TATA CONSULTANCY SERVICES LIMITED

Annual Report **2009 - 10**

Cover image: **TCS Siruseri, Chennai, India.**

Set up in the Siruseri Special Economic Zone, Chennai, this campus will be the single largest of its kind in Asia, showcasing the technical and engineering capabilities of TCS. This facility, housing six software development blocks, will accommodate over 22,000 IT professionals in a built-up area of 5 million sq.ft. It will include recreational and fitness facilities as well as dedicated client engagement zones. Siruseri is a green building project which extensively employs a rain water harvesting facility and a treatment plant for recycling water with zero discharge.

The Annual General Meeting will be held on Friday, July 2 , 2010, at Birla Matushri Sabhagar, Sir V. T. Marg, Mumbai 400020, at 3.30 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.

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Board of Directors

R N Tata
Chairman

S Ramadorai
Vice Chairman

A Mehta
Director

N Chandrasekaran
Chief Executive Officer and Managing Director

S Mahalingam
Chief Financial Officer and Executive Director

P A Vandrevala
Executive Director and Head, Global Corporate Affairs

C M Christensen
Director

R Sommer
Director

Laura Cha
Director

I Hussain
Director

V Kelkar
Director

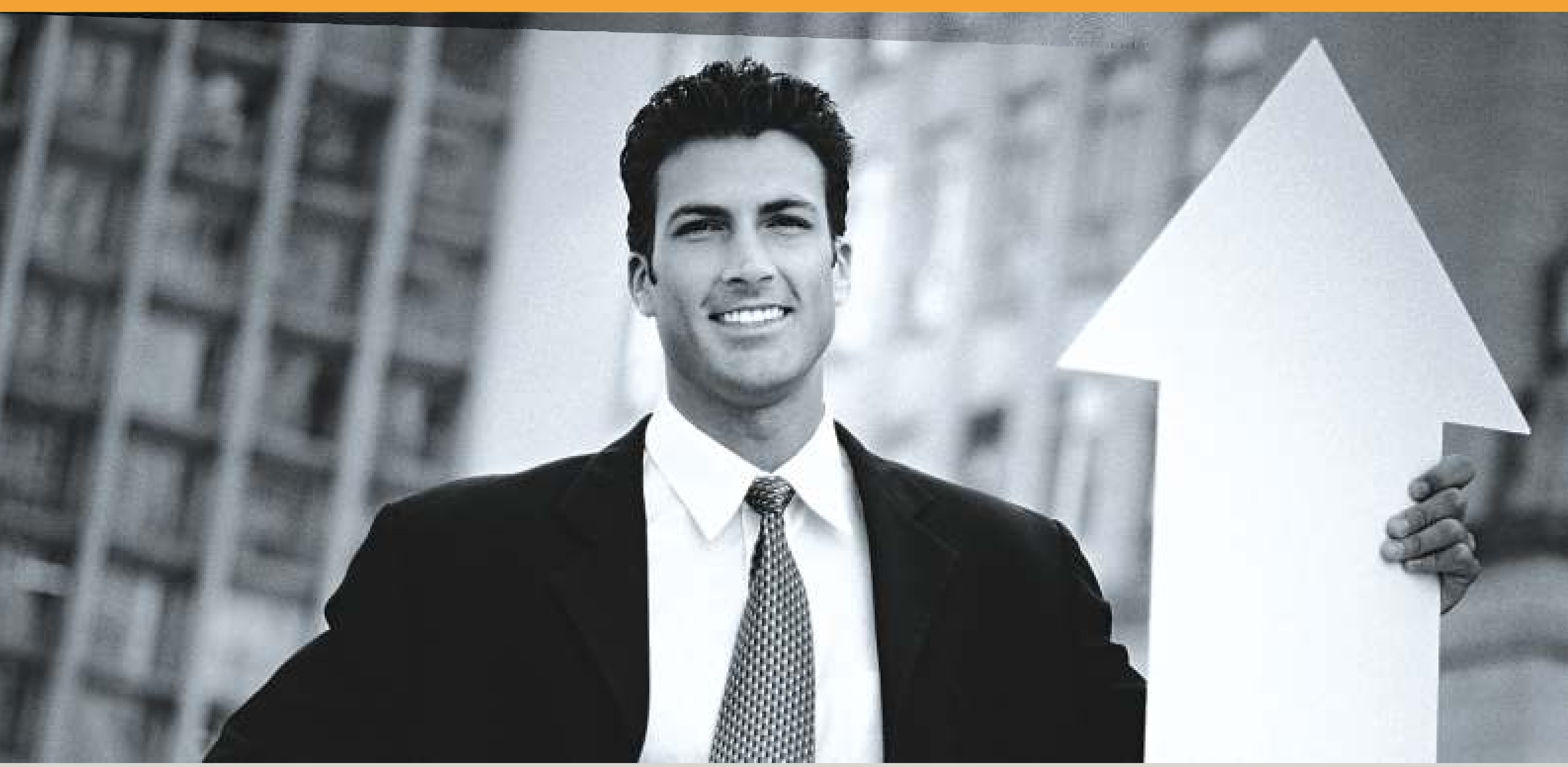
V Thyagarajan
Director

Financial Highlights

8% Growth in Consolidated Revenue to **Rs. 30,029** crore

22% Growth in Consolidated Operating Profit to **Rs. 8,018** crore

33% Growth in Consolidated Profit after Tax to **Rs. 7,001** crore



Our Leadership Team

(Standing - Left to Right)

P A Vandrevala
Executive Director and Head,
Global Corporate Affairs

A Mukherjee
VP and Head,
Global Human Resources

(Sitting - Left to Right)

N Chandrasekaran
Chief Executive Officer and
Managing Director

S Mahalingam
Chief Financial Officer and
Executive Director

Letter from CEO

Your Company kept its focus on the simple things: Remain close to customers and help them enhance efficiency and enable growth; focus on execution to deliver a superior quality of experience; and manage costs and operations optimally.

Dear Members,

In a year marked with challenges and opportunities, your Company has achieved credible financial results. On a consolidated basis, revenues have grown 8 per cent to Rs. 30,029 crore ($6.34 billion) driven by robust volume growth of 17 per cent.

Revenue growth was translated into higher profitability at the operating and net levels on the back of good execution. On a consolidated basis, operating profits (EBT before Other Income) grew to Rs. 8,018 crore, an increase of 21.91 per cent during the year. As a result, operating margins increased to near historic highs of 26.7 per cent up from 23.66 per cent last year.

Profits after tax increased to Rs. 7,001 crore, a growth of 33.2 per cent in 2009-10. Net margin stood at 23.32 per cent for 2009-10 up from 18.91 per cent in the previous year. Our Earnings per share for the year were Rs. 35.67.

This stellar performance has helped us reward our shareholders in a significant manner with a total dividend of Rs. 20 per share, subject to shareholder approval. In addition to interim dividends of Rs. 2 per share paid every quarter on an expanded equity base following the bonus issue in 2009-10, the Board of Directors have recommended a final dividend of Rs. 4 per share as well as a special dividend of Rs. 10 per share.

This takes the total dividend payout ratio to 65.6 per cent on a consolidated basis in 2009-10 – among the highest in the corporate sector in India. This is a strong signal about our policy of rewarding shareholders on a consistent basis.

When we entered the financial year, the demand environment was very uncertain. As a Company, our priority was to capture growth opportunities. To do this, we needed an organisation that was not only domain-intensive and customer centric but also agile, adaptable and accountable. I am happy to report that your Company's new organisational structure was able to capitalize on the growth opportunities by displaying these attributes. This has helped your Company emerge from the global recession with a stronger market position and a compelling value proposition for its customers. We are an integral part of the business recovery process, globally.

Your Company focused on doing the simple things well. We kept our focus on the customers, understood their business pain points and worked to solve them. As a result, we have been able to increase the number of active clients to 1034 and also increased the number of clients across revenue bands.

The changing dynamics of the market drove the point home that your Company must always be frugal and efficient. We must have the ability to manage costs without compromising on the investments required. The focus on operational execution witnessed your Company using all necessary operational levers in 2009-10. As a result, our off-shore revenues rose to 51 per cent from 44.2 per cent in the previous year.

From an industry perspective, the business recovery was led by the Banking and Financial Services industry with Retail, Energy and Utilities, Life Sciences playing a supporting role. By the year end, we had begun seeing signs of recovery in other sectors like Telecom, Hi-Tech and Manufacturing. Our telecom revenues suffered significantly as there was drop in volumes from one large European telecom service provider and this could not be compensated despite growth in the telecom business in emerging markets.

In terms of services, Assurance, BPO and Infrastructure continued to grow at higher than Company average. We are also beginning to see larger deals coming through in the traditional Application Development and Maintenance (ADM) space as well. Discretionary spending remained under pressure for most of the year and our products unit and consulting group were negatively impacted in the first half before returning to growth in the second half.

Looking at markets, North America continued to lead the major markets in terms of growth. UK also grew but the rest of Europe remained slow and stagnant. Our scale in Emerging Markets like Latin America, China, Middle East and Africa continued to grow and now contributes revenues of over $1 billion but remain largely project based and not annuity.

Your Company continues to focus on developing talent. The Company honored all the campus offers it had made in 2008-09. The fourth quarter saw the single largest organic addition of 16,851 professionals on a consolidated basis. Given the volatile economic environment at the beginning of 2009-10, there was no annual increment for employees but as the business recovered from the second quarter

Letter from CEO

onwards, employees were rewarded with quarterly variable payouts of between 125-150 per cent and promotions. Your Company remains focused on providing a unique employee experience for its 160,000 professionals and helping them realise their potential.

Your Company's strategy continues to be very relevant and is paying rich dividends for the business. For a large organisation operating in over 42 countries, it is imperative to make strategic bets, stay the course and deliver on them without getting distracted by short-term opportunities. To sustain growth, your Company has a five pronged strategy.

One: A strong focus on the customer enabled by a customer-centric organisation with domain capabilities, backed by excellence in execution. This strategy is working as we continue to migrate customers into higher revenue bands and increase the number of key customers.

Two: Enhance our value proposition to the customer through the power of our integrated full services play. This unifies the IT environment with operations and remote infrastructure management to always deliver efficiencies and transformation where needed. At the end of 2009-10, over 25 per cent of your Company's revenues came from new services like BPO, Infrastructure, Assurance and Asset Leveraged Solutions, reflecting the effectiveness of this strategy.

Three: Our global engagement model is maturing as our investment in the Global Network Delivery Model™ is acquiring scale in places like China, Brazil, Mexico and Hungary. Moreover, its relevance is only increasing in the new global context, where consumers in Emerging Markets like China, India, Latin America are being seen as engines of global growth going forward as developed markets undergo a deleveraging process in their consumer and financial sectors.

Four: Our focus on Experience certainty as an important proposition is more relevant today than ever before to our global customers. Just as we have come to be known for our certainty of delivery, we must now focus on providing a quality of experience in order to open doors to new opportunities.

Five: Growth through non-linear growth models is a strategic priority. Your Company is working on several models to achieve this. The most mature is our products business. This business contributed 3.3 per cent of revenues in 2009-10 and grew by 23.3 per cent during the year. While the majority of products are in the Banking and Financial Services sectors, your Company is also developing solutions in healthcare, retail and government sectors.

The other non-linear initiatives are all at an investment stage. They are all exciting new business models for technology use based on cloud computing initiatives. Among the segments your Company is targeting include small and medium enterprises, rural and cooperative banks. It is also building Process Clouds on a number of horizontal and vertical processes. These investments will mature and progress beyond pilots in the next financial year.

Your Company will continue to drive these strategies that help us become more customer centric and better positioned to capture bigger growth opportunities in the market place. As an organisation, we will continue to adapt, remain agile and be accountable. We continue to build capabilities, scale up our global engagement model as well as our full services offerings.

Other partners and stakeholders, including the global influencers and the media, continue to appreciate and applaud TCS for its thought leadership and innovation with awards and recognitions.

We continue to make progress every year in the area of corporate sustainability. The positive environmental impact made by the Company is increasing and our efforts in this area have been ranked A+ by the Global Reporting Initiative.

Your Company has a robust business model that is even more relevant today. Four decades ago, when your Company began to promote the concept of global sourcing in IT and application services, it was a market defining model. Today, it is the mainstream model for the global IT industry. Your Company has the same opportunity to create new business models for the future.

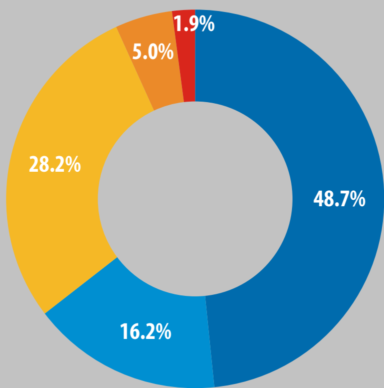
I look forward to your support as together we take this Company to the next level of growth.

