.68	32,360.69
Weighted average number of equity shares in issue	Nos./lacs	303.00	303.00
Earnings per share basic and diluted	₹	65.27	106.80
Face value per Equity share	₹	10.00	10.00

29.6 Research and development expenditure

Particulars	Year ended 31 March, 2015 (₹/ lacs)	Year ended 31 March, 2014 (₹/ lacs)
Employee benefit expenses	1,118.49	901.54
Purchased software	23.49	61.25
Subcontracting and outsourcing cost	93.31	52.07
Communication and postage	3.07	31.84
Travelling and conveyance	20.31	13.30
Legal and professional	2.73	0.13
Depreciation and amortisation expenses	1,033.50	42.03
Miscellaneous expenses	10.67	70.70
Total expenditure recognised as expenses	2,305.57	1,172.86

Amounts aggregating to ₹ 70.15 lacs (Previous year ₹ 67.05 lacs) have been capitalised during the year.

- 30.** During the financial year 2013-14, the Company had received a favourable decision in a legal case against a customer which had resulted in increase in profit before tax by ₹ 3,766.15 lacs for the year ended 31 March, 2014. The increase was on account of increase in income from operations and other income by ₹ 1,897.77 lacs and ₹ 594.19 lacs respectively, increase in purchase of stock in trade by ₹ 582.81 lacs and reduction in other expenses by ₹ 1,857.00 lacs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. During the year, the Company has revised the estimated useful life of its assets to align the useful life as assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. The details of previously applied useful life and revised useful life are as follows:

Class of asset	Estimated previous useful life (Years)	Estimated revised useful life (Years)
Buildings	60	20
Plant and equipment		
- Computers	6	4
- Others	6	10
Furniture and fixtures	15	5
Vehicles	10	4
Office equipment	21	5

32. The Company has revised its policy of providing depreciation on fixed assets effective 1 April, 2014. Depreciation is now provided based on the revised remaining useful life which has been revised based on an evaluation. The carrying amount as on 1 April, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended 31 March, 2015 of ₹ 6,719.16 is higher by ₹ 3,756.87 lacs and the effect relating to the period prior to 1 April, 2014 is ₹ 1,882.78 lacs (excluding deferred tax credit of ₹ 639.96 lacs) which has been shown as an 'Exceptional Item'. Accordingly, depreciation and amortisation expense for the year ended 31 March, 2015 aggregates to ₹ 4,836.38 lacs.
33. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

N. Chandrasekaran
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

Mumbai
9 April, 2015



CMC LIMITED

CIN : L72200TG1975PLC001970

CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad – 500 032 (TG)

Tel: 91 11 2373 6151, Fax: 91 11 23736159 E-mail: investor.relations@cmcltd.com, Website: www.cmcltd.com

**ATTENDANCE SLIP
39TH ANNUAL GENERAL MEETING ON THURSDAY, 11 JUNE, 2015**

Mr./Mrs./Miss.....

Address

Folio No. (Physical holding)).....DP ID (Demat holding).....Client ID.....

No. of shares held

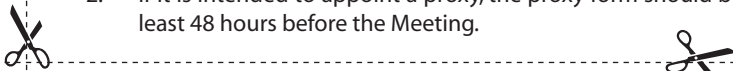
I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 39th Annual General Meeting (AGM) of the Company on Thursday, 11 June, 2015, at 3:00 p.m. at the Registered Office of the Company at CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad – 500 032, Telengana, India or any adjournment thereof.

[Signature of Shareholders/Proxy(s)]

Notes:

1. Shareholder/proxyholder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over the same at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the proxy form should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L72200TG1975PLC001970
 Name of company : CMC LIMITED
 Registered Office : CMC Centre, Old Mumbai Highway, Hyderabad – 500 032 (TG), India
 Name of the member (s) :
 Registered address :
 Folio No./ Client Id:
 DP ID :
 E-mail Id :

I/We, being the member (s) of shares of the above named Company, hereby appoint:

1. Name : E-mail Id :
 Address :
 Signature : or failing him/her
2. Name : E-mail Id :
 Address :
 Signature : or failing him/her
3. Name : E-mail Id :
 Address :
 Signature : or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual general meeting of the Company to be held on Thursday, 11 June, 2015 at 3:00 p.m. at the Registered Office of the Company at CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad- 500 032 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution number	Description of Resolutions	Assent	Dissent
Ordinary Business:			
1.	Adoption of Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2015 including audited Balance Sheet as at 31 March, 2015 and the Statement of Profit & Loss for the year ended on that date and the reports of the Board of the Directors and Auditors thereon.		
2.	Declaration of dividend on equity shares for the financial year 2014-15.		
3.	Appointment of a Director in place of Mr. Seturaman Mahalingam, who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Ratification of the appointment of M/s Deloitte Haskins & Sells as Statutory Auditors of the Company.		
Special Business:			
5.	Appointment of Mr. Natarajan Chandrasekaran as Director of the Company.		
6.	Appointment of Ms. Aarthi Subramanian as Director of the Company.		

Signed this _____ day of _____ 2015

Signature of shareholder..... Signature of Proxy holder(s).....



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.



CMC's bespoke IT solutions for every business need.
Providing solutions across the globe.

AWARDS AND RECOGNITIONS



- Certificate of Recognition by Institute of Company Secretaries of India (ICSI) for Excellence in Corporate Governance for the year 2013
- Certificate of Recognition by Institute of Company Secretaries of India (ICSI) for Excellence in Corporate Governance for the year 2014
- BEST INTERNAL CAMPAIGN during Tata Volunteering Week by Tata Sustainability group
- SAP Accreditation for Partner Quality Programme
- Golden Globe Tiger Award for Best Training Initiative for Infrastructure Sector for their Post Graduate Programme in Construction Project Management program in association with Unitec
- Golden Globe Tiger award for Best Private/Commercial public program for CMC job enablement Training programme- C Jet
- Thomas Assessments National Award for Excellence in HR Process Digitization 2014 by Delhi Management Association (DMA)
- Runners Up Trophy in Best Practices Award for HR Analytics by Society for HR Management (SHRM)
- India SME Excellence Award, 2014 in the mid-corporate service sector category by Small and Medium Business Development Chamber of India
- CFO J K Gupta conferred “Business Excellence and Innovative Best Practice Award 2015” by New Delhi Institute of Management
- CFO J K Gupta awarded Roll of Honour by CFO India magazine at 5th CFO100 conference for “Exceptional caliber and contribution to the world of finance”

ICSI NATIONAL AWARD FOR EXCELLENCE IN CORPORATE GOVERNANCE FOR 2013



Mr R Ramanan, MD & CEO, Mr J K Gupta, CFO and Mr Vivek Agarwal, Company Secretary receiving the Certificate of Recognition from Mr Arun Jaitley, Minister of Finance, Corporate Affairs and Information and Broadcasting.

ICSI NATIONAL AWARD FOR EXCELLENCE IN CORPORATE GOVERNANCE FOR 2014



Mr R Ramanan, MD & CEO, Mr J K Gupta, CFO and Mr Vivek Agarwal, Company Secretary receiving the Certificate of Recognition from Mr Sadananda Gowda, Union Minister of Law and Justice in the presence of Ms Meenakshi Lekhi, Member of Parliament.