Yours Sincerely,

N Chandrasekaran
CEO and MD
May 24, 2010

Operational Highlights

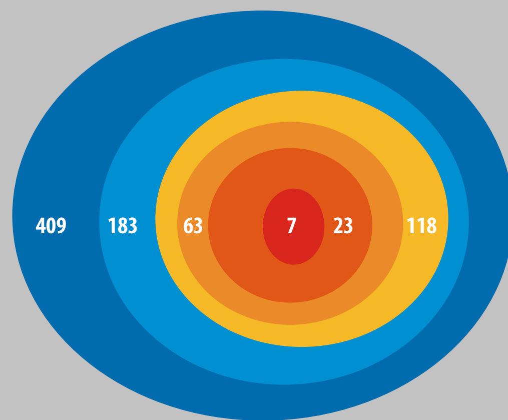
New Services yield over 25 per cent of total revenues



Services

- Application Development and Maintenance
- Business Intelligence + Enterprise Solutions
- New Services
  - Business Process Outsourcing
  - Infrastructure Services
  - Asset Leverage Solutions
  - Assurance Services
- Engineering and Industrial Solutions
- Global Consulting

Growing Engagement with Customers

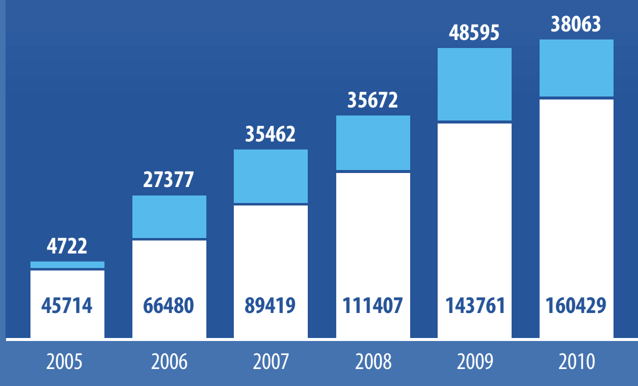


Clients - US $

1 MN · 5 MN · 10 MN · 20 MN · 50 MN · 100 MN

160,429

of the world's best trained IT consultants



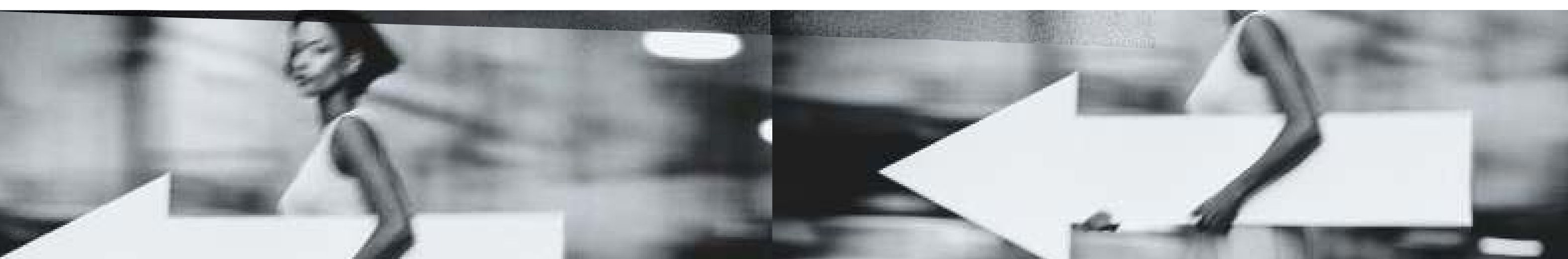
Additions · Total Employees

Delivering Domain Depth

Today's global market dynamics dictate that customers need partners who excel in technology services and also deliver a holistic impact on their business. Customers want a full-service, strategic business partner with comprehensive multi-industry domain expertise and the ability to help identify, comprehend and solve business problems with integrated solutions.

At TCS, we anticipated these market changes and positioned the Company as an agile, accountable and adaptable organisation. Organised in modular customer-centric, Domain-led units, this design helps us constantly sharpen and grow our competencies across all industries. The Company continues to make investments in scaling its global engagement model through a network of solution centers and innovation labs. This domain expertise provides business driven solutions that are focused, flexible and forward-thinking. Alongside these centers and labs, TCS employees are obtaining industry recognized certifications and training to ensure the Company's services and offerings are well ahead of the curve in each industry we serve. Our customers and partners as well as other stakeholders recognise our growing expertise in many disciplines with awards and recognition.

Our unique "Domain-led Services" approach has gained significant traction as global business begins a process of recovery. Our experts and consultants helped our customers proactively to identify solutions to business problems in areas such as cost management, operational improvement and customer retention. They helped our customers to navigate on to a recovery path with speed and finesse. Our customers benefit greatly from our Domain-led offerings because of the lucid understanding of their business, embedded in our solutions. Our industry leading domain capabilities, customer focus and agile structure helped us stay close to our customers during the entire business cycle. We remain uniquely positioned to help our customers enter new markets or product segments faster and deliver greater business value as they embark on a renewed period of growth.



Banking, Financial Services and Insurance

Largest vertical; more than 45,000 associates; Serves 12 of top 20 Banks and 25 of top 100 Insurers globally; Built unified internet delivery channel for a large European Bank by consolidating and transforming multiple applications; Transformed Core Insurance Systems for a large US Insurer; First Company to build Carbon Credit Trading and Settlement Platform.

Telecom

Operates telecom systems catering to over 400 million global subscribers; Helps 2 of the world's fastest growing telecom companies add over 2.5 million subscribers a month; Serves 7 of 10 leading global service providers; Partners with industry-leading product companies to help them launch next generation products world-wide.

Retail

Serves 5 of Top 10 Global Retailers across all segments - from general merchandise, food and grocery, specialty, apparel, department stores, supermarkets to pharmacy retailers; Executed transformation program for a leading US specialty retailer that helped improve inventory turns to 3.5x from 2.1x and reduced Shrink and Damages to 1.4per cent of Sales from 2.2 per cent.

Manufacturing

Executed over 20 breakthrough consulting assignments including redefining reliability and warranty cost coverage and innovative total enterprise cost-based transformation for an automotive OEM; Supply chain as a service resulted in a large scale transformation for a large chemical manufacturer, while substantially reducing cost of transactions.

Hi Tech

Serves 13 out of the Top 15 leading innovators in this industry including the Top 6 Semiconductor companies; Partners with 7 out of the top 10 independent Software product companies to enhance their Research and Development productivity and provide end-to-end IT services achieving benchmark efficiencies; Executed a transformation program involving merger of business and IT systems for 2 leading global semiconductor companies; Ensures efficiency and cost improvements across all services in product life cycle management.

Life-Sciences and Healthcare

Advanced domain experts are serving 7 of the Top 10 Global Pharmaceutical companies across the value chain; The Clinical Services practice facilitates major go-to-market improvements for pharmaceutical clients and the Computational Biology Lab provides cutting edge research and innovation; Awarded #1 Supplier Status and "Best Global supplier" by Global Top 5 and Top 15 clients in Pharma sector.

Travel, Transportation and Hospitality

Serves Global Top 10 customers across Airlines, Shipping and Hospitality segments; Based on the IP created from the Travel Innovation Lab, a leading European airline has chosen TCS to be a partner in its multi-million dollar Enterprise Transformation program; We have created the framework to maximize container utilization for a large Liquid Bulk Shipper.

Energy, Resources and Utilities

Strong industry depth is illustrated by the recognition Thames Water received at the UK Utilities Awards by winning "Best IT Initiative of the Year" for the GIS project delivered by TCS; Strategic partner in transformational IT program for a Top 3 Oil and Gas Company; Only system integrator in the construction industry involved in FIATECH led initiatives for implementing the ISO 15926 standard for data interoperability.

Delivering Domain Depth

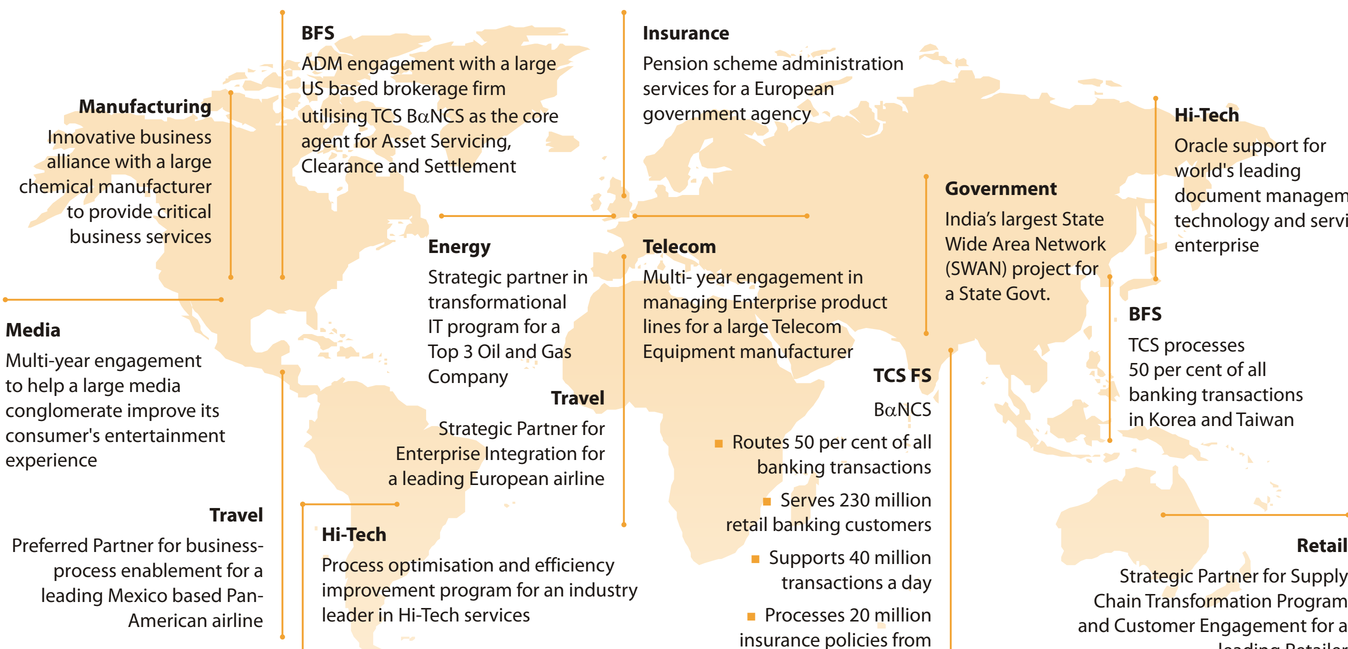
Media and Information Services

TCS solutions enable entertainment companies to distribute their content in the digital media world. The Media and IS Centre of Excellence (CoE) streamlined the content operations of a large B2B IS client to enable multi-channel product development and distribution. A large educational publisher was able to innovate and create new digital products by leveraging TCS' Innovation Labs and Domain expertise.

Government

Serving 11 states in India with taxation solutions and enabling various State Secretariats and Government Ministries with a core workflow automation solution bear a strong testimony to the TCS framework oriented approach. Internet Protocol (IP) processes are underway for the core framework. Deep domain capabilities have given confidence to customers who invite TCS experts to advise them on transformation initiatives.

Major deals across Geographies demonstrate domain leadership



Manufacturing
Innovative business alliance with a large chemical manufacturer to provide critical business services

BFS
ADM engagement with a large US based brokerage firm utilising TCS BαNCS as the core agent for Asset Servicing, Clearance and Settlement

Insurance
Pension scheme administration services for a European government agency

Hi-Tech
Oracle support for world's leading document management technology and services enterprise

Government
India's largest State Wide Area Network (SWAN) project for a State Govt.

Media
Multi-year engagement to help a large media conglomerate improve its consumer's entertainment experience

Energy
Strategic partner in transformational IT program for a Top 3 Oil and Gas Company

Telecom
Multi- year engagement in managing Enterprise product lines for a large Telecom Equipment manufacturer

BFS
TCS processes 50 per cent of all banking transactions in Korea and Taiwan

Travel
Strategic Partner for Enterprise Integration for a leading European airline

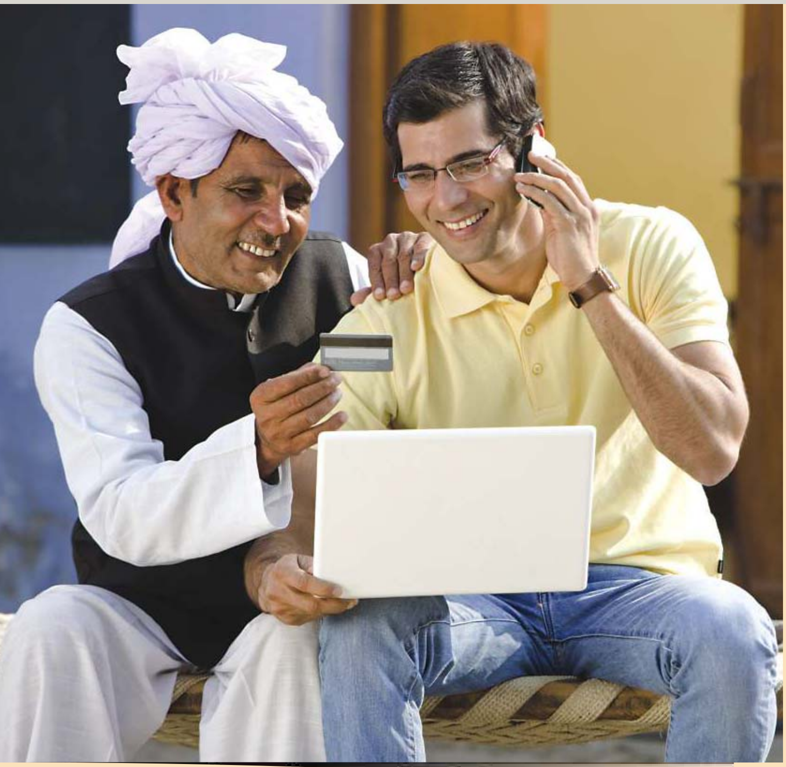
TCS FS
BαNCS
- Routes 50 per cent of all banking transactions
- Serves 230 million retail banking customers
- Supports 40 million transactions a day
- Processes 20 million insurance policies from leading organisations

Travel
Preferred Partner for business-process enablement for a leading Mexico based Pan-American airline

Hi-Tech
Process optimisation and efficiency improvement program for an industry leader in Hi-Tech services

Retail
Strategic Partner for Supply Chain Transformation Program and Customer Engagement for a leading Retailer

Innovating on the Cloud: Bank in a Box



Cloud computing is being hailed as the next big technology that will change the way we work, communicate and share. At TCS, we believe that cloud computing provides new opportunities to create innovative business models that can help corporations leverage the power of technology more effectively. One such segment is small banks in India that comprise of hundreds of cooperative and regional rural banks with thousands of branches. These banks have an important mandate: to promote inclusive development and provide banking services to India's 52 per cent unbanked population spread across semi-urban and rural areas.

Until recently, available banking solutions have not been suitable for the needs of these smaller banks. Their operating model has not allowed them to leverage technology effectively either to increase their reach or improve their profitability. Moreover, with customers demanding different delivery channels for their banking needs and compliance becoming a major mandate from Regulators, it has become imperative for these banks to be technologically strong.

With large part of their networks being in semi-urban and rural India, it has been difficult to implement technology in these banks for many reasons: Lack of adequate training in standard banking and accounting practices, inaccessible terrain, connectivity challenges, multiple languages and dialects and even intense monsoon vagaries and transportation issues.

The TCS solution – which is live at over 2,000 branch locations across India - used cloud computing technologies to create an easy to access but highly secure environment that provides reliable world-class infrastructure and application services in a cost-effective and efficient manner.

To realise the power of cloud computing for the benefit of rural India, TCS has developed specialised software services from its central "cloud" platform. This enables a large number of banks to take advantage of shared infrastructure and resources, rather than each making its own investment. This model offers economies of scale to customers, enabling banks to eliminate upfront high fixed capital costs and reduce ongoing maintenance costs through sharing of application services. In addition, TCS manages the total infrastructure, thus freeing up the bank's resources and enabling it to focus on its core business.

From the banks' perspective, the solution provides the latest technology that is upgraded regularly and does not require significant capital outlays as it is based on a transparent monthly pricing model. As the solution ownership is with TCS, banks benefit from a quick turnaround time to migrate their branches to the new solution. It also frees them from the effort of acquiring and maintaining technology. The solution can catalyse efficiency in operations, provide greater compliance and risk management, increase customer satisfaction and integrate these banks with mainstream banking activity.

From data to applications, this scalable and inexpensive platform empowers banks to use the latest technology and also enables them to provide service to customers through alternate channels like ATMs, SMS and internet banking.

Today, the small and rural banks have leap frogged in technology thereby enabling them to become operationally strong, provide consumers with different delivery channels and usher in a sense of fulfilment of being at par with bigger banks in terms of technology and services. This platform will enable financial inclusion of the unbanked population of the country and bring them into the safety of the institutional banking system and out of the clutches of money lenders.

Work and Wellness

With over 160,000 employees wearing the TCS badge with pride and passion, the integration of work and wellness is critical to their long-term success. This ensures that not only are TCSers energized to meet the critical demands of global customers and a growing market but also participate and contribute to a unique employee experience during their career with the Company.

A career at TCS is not only about compensation. It's about realising one's potential as a professional and a person by driving growth in one's career, building a strong performance ethic across the organisation and living our values on a daily basis. The experience is enhanced by creating and developing a holistic career path that helps employees realise their potential by helping them perform their roles at the best of their ability at all times.

Learning and development on a continuous basis plays a key role in this effort over the entire career lifecycle of the individual. In 2009-10, overall 1.5 million learning days were invested towards competency development including training in thrust technology areas. Moreover, 11,276 managers and potential leaders at various levels attended leadership development programs to strengthen their leadership capabilities and give them the tools to lead teams effectively.

In order to widen the reach of such programs globally, one-fourth of this learning effort was delivered through virtual classrooms in an on-line mode. Training programs at the entry level as well as the continuous learning programs that cover technology, domain and project management practices have been enhanced during the year to ensure that TCS develops the right competencies in its workforce that can deliver and meet customers' business needs. This process, in turn, helps individuals drive growth in their careers and realise their potential in different ways.

Wellness is the other side of the same coin. To do well at work over a sustained period, there needs to be a strong wellness component. At TCS, we are trying to do this through multiple means. TCS is actively supporting athletic and sporting activities at the national, regional and local level and encouraging employees to participate. Our sponsorship of marathons and other athletic events is helping drive a renewed recognition about the importance of wellness of individuals. The Mumbai Marathon, which TCS has been supporting for three years, has seen its participation rise among employees. In 2010, 1521 TCS participants took part, including 39 full marathon runners and 181 runners who completed the half marathon. That some of these athletes were from outside India and many others were making their racing debut is a clear signal that wellness and fitness are increasingly becoming important for employees.

Seeing the success of these wellness events on a pan-India basis, TCS has now decided to participate in more wellness events across the globe. The Company has signed up as the technology partner for three world-class marathon races – in Boston, Chicago and New York. These events will provide an international platform to further drive the wellness agenda across the organisation. In addition, many TCS teams located worldwide are working in their own communities to drive local wellness issues by supporting campaigns for diabetes awareness, Alzheimers disease and other causes. On TCS campuses, the wellness drive is translating into myriad of activities from yoga to fitness classes and from tennis and badminton coaching to cricket and football tournaments.

All toward one core thought: Merging work and wellness to create a holistic experience that drives energy and excellence among our employees.

Awards and Recognitions

Global Media Awards

- Ranked #1 in Dataquest magazine's DQ Top20 Company rankings for seventh consecutive year
- Ranked #1 in DataQuest Top 20 Engineering Services
- Ranked # 2 in The Wall Street Journal Asia's Most Admired Companies (Asia) survey
- Ranked #4 in IAOP's Global Outsourcing List
- Ranked #6 in FinTech100 list of global IT providers
- Ranked among Asia's top Blue Chip Companies by FinanceAsia
- Listed in Forbes Magazine's Fab 50
- Ranked in the Top 100 of InformationWeek 500
- Listed in InfoWorld 100 for third consecutive year
- Best IT Outsourcing Project Award in Netherlands from Outsource Magazine

Supplier, Partner and Industry Awards

- Verizon's Supplier Excellence Award in the IT Services
- Honda America Inc's IT Supplier of the Year
- Honda America Inc's MRO Supplier of the Year
- Supplier Excellence Award from Unisys Corporation
- Electro Motive Diesel Inc. (EMD) CIO Award for Exceptional Services
- Woolworths CIO Optimisation Award
- Internet Telephony IPTV Excellence Award
- SAP® Pinnacle Award for Collaborative Revenue Growth

Leadership Awards

- CEO and MD **N. Chandrasekaran** was voted Best CEO (India) by Finance Asia magazine's annual poll of investors and analysts
- CFO **S. Mahalingam** was voted Best CFO (India) by Finance Asia magazine's annual poll of investors and analysts
- CFO **S. Mahalingam** was chosen Business Today's Best CFO of 2009

Awards and Recognitions

Talent Management Awards

- Great Place to Work (GPTW) 2009 Award for TCS BPO
- Most Admired Knowledge Enterprise Award for 5th year in a row
- Ranked #1 employer among Software Companies in Business Today's Best Companies to Work For survey
- Best Human Resource Management Company in China
- Recruiting and Staffing Best in Class (RASBIC) Award for Best Use of Technology for Recruiting for 3rd year in a row
- Best Overall Recruiting and Staffing Organisation Award (RASBIC)
- Best Employer Award for TCS BPO by the Stars of the Industry Group

Innovation Awards

- Platinum Icon Web Ratna Award for the Tsunami Early Warning System (developed for the Indian National Centre for Ocean Information Services)
- mKrishi chosen among Nasscom's top 50 IT Innovators
- India Innovation Initiative (i3) Award for mKrishi
- Adam Smith Award 2009 for Best Practice and Innovation
- Gold Award for 'Outstanding performance in Citizen-Centric Service Delivery' at the National e-Governance Awards for MPOnline
- Manthan Award South Asia for Aarogyasri Health Scheme Project

Community and Sustainability Awards

- Certificate of Excellence for Corporate Branding Campaign of the Year at Asia Pacific PR Awards
- Certificate of Commendation in CII Sustainability Awards
- Excellent Energy Efficient Unit Award for TCS BPO at CII's 10th National Award for Excellence in Energy Management

Board of Directors

R N Tata *(Chairman)*

S Ramadorai *(Vice Chairman)*

N Chandrasekaran (*CEO & Managing Director*)

Aman Mehta

V Thyagarajan

Prof. Clayton M Christensen

Dr. Ron Sommer

Laura M Cha

S Mahalingam (*CFO & Executive Director)*

Phiroz Vandrevala (*Executive Director)*

Dr. Vijay Kelkar

Ishaat Hussain

Company Secretary

Suprakash Mukhopadhyay

Statutory Auditors

Deloitte Haskins & Sells

US GAAP Auditors

Deloitte Haskins & Sells

Registered Office

9th Floor, Nirmal Building
Nariman Point, Mumbai 400 021
Tel : 91 22 6778 9595
Fax : 91 22 6778 9660
Website : www.tcs.com

Corporate Office

TCS House
Raveline Street, Fort
Mumbai 400 001
Tel : 91 22 6778 9999
Fax : 91 22 6778 9000
Email: investor.relations@tcs.com

Registrars & Transfer Agents

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road, Mahalaxmi
Mumbai 400 011
Tel : 91 22 6656 8484
Fax : 91 22 6656 8494
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Management Team

Function	Name
Corporate	
CEO	N Chandrasekaran
CFO	S Mahalingam
Corporate Affairs	Phiroz Vandrevala
Global Human Resources	Ajoyendra Mukherjee
Geography Heads	
North America	Surya Kant
Europe	A S Lakshminarayanan
APAC	Girija Pande Vish Iyer Masahiko Kaji
Latin America	Henry Manzano
MEA	Girish Ramachandran
India	Srinivasa G Raghavan
Functions	
Marketing	John Lenzen
Corporate Communication	Pradipta Bagchi
R&D	K Ananth Krishnan
Human Resources	Ritu Anand Ashok Mukherjee K Ganesan Thomas Simon S Narasimhan
Legal	Satya Hegde
Finance	B Sanyal V Ramakrishnan Pauroos Karkaria G S Lakshminarayanan Rajesh Gopinathan
Company Secretary	Suprakash Mukhopadhyay
Chief Compliance Officer	Ravindra J Shah
Security	R K Raghavan

Management Team

Function	Name
Industry Service Units	
Banking & Financial Services	Ramanamurthy Magapu K Krithivasan Susheel Vasudevan Tej Paul Bhatla
Insurance	Vijaya Deepti Suresh Muthuswami
Telecom	Ravi Viswanathan
Manufacturing	Milind Lakkad
Hi Tech	Nagaraj Ijari Carol Wilson
Government	Tanmoy Chakrabarty
Retail & Distribution	Pratik Pal
Life Sciences & Healthcare	Debashis Ghosh
Energy, Resources & Utilities	Hasit Kaji
Media and Information Services	Kamal Bhadada
Travel & Hospitality	S Sukanya
Strategic Growth Units	
TCS Financial Services	N G Subramaniam
Small & Medium Business	Venguswamy Ramaswamy
Platform BPO	Raj Agrawal
Service Units	
Global Consulting Practice	J Rajagopal
Engineering & Industrial Services	Regu Ayyaswamy
Infrastructure Services	P R Krishnan
BPO	Abid Ali Neemuchwala
Assurance Services	Siva Ganesan
Enterprise Solutions	Krishnan Ramanujam
Alliances	K Jayaramakrishnan
Internal IT	Alok Kumar

Directors' Report

To the Members,

The Directors submit the Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2010.

1. Financial Results

(Rs. in crore)

		Unconsolidated		Consolidated	
		2009- 2010	**2008-2009**	**2009- 2010**	**2008-2009**
(i)	Income from Sales and Services	**23044.45**	**22404.00**	30028.92	27812.88
(ii)	Other Income (net)	**177.60**	**(456.24)**	272.07	(426.99)
(iii)	Total Income	**23222.05**	**21947.76**	30300.99	27385.89
(iv)	Operating Expenditure	**16372.78**	**16383.17**	21334.37	20643.08
(v)	Profit before Interest, Depreciation and Tax	**6849.27**	**5564.59**	8966.62	6742.81
(vi)	Interest	**9.54**	**7.44**	16.10	28.66
(vii)	Depreciation	**469.35**	**417.46**	660.89	564.08
(viii)	Profit before Taxes	**6370.38**	**5139.69**	8289.63	6150.07
(ix)	Provision for Taxes	**751.87**	**443.48**	1196.97	838.95
(x)	Minority Interest and Share of Loss / (Profit) of Associates	**-**	**-**	92.02	54.70
(xi)	Net Profit for the Year	**5618.51**	**4696.21**	7000.64	5256.42
(xii)	Balance Brought Forward from Previous Year	**9990.41**	**7374.89**	11835.03	8688.21
(xiii)	Amount Available for Appropriation	**15608.92**	**12071.10**	18835.67	13944.63
	Appropriations				
(a)	Interim Dividends on Equity Shares	**1174.32**	**880.74**	1174.32	880.74
(b)	Proposed Final Dividend on Equity Shares	**782.89**	**489.31**	782.89	489.31
(c)	Proposed Special Dividend on Equity Shares	**1957.22**	**-**	1957.22	-
(d)	Total Dividend on Equity shares	**3914.43**	**1370.05**	3914.43	1370.05
(e)	Proposed Dividend on Redeemable Preference Shares	**17.00**	**7.00**	17.00	7.00
(f)	Tax on Dividends	**657.51**	**234.02**	663.18	235.99
(g)	General Reserve	**561.85**	**469.62**	636.22	496.56
(h)	Balance carried to Balance Sheet	**10458.13**	**9990.41**	13604.84	11835.03
		(1 crore = 10 million)			

2. Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of Rs.4/- per share and a special dividend of Rs.10/- per share for 2009-10 on the enhanced capital of 1,95,72,20,996 Equity Shares of Re.1/- each. The final dividend and the special dividend on the Equity Shares, if approved by the members would involve a cash outflow of Rs.3195.21 crore including dividend tax. The total cash outflow of dividend including dividend tax on Equity Shares of the Company for the year 2009-10, including interim dividends already paid would aggregate Rs.4569.12 crore resulting in a payout of 81.60% of the unconsolidated profits of the Company.

The Redeemable Preference Shares allotted on March 28, 2008 are entitled to a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the Equity Shares of the Company and the average rate of dividend declared on the Equity Shares of the Company for the three years preceding the year of issue of the said Redeemable Preference Shares. Accordingly, the Directors have recommended, for approval of the Members, a Dividend of Seventeen (17) paise per share on 100,00,00,000 Redeemable Preference Shares of Re.1/- each for the financial year 2009-10.

3. Transfer to Reserves

The Company proposes to transfer Rs. 561.85 crore to the General Reserve out of the amount available for appropriations and an amount of Rs. 10458.13 crore is proposed to be retained in the Profit and Loss Account.

4. Operating Results and Business

Overall, 2009-10 has been a very satisfying year. TCS emerged stronger out of the global economic downturn as it stayed close to its customers and helped them in the recovery process. The Company was aggressive in its quest for new contracts, executed on its full services strategy and maintained pricing discipline. This helped to deliver 8% revenue growth for the year along with improvement in margin.

On an Unconsolidated basis, in 2009-10 TCS revenues were at Rs.23044.45 crore, a growth of 2.86% over 2008-09. Operating margin (Profit before taxes excluding other income) grew 189 basis points to 26.87% and net margin grew 342 basis points to 24.38%.

On a Consolidated basis, in 2009-10 TCS revenues were at Rs.30,028.92 crore, a growth of 7.97% over 2008-09. Operating margin (Profit before taxes excluding other income) grew 304 basis points to 26.70% and net margin grew 441 basis points to 23.31%. This stellar performance was well received by investors, with the market capitalisation increasing from Rs.52,845 crore ($10.4 billion) in March 2009 to Rs.152,820 crore ($34 billion) in March 2010.

The Company's business grew even in those sectors affected by the economic meltdown, mainly because the customers appreciated the Company's value proposition. Banking, Financial Services, Retail, Life Sciences & Health Care and Government sectors registered positive growth in FY10. However, sectors like Manufacturing, Telecom, Hi-Tech and Insurance all declined on an annual basis. The Company sees improvement in its order position in these industry segments as well as growth in almost all geographical markets.

TCS' full services strategy was validated with new service lines like BPO, Infrastructure, Assurance and products all delivering double digit growth.

5. International Credit Rating

The Company continues to have an A3 investment-grade issuer rating from Moody's Investors Services as well as an indicative foreign currency debt rating of Baa1, with a stable outlook. The rating is not for any specific debt issuance by the Company. Standard and Poor's Ratings Services has assigned to the Company its BBB corporate credit rating with outlook as Positive.

The Company has also been rated by Dun & Bradstreet at 5A1 (Condition-Strong). The rating is assigned on the basis of tangible networth and composite appraisal of the Company.

6. Change in Leadership in TCS

Mr. S. Ramdorai retired as the Chief Executive Officer and Managing Director of the Company on October 5, 2009 as per the Company's Policy. On October 6, 2009, Mr. N. Chandrasekaran assumed the role of Chief Executive Officer and Managing Director of the Company. Mr. Ramadorai continues to be on the Board as the Non-Executive Vice Chairman of the Company. Mr. Chandrasekaran has spent over 20 years in the Company performing various roles and was the Chief Operating Officer and Executive Director. With this seamless transition of the CEO role, the Company has continuity in its strategic and managerial approach.

7. Strategic Acquisitions and Alliances

The Company has been making acquisitions either directly or indirectly through its subsidiaries during the past few years in order to strengthen its leadership position in terms of its industry and service lines.

TCS e-Serve Limited, TCS' acquisition of Citigroup's captive BPO operations in India, posted a good performance in 2009-10. TCS e-Serve recorded revenues of Rs.1517.78 crore on a consolidated basis, an increase of 19.31% over previous year's revenues of Rs.1272.12 crore. Profit After Tax (PAT) at Rs.659.38 crore, was significantly higher than previous year's PAT of Rs.82.33 crore.

8. Human Resource Development

TCS is the largest private sector employer in India with a total employee strength of 160,429 including those in its subsidiaries. This diverse and global base of employees from 80 nationalities is central to sustaining TCS' competitive edge.

The Company's recruitment strategy ensured that employee addition was clearly aligned to business demand. During the year, there was a gross addition of 38,063 employees (including in subsidiaries). The attrition rate for this fiscal was 11.8%, which is amongst the lowest in the industry. Utilization, excluding trainees, touched an all time high of 81.8% and including trainees it touched 74.3% at the end of March 2010.

TCS has 10,400 non-Indian nationals (including in subsidiaries) amongst its employee base globally. The percentage of women working for the Company is 30%. Competency and career development continued to be thrust areas for the Company. Overall, 1,458,079 learning days were invested towards competency development in key technology areas and 11,276 managers at various levels attended leadership development programs. To widen the reach of Learning and Development (L&D) globally, 25% of the total L&D effort was delivered through e-Learning. The training program at the entry level as well as the continuous learning programs have been enhanced to ensure that the Company has the right competencies in its workforce.

A number of employee engagement initiatives were undertaken during the year to understand the career issues and aspirations of high performers and their career development. The Diversity and Women's Network (DAWN) initiative that was launched to encourage diversity and inclusion in our workforce has gained momentum within the organisation.

9. Interface with Academia

TCS continued its Academic Interface Program (AIP) with select institutes across the globe to understand their needs and communicate the requirements of the IT industry to them. During the fiscal year, 431 institutes across India and 78 institutes abroad were benefited by TCS AIP. The 11th TCS Annual Academic Meet - Sangam 2009 was held on November 27, 2009 at Hyderabad which was attended by sixty academic leaders who contributed to various collaboration opportunities between industry and academia.

10. Quality Initiatives

Reinforcing its commitment to high levels of quality, best-in-class service management and robust information security practices, TCS attained a number of milestones during the year. TCS was recommended for continuation of its enterprise-wide certification for ISO 9001:2008 (Quality Management), ISO 27001:2005 (Security Management) and ISO 20000:2005 (Service Management).

11. Corporate Sustainability

Health, education and concern for the environment are the focus areas of TCS' Corporate Sustainability (CS) activities. In addition to corporate programs, TCS employees also undertake many initiatives by volunteering their time and capabilities to enrich the lives of the community. The programs focus on education and skill development, environmental sustainability as well as economic empowerment through information technology and health awareness. More than 22,000 volunteers took part and spent over 70,000 hours over a period of two years in such activities.

Major Ongoing CS initiatives:

- o Computer based Functional Literacy:

  The functional literacy offering of TCS has now covered more than 140,000 persons. A new initiative for development of a solution for the Moree language spoken in Burkina Faso, West Africa has also begun. The National Literacy Mission has now invited TCS as official partner in Saakshar Bharat, a programme to cover 70 million illiterate persons.

- o Advanced Computer Training Center (ACTC) Initiative:

  To address the need for advanced learning institutions for visually impaired, TCS Maitree paved the way and pioneered an Advanced Computer Training Centre for the visually impaired at M. N. Banajee Industrial Home for the Blind at Mumbai. This centre offers vocational courses based on industry requirements. More than 65 visually impaired persons have been trained through this initiative in the last two years.

International CS initiatives:

- o **UK & Ireland:** TCS has over 30 champions and teams having an impact on society in towns and cities, supporting over 45 charities through more than 250 initiatives. TCS has created the Tata UK flagship initiative called TODAY IS A GOOD DAY, which is a health programme deployed across the 19 Tata UK and mainland European companies with its 60,000 employees. TCS has also developed a PASSPORT TO EMPLOYABILITY education programme which includes: mentoring 160 boys in a deprived area of East London; being the education partner to over 80 disaffected boys from Stepney Football Club; working with 'Wings of Hope' encouraging 1,400 senior school entrepreneurs; participation in the Prime Minister's Global Fellowship promoting global talent awareness.

- o **Chile:** TCS had extensive discussions with the Chilean Government to identify areas where TCS could contribute effectively after last year's devastating earthquake in the region. Given the fact that the residents in the affected areas were facing shortage of the basic amenities, TCS in consultation with the Chile Government decided to provide Water Desalination plants. These plants, which help in converting sea water into pure drinking water and are adequate in meeting the drinking water requirements of a small community, were also used extensively as part of the Tsunami relief efforts in South India. TCS deputed engineers, who installed these plants as well as trained local engineers in operating the plants. TCS is also working on procuring trucks which will help in delivering pure water to locations which are at some distance from the plants.

  TCS has also decided to provide 4000 units of Tata Swach Water Purifiers. These indigenously built water purifying equipment do not require any electricity and perfectly meet the drinking water requirements of individual affected families. These water filters will be distributed to the families through the Chilean Government agency involved in the relief and rehabilitation efforts.

- o **Mexico:** Since 2006, TCS Mexico has collaborated in all events of the "Asociación Con ganas de Vivir" (Eager to Live Association) for children suffering from cancer.

- o **Ecuador:** Since August 2009, a Blood Donation Program in co-ordination with the Ecuadorian Red Cross has been scheduled to take place every six months. The last Campaign was directed towards support of the Haiti earthquake victims.

- o **North America:** TCS has supported numerous health related causes such as the Alzheimer's Association Memory Walk in which TCSers across 4 cities helped raise awareness on this issue. In the area of education, TCS has created a student technology summer camp and awareness program called 'goIT' that is available to high school students in the Greater Cincinnati, Ohio region. Volunteering comes naturally to TCSers in North America who, for example, helped the less fortunate by working with Habitat for Humanity to build houses and volunteered to clean up roads and parks to better the environment. TCS North America contributed more than $280,000 to various charitable initiatives and organisations during the year and actively participated in more than 110 community activities.

- o **Singapore:** TCS has organized and contributed towards a Bone Marrow Donation Awareness Programme and 20 TCSers have registered as Bone Marrow Donors.

Significant Recognition for TCS CS programs:

- "Commendation Certificate for Strong Commitment" in CII-ITC Sustainability Awards 2009.
- Listed as top among 10 companies from India and overall 3rd out of 200 Asian companies for Corporate Sustainability by CSR Asia November 2009.
- Achieved Platinum Band (96%) in Corporate Responsibility Index 2009 of Business in the Community UK, in the fifth year of participation.
- Third Corporate Sustainability Report 2008-09, externally assured by KPMG and certified as A+ by Global Reporting Initiative.

12. Corporate Governance Report and Management Discussion and Analysis Statement

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis statement.

13. Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act"), and based on the representations received from the operating management, the Directors hereby confirm that:

(i) in the preparation of the Annual Accounts for the year 2009-10, the applicable Accounting Standards have been followed and there are no material departures;

(ii) they have selected such accounting policies in consultation with the statutory auditors 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 Companies Act, 1956. 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.

14. Subsidiary Companies and Consolidated Financial Statements

As required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statement has been prepared in accordance with Accounting Standards 21 and 23 issued by The Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of the Company, its associate companies and its subsidiaries after elimination of minority interest, as a single entity.

The Company has been granted exemption for the year ended March 31, 2010 by the Ministry of Corporate Affairs from attaching to its Balance Sheet, the individual Annual Reports of its subsidiary companies. As per the terms of the Exemption Letter, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2010 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company/ its subsidiaries at the Registered Office of the Company and would be posted on the website of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the Head Offices/ Registered Offices of the respective subsidiary companies.

The statement containing the list of subsidiaries alongwith brief financial details of the subsidiaries is given on page numbers 172 - 173 of the Annual Report.

15. Fixed Deposits

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

16. Directors

Mr. S. Ramadorai who was the Chief Executive Officer and Managing Director retired on October 5, 2009 as per the Company's Policy and his terms of appointment. Taking into consideration the contribution made by Mr. Ramadorai during his tenure the Board decided to continue to avail his services and appointed him as the Non-Executive Vice Chairman on the Board of Directors of the Company with effect from October 6, 2009. As per the provisions of Section 260 of the Companies Act, 1956, (Act) Mr. Ramadorai holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice in writing from a Member under Section 257 of the Act, in respect of Mr. Ramadorai proposing his appointment as a Director of the Company.

Mr. N. Chandrasekaran, Executive Director and Chief Operating Officer has been appointed as the Chief Executive Officer and Managing Director with effect from October 6, 2009 for a period of five years. An abstract of the terms and conditions of his appointment and memorandum of interest under Section 302 of the Act have been sent to the Members of the Company in September 2009.

Dr. Vijay Kelkar and Mr. Ishaat Hussain have been appointed as Additional Directors on January 5, 2010. Dr. Vijay Kelkar is an Independent Director. As per the provisions of Section 260 of the Companies Act, 1956, these Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Act, in respect of the above persons, proposing their appointment as Directors of the Company. Resolutions seeking approval of the Members for the appointment of Dr. Vijay Kelkar and Mr. Ishaat Hussain as Directors of the Company have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details about them.

Dr. Ron Sommer, Mrs. Laura M. Cha and Mr. R. N. Tata, Directors, retire by rotation and being eligible have offered themselves for re-appointment.

17. Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office in accordance with the provisions of the Act upto the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

18. Particulars of employees

The information required under Section 217(2A) of the Act and the Rules made thereunder, is provided in an Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

19. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in an Annexure to this Report.

20. Acknowledgements

The Directors thank the Company's customers, vendors, investors, business associates, bankers and academic institutions for their support to the Company.

The Directors also thank the Government of India, the Governments of various countries, the concerned State Governments, Government Departments and Governmental Agencies for their co-operation.

The Directors appreciate and value the contributions made by every member of the TCS family across the world.

On behalf of the Board of Directors,

Mumbai
May 24, 2010

R. N. Tata
Chairman

Annexure to the Directors' Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

CONSERVATION OF ENERGY

The operations of the Company involve low energy consumption. Adequate measures have however been taken to conserve energy.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

RESEARCH & DEVELOPMENT (R&D)

Specific areas in which R&D was carried out by the Company

TCS Corporate Technology Office (CTO) and TCS R&D continued to support TCS' customers across verticals.

TCS R&D and TCS Co-Innovation Network (COIN™) provide key differentiators across TCS' businesses and add value to customers across different domains.

TCS has stepped up patent filing and 87 patents were filed during the year in several countries. Cumulatively, TCS has filed 295 patent application of which 60 have been granted. The granted patents can be grouped into 47 patent families as per the internal classifications of TCS. During this financial year, there were 6 patent grants.

A range of tools from the TCS Tools Group provided automation, process efficiencies, improvements and innovation in current business areas. TCS Innovation Labs created technologies like TCS Instant Apps and data masking tools enabling customers to improve agility and privacy. TCS' IT Transformation Suite helped them reduce complexity. TCS labs and the COIN™ are also working on next generation platforms such as social networks for enterprises, connected marketing and analytics solutions.

The TCS Home Infotainment Platform (HIP), a media and internet convergence device, and Tata Swach, a cost effective water filter, were launched with our partner ecosystem this year, exploring new business areas.

TCS R&D continues to attract top research talent from India and across the world. The Company continues to support sabbaticals, internships and PhD sponsorships in research areas relevant to the Company, in premier academic institutions. Research based competencies have been introduced in the Company's learning portal.

Benefits Derived

The R&D efforts of the Company have resulted in the creation of software tools and usage of these licenses internally has yielded savings of $24.8 million.

Future plan of action

TCS CTO and TCS R&D will strive to build customer and market delight, develop collaborative solutions and incubate disruptive solutions in the coming year. Research themes will include (but not be limited to) simplifying IT, understanding markets and customers to deliver enriched user experiences, and personalising collaboration to optimise enterprise knowledge.

Expenditure on R&D

(Rs. in crore)

		Year ended 31.3.2010	Year ended 31.3.2009
(a)	Capital	**0.39**	1.61
(b)	Recurring	**77.19**	42.31
(c)	Total	**77.58**	43.92
(d)	Total R&D expenditure as percentage of total income	**0.33%**	0.20%

Foreign exchange earnings and outgo

(Rs. in crore)

		Year ended 31.3.2010	Year ended 31.3.2009
(a)	Foreign exchange earnings	**21289.57**	20836.65
(b)	CIF Value of Imports	**112.97**	302.87
(c)	Expenditure in foreign currency	**7339.16**	7867.52

On behalf of the Board of Directors,

Mumbai
May 24, 2010

R. N. Tata
Chairman

Management Discussion and Analysis

A. INDUSTRY OVERVIEW

World-wide technology and related products and services spend is estimated to have crossed USD 1.5 trillion in 2009, a decline of 2.9% over 2008 as per NASSCOM Strategic Review 2010. Due to the global economic slowdown, considerable reductions were experienced in IT service spends across categories as global corporations cut back on discretionary spends and focused on leveraging IT spends to drive organisation-wide efficiencies, business transformation and adoption of new business models.

Chart 1: World-wide IT spends

USD Billion	2008	2009	Growth (%)
IT Services	591	589	(0.3)
Business Process Outsourcing (BPO)	110	112	1.8
Packaged Software	304	307	1.0
Hardware	600	550	(8.3)
Total	**1605**	**1558**	**(2.9)**
R&D and Engineering	1030	1100	6.8

Source: IDC-Nasscom Strategic Review 2010

The economic downturn contributed to reductions in spending in the first half of 2009 and early signs of pick up in spending became visible in the second half of 2009. Companies had reduced IT spending either by delaying the decisions or by putting some discretionary spending on new IT projects on hold in the first half of 2009. This led to both pricing and volume pressures for IT service providers. In the second half of 2009 as economic growth showed signs of revival and driven primarily by the need to manage costs and increase operational efficiencies, as well as position themselves for the anticipated economic growth, many global corporations focused on (1) improvements in business processes (2) infrastructure consolidation (3) re-engineering (4) virtualization (5) workload management and (6) cutting down on cycle time and increasing speed to market.

The components of IT services and BPO spend by nature of spend and geography and the growth in these markets for 2009 over 2008, which are of interest to the Company are shown in the charts which follow:

Chart 2: Details of IT services spends

USD Billion	2008	2009	Growth(%)
IT Outsourcing	228	235	3.0
Project Based Services	210	204	(2.9)
Support And Training	153	150	(2.0)
Total	**591**	**589**	**(0.3)**

Source: IDC-Nasscom Strategic Review 2009

Chart 3: Details of BPO spends

Worldwide BPO related spend			
USD Billion	**2008**	**2009**	**Growth (%)**
Customer care	57.6	58.7	1.9
Finance & Accounts	24.7	25.9	4.8
HR	17.6	18.4	4.5
Training	7.4	6.8	(8.1)
Procurement	2.3	2.5	8.7
BPO services	**109.6**	**112.3**	**2.5**

Source: IDC-Nasscom Strategic Review 2010

Chart 4: IT services spends by Geography

Global IT services spend	2008 % share	Growth (%)	2009 % share	Growth (%)
Americas	41.6	5.3	42.1	1.3
Europe, Middle East and Africa	42.7	8.8	41.9	(2.1)
Asia Pacific	15.7	13.1	16.0	2.1
Global IT services spend	100.0	-	100.0	-

Source: IDC-Nasscom Strategic Review 2010

Chart 5: BPO spends by Geography

Global BPO spend	2008 % share	Growth (%)	2009 % share	Growth (%)
Americas	63.0	5.4	62.6	1.6
Europe, Middle East and Africa	19.7	9.8	19.4	1.0
Asia Pacific	17.3	14.1	18.0	7.0
Global BPO spend	100.0	-	100.0	-

Source: IDC-Nasscom Strategic Review 2010

Size and scope of global opportunity

As per NASSCOM Strategic Review 2009 the analysis of the IT Services global sourcing market by the level of penetration in the various components of IT services reveals that there is significant headroom for growth.

Chart 6: *Market sizing and long-term potential of global sourcing market* is an analysis of the market for the areas of interest to the Company based on the NASSCOM Strategic Review 2009 and NASSCOM Strategic Review 2010.

Chart 6: Market sizing and long-term potential of global sourcing market

			USD Billion
Global sourcing market	**Current size - 2009**	**Addressable market**	**% of market not addressed**
IT & Engineering Services	56-58	280	~80%
BPO	36-38	220	~84%
Total	**92-96**	**500**	**~82%**

Source: IDC-Nasscom Strategic Review - 2009 & 2010

Industry performance and projections

Globally technology spending is expected to further increase once the global economic recovery process gathers speed and discretionary spending levels increase. Information technology (IT) has become an integral part of business operations across industries and is seen by organisations as a primary driver of productivity improvement and business transformation that lead to sustained competitive advantages in the market place.

Some of the future expected drivers for IT spending are the anticipated levels of increased regulation especially in the Banking, Financial Services and Insurance (BFSI) space, security and reporting requirements, and new focus areas including green IT and mobility/ubiquity initiatives.

Global technology spend is expected to increase from USD 1.6 trillion in 2008 to USD 1.9 trillion by 2013 at a Compounded Annual Growth Rate (CAGR) of 3.5%.

Chart 7: Global technology spend forecast

Worldwide technology related spend data			
USD Billion	**2008**	**2013**	**CAGR (%)**
IT Services	591	695	3.3
BPO	110	148	6.2
Software	304	381	4.7
Hardware	600	680	2.5
Total	**1,605**	**1,904**	**3.5**
R&D and Engineering	1030	1250	3.9

Source: IDC-Nasscom Strategic Review 2010

From the above Global Technology Spend, the IT Services and Business Process Outsourcing Component is of interest to the Company.

The Charts below shows the forecasts of the size and future compounded annual growth rates (CAGR) for the IT Outsourcing and BPO markets.

Chart 8: Global IT services spend forecast

Worldwide IT services related spend			
USD Billion	**2008**	**2013**	**CAGR (%)**
Project Based	210	236	2.3
Outsourcing	228	292	5.1
Support / Training	153	167	1.8
IT Services	**591**	**695**	**3.3**

Source: IDC-Nasscom Strategic Review 2010

Chart 9: BPO spend forecast

Worldwide BPO related spend			
USD Billion	**2008**	**2013**	**CAGR (%)**
Customer care	57.6	76.8	6.0
Finance and Accounts	24.7	34.5	6.9
Human Resources	17.6	24.2	6.6
Training	7.4	8.2	2.2
Procurement	2.3	3.9	11.5
BPO Services	**109.6**	**147.6**	**6.2**

Source: IDC-Nasscom Strategic Review 2010

Chart 10: Global outsourcing spend forecast

USD Billion	**2008**	**2013**	**CAGR (%)**
IT Outsourcing	228	292	5.1
BPO	110	148	6.2
Total	**338**	**440**	**5.4**

Source: IDC-Nasscom Strategic Review 2010

From the above Global Outsourcing spend forecast the amount of anticipated spending for offshore IT services is of interest to the Company.

Chart 11: Global offshore IT spend forecast

USD Billion	**2008**	**2013**	**CAGR (%)**
Application Management	4.8	8.1	11.1
Custom Application Development	8.1	9.1	2.3
IT Consulting	1.4	1.7	3.9
Infrastructure Services, Network and Desktop Outsourcing	2.2	4.5	15.5
Systems Integration	6.4	8.4	5.6
Others Services Offshored	8.1	10.1	4.5
IT Services Offshored	**31.0**	**41.9**	**6.2**

Source: IDC-Nasscom Strategic Review 2010

The Company's primary segmentation is around Industry Verticals and TCS' business units are organised around Industry verticals. The trends in Global Technology spend by Industry verticals are of interest to TCS. The spending expectations by Industry Verticals are shown below:

Chart 12: Trends in industry vertical global IT Services spending

Industry verticals (USD Billion)	2008	2013	2008-2013 CAGR
Banking and Financial Services	136	157	3.0
Energy & Utilities	33	39	3.8
Government	152	190	4.5
Healthcare	26	32	4.1
Hi-Tech	57	65	2.7
Hospitality	9	10	2.5
Insurance	52	59	2.7
Life Sciences & Pharmaceutical	11	13	3.3
Manufacturing & Process	100	107	1.5
Retail	58	67	3.0
Telecom, Media and Entertainment	76	92	4.0
Travel and Transportation	29	33	2.7
Others	35	43	2.7
Grand Total	**774**	**907**	**3.2**

Source: Gartner forecast: Worldwide IT spending, 2007- 2013, October 2009

The Company's secondary segmentation is around Geographies. Trends in expected IT services spends by Geography is of interest to TCS. These are summarised below:

Chart 13: Trends in IT Services spending by Geography

Geography (USD Billion)	2008	2013	CAGR (%)
Asia Pacific	147	166	2.5
Europe	170	189	2.1
Americas	316	380	3.8
India	6	11	14.5
Middle East & Africa	14	16	3.2
Iberoamerica	44	57	5.6
United Kingdom	77	88	2.3
Grand Total	**774**	**907**	**3.2**

Source: Gartner forecast: Worldwide IT spending, 2007- 2013, October 2009

The Company's major markets and clients are from the Americas, Europe and UK. These markets are expected to grow at a CAGR of 3.8%, 2.1% and 2.3% respectively. The Company has been investing in the faster growing markets in Latin America, the Middle-East and Africa as well as in India and the Asia Pacific Region. Future growth prospects from these regions are expected to be better as per analyst forecasts.

B. FOCUS AREAS OF THE COMPANY

1. **Vision, Mission and Values:** In the last four decades, TCS has established a global reputation for its ability to help customers achieve their business objectives by providing innovative, best-in-class consulting, IT solutions and services. TCS' values underpin all activities in the Company and these include leadership with trust, integrity, excellence and respect for the individual and learning & sharing.

   At the beginning of this decade TCS had envisioned that it would be among the global top ten IT services companies in the world by the end the decade. Your Company has achieved its stated vision last year. On the basis of parameters like revenues, profits, number of employees and market capitalization, the Company is among the top ten IT services companies in the world.

   Your Company will continue to consolidate and strengthen its position in the industry as an integrated full services player with a global footprint in terms of innovation, operations and service delivery.

2. **Strategy of the Company:** The core of TCS' strategy is the focus on the customer. It enables clients to experience a very high level of certainty in their IT operations.

2.1 **Customer-centricity to enable certainty of experience:** Our strategy is defined by our ability and experience to play the critical role of a trusted business partner to large global corporations. We have built a customer-centric organization based on the brand promise of 'Experience certainty'. This promise of certainty resonates with customers as it offers them real business results through optimal IT design and deployment. It reflects our ability to solve the customer's most challenging business problems.

2.2 **Global Network Delivery Model:** TCS has established a unique Global Network Delivery Model™ (GNDM™) that allows the Company to deliver services to customers from multiple global locations in India, China, Europe, North America and Latin America. The GNDM™ enables the Company's delivery centers to collaborate on projects and leverage all its assets in order to ensure 'One Global Service Standard'.

2.3 **Integrated Full Services Offering:** TCS continues to build on its 'Full Services Offering' that offer global customers an integrated portfolio of services. This includes a comprehensive range of (1) IT services capabilities in the areas of Application Development, Application Management and Enterprise Solutions (2) Business Process Outsourcing Services (3) IT Infrastructure solutions with a strong focus on 'Remote Infrastructure Management' and transformation (4) Engineering services with a focus on Enterprise Asset Management, Industrial Embedded Systems, Plant Automation Services and Product Engineering (5) Assurance and Validation services (6) TCS' own product based solutions specifically in financial services and (7) Global Consulting capability that brings strong skills in program management, change management, process management and architecture.

This suite of integrated services continues to present a compelling value proposition for global corporations and continues to gain traction in the market place. The strategy captures the entire value chain of IT - from consulting to products and solutions and from implementation to support.

2.4 **Strategic Acquisitions:** In addition to sustaining strong organic growth, the Company continues to closely look at acquisitions that are strategic in nature. Through inorganic means the Company may look to strengthen gaps in its services portfolio, enter new geographies or market segments as well as in-source domain and technology expertise. The strategic acquisitions done over the years have created new capabilities within the Company and these acquisitions continue to yield synergistic growth.

The Company has not made any major acquisitions in fiscal 2010.

2.5 **Non-Linear Growth Strategies:** As a long-term strategy, the Company continues to invest in Non-Linear Growth initiatives that will allow it to drive revenue growth without commensurate growth in the number of people. The Company is focused on a set of Strategic Growth Business initiatives to drive non-linear growth opportunities.

2.5.1 **TCS Financial Solutions:** TCS Financial Solutions enables transformation in financial services through a superior and holistic suite of solutions, under the brand name TCS BαNCS for banks, capital market firms, insurance companies and diversified financial institutions. The solution is designed to be modular with a state-of-the-art technology and a robust architecture.

TCS Financial Solutions increased its customers by adding 53 new clients during the financial year. In addition, 36 clients went "live" on BαNCS solutions during the year.

TCS BαNCS is increasingly gaining market recognition and industry analyst endorsements as listed below:

- Celent's ABCD analysis for core banking systems ranked TCS BαNCS as the leader
- TCS BαNCS was ranked as the 3rd best selling banking product by IBS Intelligence 2009
- IDC ranked TCS BαNCS as the #1 solution in the China market
- Forrester, Gartner and Tower — all have favorable endorsements on TCS BαNCS. In the recently published Forrester Global Banking Platform Deals report for 2009, TCS BαNCS has moved from the 4th to the 3rd place since last year
- 'Indian Bank' won the 2009 Celent Model Bank award. With this, for the last three years in a row, TCS BαNCS clients have won this award globally (2007:CACU-Australia, 2008:Taishin, Taiwan)
- Celent's Case Study on State Bank of India cited TCS BαNCS implementation as one of the largest globally and as large as the three biggest US banks combined

2.5.2 **Platform-based BPO:** Platform based Business Process Outsourcing (BPO) is an outsourcing model in which TCS provides management and execution of customer's business processes using its own technology platform — built, owned and operated by it — on a utility-based model. This involves combining Information Technology, Infrastructure and BPO services into a bundled service offering that enables end-to-end execution of customer's business processes. The strategic driver behind this offering from the Company is to address organisations' increasing need for higher cost savings, superior business performance and single point of accountability in executing their business processes. TCS believes that its ability to create and deliver value to customers will be superior when it brings together all aspects — people, process and technology — of such business areas.

The platform BPO unit has achieved good traction in the market for its offerings. It has won key deals with customers in India, US and UK and has earned high recognition from analysts as being a pioneer in providing platform-based BPO services. The Platform BPO unit is successfully providing BPO services to customers from globally diverse delivery locations on multi-tenant technology platform. As per analyst estimates, Platform BPO is expected to constitute around 14% of overall BPO services market (of ~$170 billion) in 2010.

2.5.3 Small and Medium Business Initiative: TCS launched the Small and Medium Business (SMB) Solutions Unit with the objective of providing end-to-end Information and Communication Technology (ICT) solutions to SMBs.

TCS has built the necessary solutions for a SMB to run their business. The company created a new service delivery model for the SMBs, called "IT-as-a-Service". This model leverages the cloud computing paradigm to activate and manage ICT solutions. TCS charges monthly usage fees on a subscription basis in this model.

The solution stack includes pre-integrated suite of hardware, network and software solutions making TCS the single service provider for all the ICT requirements of an SMB. This brings considerable total cost of ownership savings to an SMB, helping them leverage technology to grow their business and become more competitive.

The Company believes that the IT-as-a-Service model greatly simplifies IT adoption amongst SMBs.

2.6 Organisational structure aligned for Agile Response: The organisational structure has been aligned closely to the Company's business strategy and operating imperatives. It consists of individual business units structured as industry solution units for different industries with independent business units for new growth markets like India, Asia Pacific, Latin America and Middle-East & Africa. Non-linear growth initiatives are driven under separate business units.

2.6.1. Industry Solution Units: In order to retain sharp customer focus on key global accounts and enhance customer centricity across the organization, the Company has established Industry Solution Units (ISUs) along industry verticals. The list of Industry Solutions Unit includes: Banking and Financial Services, Insurance, Telecom, Manufacturing, Retail and Consumer Packaged Goods, Life Science and Healthcare, Media and Information Services, Hi-tech, Government, Energy, Resources and Utilities and Travel, Transportation and Hospitality.

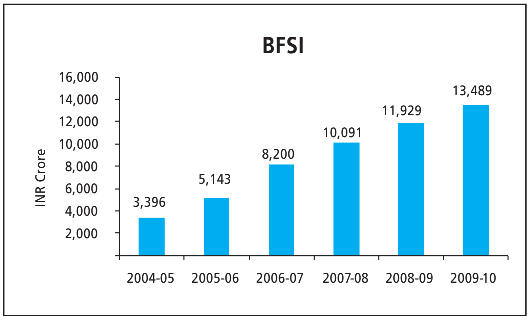
2.6.1.1 Banking, Financial Services and Insurance (BFSI): The BFSI industry across the world has always leveraged technology effectively for addressing business challenges across different areas like globalisation, consolidation, disintermediation, regulatory compliance, risk management, evolving distribution channels etc. The events of 2008 and its repercussions felt through 2009 swept the financial world into a corner, primarily as a result of financial indiscipline and poor governance. The rapidly changing business and economic environment requires BFSI institutions to effectively respond to increasing Governance, Risk and Compliance requirements while meeting superior levels of customer experience and effectively managing revenues and costs.

Over the past four decades TCS has partnered with multiple clients in the BFSI world and has executed a number of complex and time critical assignments under challenging business and operating environments. Our end-to-end offerings, comprehensive product suite, scalable processes and innovative frameworks have enabled significant strategic value creation for our clients by helping them optimize their IT investments, enhanced operational efficiencies, minimized risk, and helped them to acquire sustained cost leadership.

Approximately 45 % of TCS' business emanates out of the BFSI vertical. TCS, with expertise in consulting, technology and outsourcing has partnered globally with -

- 12 of the 20 Top Banks
- 25 of the Top 100 Insurers

Chart 14(a): Revenues BFSI



2.6.1.2 Telecom: We serve many global clients and have long-standing relationships spanning a decade or more with many of these clients. We are currently executing several Transformational Projects which are in progress across North America, Europe, Middle East, South Africa, Latin America and India. Our customers include:

- 5 of top 10 Communication Service Providers worldwide
- 4 of top 6 European Telecommunication Services Companies
- 8 of top 10 Telecom Equipment Manufacturers globally
- 5 of top 7 North American Communication service providers
- 4 of top 5 Communication equipment vendors
- Leading Indian telecom service providers

With the objective of differentiating our offerings we have a spread of end-to-end offerings in Operations Support Systems (OSS), Business Support Systems (BSS), and Communication and Network Solutions. Over 30 % of the TCS consultants engaged in Telecom programs are domain experts in the fields of Networking, OSS and BSS areas. We have 12000+ man-years of domain expertise available to service clients.

Our solutions expertise and focus areas in the Telecom Operator space includes: Telecom end-to-end processes, Customer Relationship Management (CRM), Billing, Inventory, Provisioning, Mediation, Legacy and Commercial Off the Shelf (COTS) solutions, BPO for Operational processes, Managed services, Hosted Delivery, IT Assurance and Infrastructure Services.

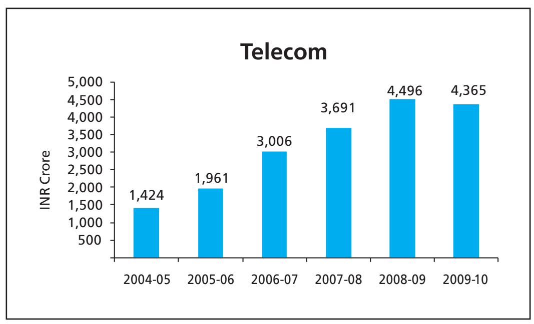
Our Productized offerings include:

- "Telco in a Box" framework with readymade process definitions and solution sets for different service provider business phases
- Service Oriented Architecture Framework for IT transformation of Service Provider OSS/BSS
- IPTV (Internet Protocol TV) framework for accelerating launch and deployment of IPTV Service
- Handset testing framework for rapid rollout of new applications

We have established Centers of Excellence (CoEs)/Labs for Customer Experience, OSS/BSS, IPTV, Value Added Services (VAS), Mobility Solutions and Integrated Network Convergence.

The global economic slowdown affected this vertical during the year.

Chart 14(b): Revenues Telecom

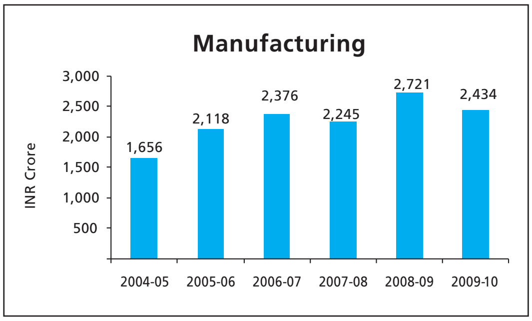


2.6.1.3 Manufacturing Industry Solutions: Manufacturing Industry Solutions Unit has been playing a significant role as a strategic partner to its clients in Automotive, Industrial Manufacturing & Components (IMC), Process & Chemical and Aerospace sectors.

One out of every three Fortune 500 Manufacturing companies works with your Company to drive their next generation IT strategies.

The Global economic slowdown resulted in negative growth for this vertical during this year. The discretionary IT spend of the automotive industry shrank in fiscal 2010, while the IMC sector, impacted by the declining order book position, cut back even on the 'IT to run business' expenditure. We diversified our portfolio by embracing BPO and Infrastructure Management Services to broaden this units growth horizon for the future. Significant investments have been made to this effect in product development, supply chain management and customer experience management area, through assets, solutions and alliances.

Chart 14(c): Revenues Manufacturing



2.6.1.4 Retail and Consumer Packaged Goods: The Retail vertical is one of the fastest growing verticals at TCS today. It offers a complete portfolio of services – Consulting, IT Infrastructure Services, BPO, Assurance and Enterprise Solutions to Retail and Consumer Packaged Goods (CPG) companies globally. TCS Retail practice has been in existence for the past 15+ years with over 14000+ consultants serving 6 of the top 10 global retailers.

We have a number of solutions and frameworks that include Store Based Loyalty, Point of Sale (POS) and Store Inventory Management, Web 2.0 enabled Ecommerce Components, Mobile Marketing and Commerce Solution, PLM (Product Lifecycle Management), Retail Analytics Platform and Assortment Analysis Tool.

We constantly develop new capabilities, forge alliances, and develop proprietary solutions and assets to meet the changing demands of the market. These solutions help our customers gain significant competitive advantage.

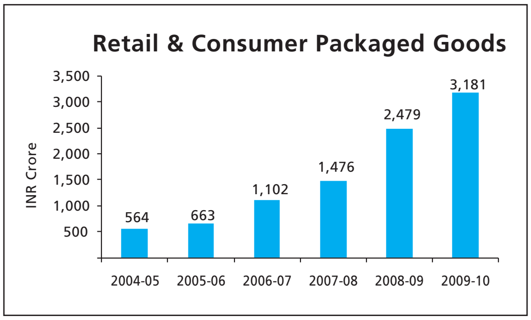
To sustain competitive advantage in an industry characterized by intense competition, expanding boundaries, changing trends, short life cycle products, complex global supply chains and high customer churn, retailers need to leverage technology and create winning strategies. From high end consulting to integrated solution suites TCS provides end-to-end technology and business solutions that help retailers win customers and ensure success.

In addition to end-to-end IT and BPO services TCS has also invested in the following proprietary solutions:

- TCS eCommerce platform
- Customer Program Management (CPM)
- Assortment Optimization
- Workforce management
- Platform based solutions for Finance & Accounts (F&A), Human Resources (HR), Indirect Sourcing and Business Intelligence
- TCS Retail vertical also focuses on providing Business Process Improvements for retailers leveraging its assets and Lean framework

At TCS, we continue to see Retailers focusing on improving their customer centricity, increasing operational efficiencies, reducing working capital and enabling multi-channel capabilities. The Business trends high on priority for leading retailers are investments in e-commerce and web 2.0; Inventory Optimization; mobile commerce and improved Customer Intimacy.

Chart 14(d): Revenues Retail and Consumer Packaged Goods



2.6.2 Focus on customer-centricity: TCS has enabled an integrated global organisation structure built around serving customer needs.

The integrated customer-centric business units help enhance customer focus, drive operational agility and address new growth opportunities in the market. The 'organisational structure' has provided customers with a single view of the Company, encompassing project delivery and relationship management and also enabled a sharper focus on the customer, enhancing the customer-centricity of TCS operations.

This operating model continues to deliver value to the customers. The flat structure enables closer collaboration among the leadership teams in each operating unit which helps the Company remain agile and adapt to rapidly changing market conditions across industries and markets.

It enables the Company to retain talent as it provides greater leadership opportunities across the organisation and enables each business unit to have the space and headroom to grow without losing the benefits derived from TCS' scale, size and geographical reach. This organisational framework ultimately provides a clear customer focus and enables TCS to be closer to the customer as a virtual extension of the customer organization.

2.7 **TCS' Global Footprint:** The Company continues to invest in developing and optimising its global presence, in order to pursue opportunities in global markets on an ongoing basis and enable existing and potential customers to access our services seamlessly.

2.7.1 **Global Market Presence and Reach:** As on March 31, 2010, TCS had 142 offices in 42 countries as well as 105 delivery centers in 20 countries. As on March 31, 2010, TCS had:

18 offices in USA and Canada

12 offices in 7 countries in Latin America

11 offices in UK and Ireland

22 offices in 12 countries in Europe

18 offices in 12 countries in Asia Pacific

7 offices in Middle East and Africa

54 offices in 13 locations in India

In terms of geographies the Company continues to be accessible to clients and also continues to pursue localisation strategies.

In mature markets like North America the Company has further strengthened its local presence by focusing on growing its investments in Cincinnati, Ohio by recruiting local talent to support North American operations.

In Europe including the United Kingdom the Company has increased its focus on the Western European markets like Germany, France, Benelux and the Nordic region.

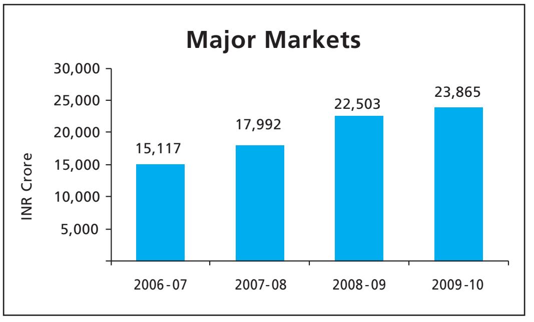
The Company continues to invest in emerging markets such as Latin America, Middle East, Africa and Eastern Europe. TCS' geographical growth strategy has a two pronged approach focused on major markets and new growth markets.

2.7.2 **Major Markets:** TCS continues to focus on serving large global clients and growing its business in the major markets, namely North America and Europe including UK.

The Company's key focus in these mature markets is to grow its wallet share in key customer accounts by increasing the scope of engagement. TCS also focused on penetration of new key accounts in these major markets by using its integrated full services and GNDM™ offerings.

This Industry domain and consulting led focus enabled the Company to push for aggressive growth, using a client centric strategy. The Company has numerous multi-year relationships established with global multinationals in these markets and continues to provide them a multiple range of services.

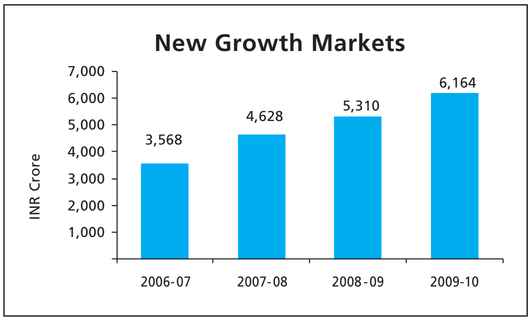
Chart 15(a): Revenues from Major Markets



2.7.3 **New Growth Markets:** The Company has been investing in emerging or new growth markets since 2002-03 and has achieved scale in Latin American markets like Brazil, Chile, Mexico, Argentina, Colombia and Ecuador, where nearly 6,500 professionals are working with global, regional and national corporations.

TCS has increased its presence in the Asia Pacific region including China and the other Asean countries, as well as Eastern Europe, Middle-East and Africa. The Company continues to remain committed to investing in these fast developing markets and also in India. TCS believes that these new growth markets have the potential to be significant revenue drivers over the long-term.

Chart 15(b): Revenues from New Growth Markets

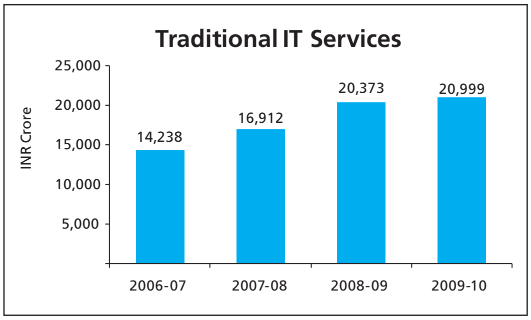


2.8 Services and Offerings: The details of the Company's Service Offerings are discussed below.

The Company generates its revenues from both traditional IT Services as well as growing its business from the demand for new services like IT Infrastructure services, Business Process Outsourcing Services, Engineering & Industrial Services, Global Consulting and Asset Leveraged Solutions.

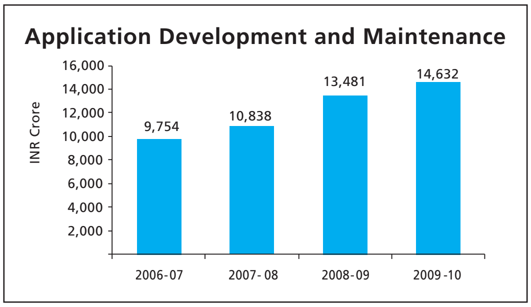
2.8.1 Traditional IT Services Revenues:

Chart 16: Traditional IT Services Revenues



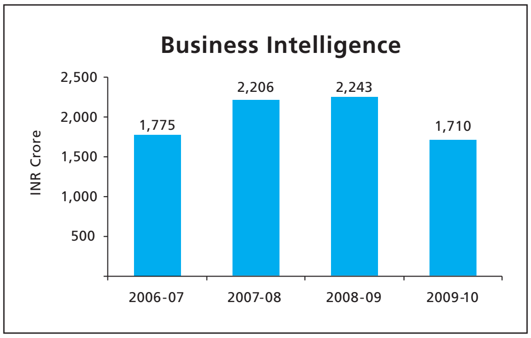
2.8.1.1 IT Solutions and Services: These services include Application Development and Maintenance, Migration and Re-engineering as well as Package Implementation services. The company also offers Performance Management, Business Intelligence, Assurance (Testing) and Systems Integration services. As global organisations explore newer methods for improving efficiencies and competing, an increasing share of these IT Services is being outsourced and executed from remote development centers.

Chart 16(a): Application Development and Maintenance Revenues



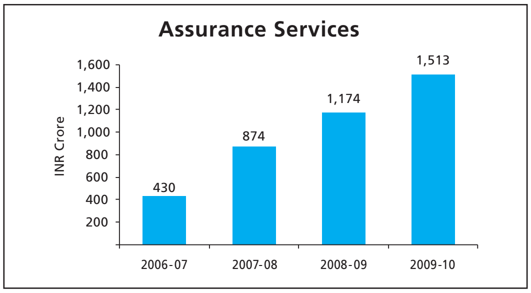
- TCS is positioned as a leader in 'Gartner's Magic Quadrant' for North American Offshore Application Services
- TCS is positioned as a leader in Gartner's Magic Quadrant for European Offshore Application Services

Chart 16(b): Business Intelligence Revenues



- TCS is positioned as a leader in 'Gartner's Magic Quadrant' for Business Intelligence & Performance Management Services, North America
- Customers postponed investments in Business Intelligence solutions in fiscal 2010 as part of the cutbacks in IT Services

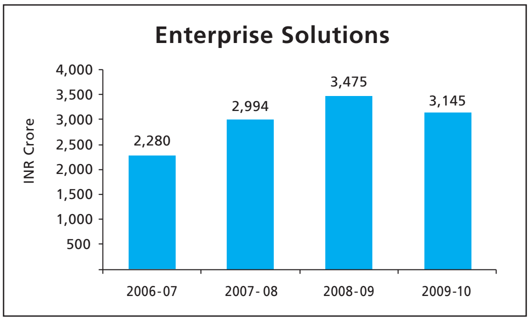
Chart 16(c): Assurance Services Revenues



- There is an increasing demand for Assurance (Software Testing) Services
- Customer's increased outsourcing of testing and assurance services as part of cost containment initiatives in fiscal 2010

2.8.1.2 Enterprise Solutions: The Company provides services in the areas of Enterprise Resource Management, Supply Chain Management, Customer Relationship Management and Content Management Solutions to integrate enterprise-wide functions with comprehensive solutions.

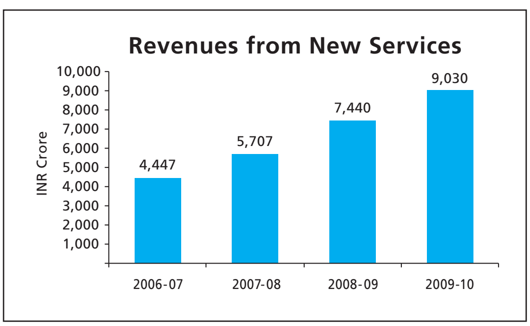
Chart 16(d): Enterprise solution Revenues



Revenues from enterprise solution services were affected in fiscal 2010 as customers cut back on spending on enterprise software products around which these services are offered

2.8.2 New Services: New services include Infrastructure, Business Process Outsourcing (BPO), Engineering, Global Consulting Practice (GCP) and Asset Leveraged services. The rate of growth of the new Services is faster than growth in traditional IT Services. Details of TCS' performance in these services are discussed below:

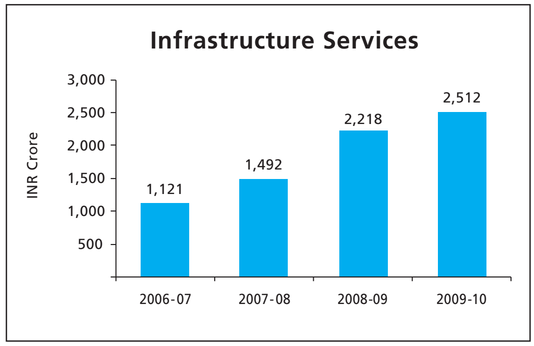
Chart 17: Revenues from New Services



2.8.2.1 IT Infrastructure Services (IT IS): This unit provides end-to-end IT Infrastructure Services, which offers customers cost effective business transformation solutions. The Unit provides services which are 'Application Driven' thereby ensuring an Infrastructure eco-system which is available, scalable, flexible and adaptable.

Over the last four years the unit has been growing at a CAGR of 46%. During this financial year the unit bagged new deals in business transformation solutions, new delivery models, RIM (Remote Infrastructure Management) and end-to-end infrastructure services.

Chart 17(a): Revenues from IT IS



During the year, TCS' Infrastructure Management service offerings won and received evaluations and accolades from industry analysts throughout the year.

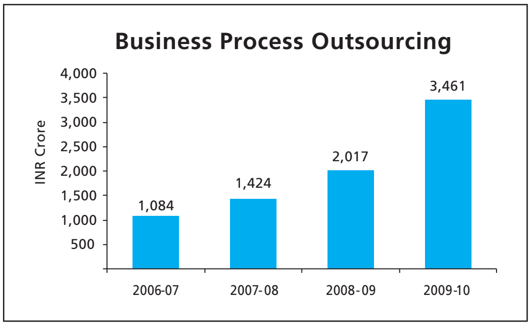
- Positioned as a Leader in The Forrester Wave™ — Global IT Infrastructure Outsourcing report of Q1 2009
- Positioned as a Leader in Gartner's Magic Quadrant for Help Desk Outsourcing in North America
- Positioned as a Leader in Gartner's Magic Quadrant for Desktop Outsourcing Services, North America

2.8.2.2 Business Process Outsourcing (BPO): TCS BPO is now ranked amongst the top 2 BPO providers in India. TCS BPO offers value added transaction processing services to its customers in industry verticals such as Banking and Financial Services, Insurance, Telecom, Life Sciences and Healthcare, Energy and Utilities, Travel, Transportation and Hospitality and Retail and Consumer Packaged Goods, while Knowledge-based services are focused on areas such as biostatistics, customer insights, risk analytics and predictive analytics.

Due to its focus on domain-intensive transaction processing services and knowledge services, as well as its high quality delivery, TCS BPO is forging newer customer relationships every quarter while strengthening its long-standing ties with key customers.

TCS' proprietary GNDM™ (Global Network Delivery Model™) has been effectively leveraged by TCS BPO Services, to facilitate a near-shore delivery for many of its global customers. During the financial year, the company continued to invest in scaling up its operations and delivering BPO Services from Cincinnati (Ohio) and Midland (Michigan) in USA, Guadalajara (Mexico), Montevideo (Uruguay) and Santiago (Chile) in Latin America, Hungary and UK in Europe, China and also from its established sites in India.

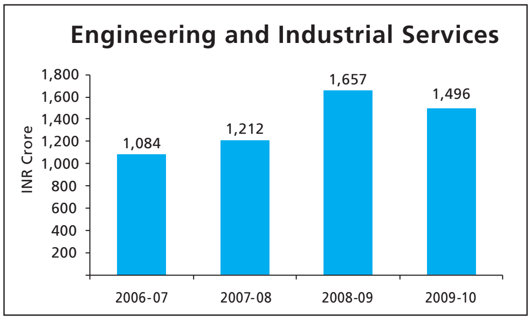
Chart 17(b): Revenues from Business Process Outsourcing Services (BPO)



2.8.2.3 Engineering and Industrial Services (EIS): The EIS business is an integral element of TCS' strategy to provide full services across the engineering, product development and R&D value stream of companies across all the industry verticals. The EIS portfolio provides a wide range of solutions catering to individual customer needs focusing on New Product Development Solutions, Product Lifecycle Management Solutions, Plant Solutions & Services and Geospatial Solutions.

This vertical was impacted during the overall macroeconomic and manufacturing industry slow down and has since shown signs of recovery.

Chart 17(c): Revenues from Engineering and Industrial Services (EIS)

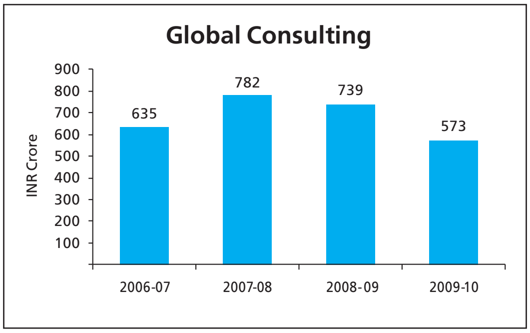


2.8.2.4 Global Consulting Practice: The Global Consulting Practice (GCP) uses consulting and IT services capabilities to bring continuity and consistency to strategic programs and help organisations manage current business requirements, while preparing for the future. It is a key component of the Company's full services strategy to deliver greater value to clients. Our consulting-led, integrated portfolio of IT and IT-enabled services is designed to help organizations increase alignment between Business Operations and IT.

Building on TCS' delivery excellence and proven technology expertise, GCP leverages TCS' industry insight and consulting knowhow gained over the last 40 years to deliver trusted advice to client organisations globally.

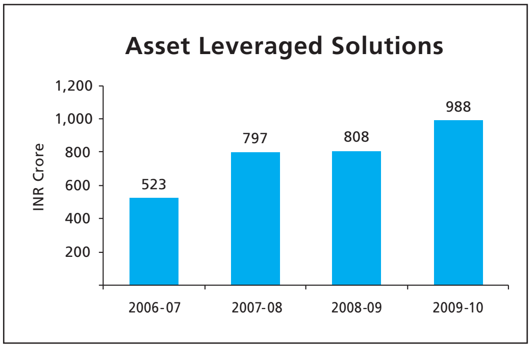
GCP is instrumental in positioning TCS as a business advisor. It allows us to develop closer, broad based relationships with leading organizations, as they strive to optimize and transform their businesses using technology. GCP partners with such clients across the transformation landscape and lifecycle to create innovative business solutions, support implementation and deliver measurable results.

Chart 17(d): Revenues from Global Consulting



2.8.2.5 Asset Based Solutions: Asset based solutions are critical for the Company's non-linear growth strategy. These services are based on the Company's intellectual property and domain expertise, which have been built over the years.

Chart 17(e): Revenues from TCS Asset Leveraged Solutions



3. Technology and Innovation: Over the last three decades, innovation has evolved in TCS in line with the environment and market. As on March 31, 2010, TCS had established a global network 19 R&D Innovation Labs with specific focus on technologies and verticals. The Company had also established 60 Centers of Excellence (CoEs) in all areas of information technology and business services as well as on partner products. This ensured that all our offerings incorporated the latest products and services capabilities from the Company and its alliance partners and allowed us to build new skill sets among the employee base to better serve customers current and emerging needs.

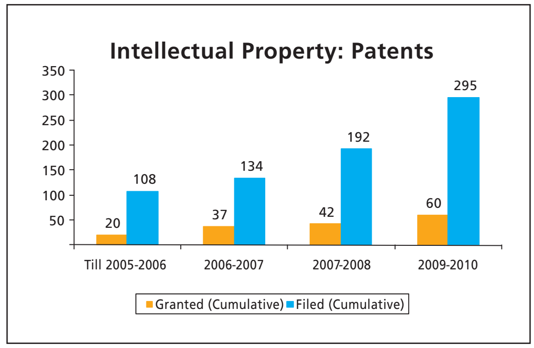
TCS' Innovation Labs works on numerous research themes primarily in the field of information technology. These themes include use of IT for improving operational efficiency, business agility and simplification of complex systems and customer driven research themes to improve customer experience.

The TCS Co-Innovation Network (COIN™) has a key role in leveraging an external ecosystem to create leading edge solutions. During the current fiscal we created two significant solutions, the Home Infotainment Platform and Tata Swach for purifying water, in new business areas and at disruptive price points, by collaborating with our partners.

4. Intellectual Property (IP): The Company has defined an IP strategy with the objective of building an effective portfolio for future monetization, collaboration and risk mitigation.

The total number of granted patents is 60. In addition, TCS has over 295 patents pending in multiple jurisdictions.

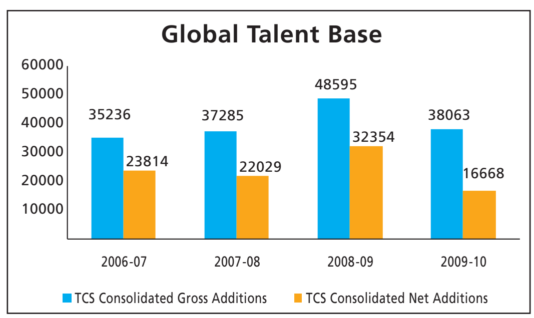
Chart 18: TCS Intellectual Property Strategy - Patents filed and granted



5. Human Resources Strategy: The Company continues to invest in human resources development. The total number of employees including subsidiaries as at March 31, 2010 was 160,429 (143,761 as at March 31, 2009).

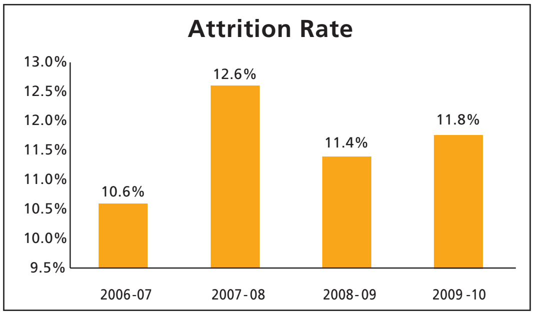
The Company had a gross addition (including Indian subsidiaries) of 38,063 (previous year 48,595) employees and a net addition of 16,668 (previous year 32,354) employees. Gross additions for last fiscal year included over 12,500 people as a result of the Citigroup BPO acquisition. The Company has recruited 38,063 employees in fiscal 2010 as compared to 35,345 employees in fiscal 2009 an increase in gross additions of 7.67% during the current fiscal.

Chart 19: Growing talent Base: Gross and net employee addition in last 4 years



5.1 **Talent Retention:** The attrition rate of 11.8% in fiscal 2010 (previous year 11.4%) is the lowest in the industry. This low attrition rate has been achieved by continuously investing in learning and development programs for employees, competitive compensation, creating a compelling work environment, empowering employees at all levels, as well as a well-structured reward and recognition mechanism.

Chart 20: Attrition rate for last twelve months – trends over last 4 years



5.2 **Talent Diversity:** The composition of the global workforce continues to show increasing trends in the number of female employees and foreign nationals from countries across the globe. As at March 31, 2010, women constituted 30.4% of the Company's workforce (30.1% as at March 31, 2009). The Company employed persons from 80 different nationalities (previous year 67 different nationalities). The headcount of TCS Global non-Indian nationals including the employees of its subsidiaries as on March 31, 2010 was 10,475 employees (includes the foreign nationals employed by Diligenta our UK Subsidiary). TCS is focused on adding to its global knowledge workforce and integrating these professionals into its workforce.

Chart 21: Diversity: Increase in women employees in last 4 years

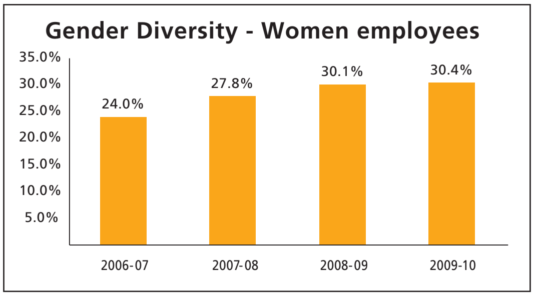


Chart 22: Diversity: Trends in Non-Indian Nationals in last 4 years

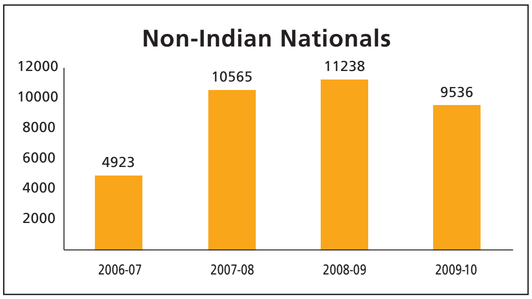
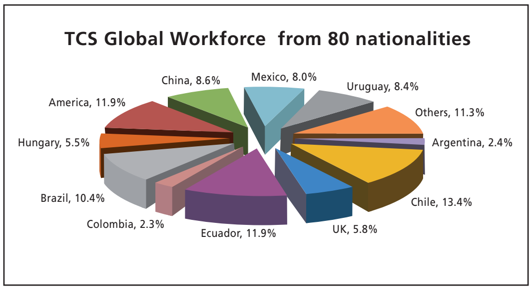
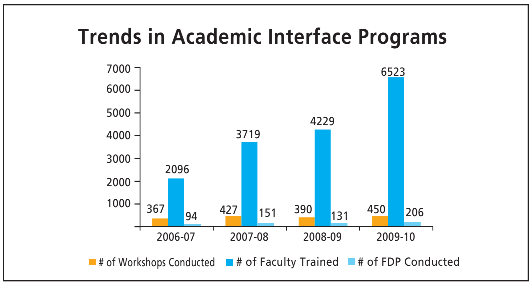


Chart 23: Diversity: Global work force from 80 nationalities



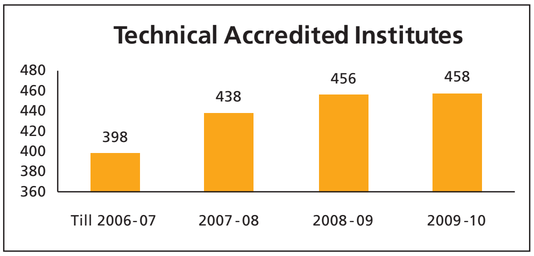
5.3 **Academic Program:** Continuous interaction with universities and other educational institutions remains a central plank of TCS' strategy to attract the best scientific and engineering talent. TCS has also set-up an Industry – Academia collaboration network with some of the foremost Universities in India and rest of the world.

Chart 24: Academic interface program workshops conducted, faculty trained



5.4 **Talent acquisition:** The Company continues to invest in improving the overall quality of engineering talent in India through a stringent academic accreditation program that helps benchmark and improve the quality of learning at colleges. The Company also provides training, internships and projects to students. As a result of these initiatives, TCS continues to be an employer of choice on engineering campuses across the country.

Chart 25: Academic Interface Program – Number of TCS accredited academic institutes



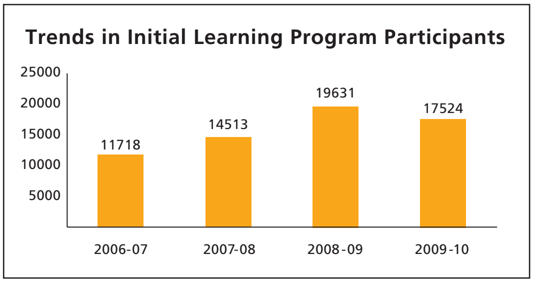
5.5 **Inclusive Talent Development - TCS Ignite:** Launched in 2007, Ignite demonstrates the Company's commitment to inclusive growth. More than 60% of hiring done by the Company since inception under this program is of first generation graduates. Recruitment takes place from across 500 colleges in India, Nepal and Bhutan. More than 2,500 Ignite recruits are deployed on customer projects. More than 1000 Ignite recruited employees are pursuing higher education opportunities like Masters in Computer Applications (MCA) in collaboration with its academic partners. The top 1% of Ignite recruited employee's are pursuing the challenging MSc Computer Science program at the Chennai Mathematical Institute.

Ignite continues to make significant strides in the areas of learning (new advanced electives in Performance Engineering, Visual Excellence, and Learning from Las Vegas), digitization (end-to-end, including new technology enabled learning platforms), and innovation (two broad patents filed around TouchStone, a secure and traceable HR supply chain solution).

Three ecosystem initiatives focusing on continuing education, schools and adult employability were launched. The dedicated MCA program for Ignite trainees is already among the country's largest corporate continuing education program.

5.6 **Learning and Development:** More than 17,524 trainees completed the Initial Learning Program (ILP). Our employees gained 9,151 new technology and process certifications during 2009-10 as part of the Continuous Learning Program (CLP). The e-Learning coverage was significantly enhanced. Modules in Portuguese, Mandarin and Spanish rolled out last year are being used. The new version of Competency Management System (iCALMS) and a Learning Planning System have been deployed globally to enhance the automation of L&D Processes.

Chart 26: Number of trainees who completed the initial learning program



C. OPPORTUNITIES AND RISKS

1. **Opportunities:** TCS is the largest Indian IT Services Company in terms of revenues, profits and number of employees. In terms of opportunities, the Company is in the privileged position of being in a growth industry like technology, which is becoming central to the well being of all other industries. Given the quickening pace of technology change, the amount of work being done outside the corporations, often at remote locations is increasing for a variety of reasons. These trends present many opportunities for TCS. The Company that pioneered the concept of offshore IT services is today an integrated full-services player with a global footprint and scale and therefore has the opportunity to address a larger section of the growing market for technology services.

This section of the management discussion and analysis also covers the broad risks confronting TCS.

2. **Risks and Risk Mitigation:** The Company has put in place an Enterprise-wide Risk Management (ERM) process. Reports are placed before the Board of Directors at regular intervals.

The Company believes that it has robust and "fit for purpose" risk management processes in place. The process of continuous evolution of risk identification includes taking stock of the risk landscape.

Risks are categorized as:

(1) Strategic

(2) Operational

(3) Financial and

(4) Compliance related risks

Risks and risk mitigation actions undertaken by the Company are discussed below.

2.1. Security Related Risks: TCS has adopted systems and processes to safeguard its people and assets, as well as ensure business continuity.

The vision of the security team is to make TCS reliable, resilient and immune to the existing and evolving volatile environment of constant change.

TCS has a comprehensive security plan in place which is preventive in nature and aims at protecting its facilities from the various risks observed from time to time. The plan uses a blend of people, process and technology to ensure that the security levels are maintained at all times in line with the risk landscape.

2.1.1 Physical Security: Access to TCS premises is limited to those authorized to enter the facilities and in possession of valid identification.

The overall security deployment is governed by a Corporate Committee which looks at the integrated global security requirements across the organisation. Periodic audits are conducted by a group of experts, which helps to validate the deployment strategy and the need to reinforce any of the existing controls. Concerted efforts have been made to create greater awareness amongst the associates.

2.1.2 Information Security: As part of this process the Company ensures that information is shared on a need to know basis. Accessibility and availability of such information is limited to authorized users.

2.1.3 Business Continuity Plans: To ensure business continuity in case of a natural or man-made catastrophe, TCS has a comprehensive Business Continuity Plan (BCP) in place which is tested every six months to ensure it is up-to date and functional.

2.2 Financial Management Related Risks:

2.2.1 Foreign Exchange Volatility Related Risks: In fiscal 2010, the impact of volatility of the Indian Rupee was both positive and negative on the IT industry. This trend may continue in fiscal 2011.

The Company uses various types of foreign currency forward and options contracts to hedge the risks associated with fluctuations in these currencies. The contour of exchange risk exposure today is quite different from what it was in previous years, as cross currency movements have added an additional dimension of volatility.

The Company regularly reviews its existing policies and processes for the use of financial derivative instruments and its hedging strategies. The Company's hedging strategies are reviewed and approved by a Risk Management Board on a quarterly basis. To better manage foreign exchange volatility, the use of automated software to digitize, track and report all derivative and hedging transactions on a daily basis has been implemented by the treasury management team.

2.2.2 Counterparty Risk in Treasury Operations: The treasury operations have to be conducted through banks authorized by Reserve Bank of India (RBI) for the purpose of such transactions. In the recent economic and banking turmoil, leading banks have been affected in varying degrees. In order to protect itself against possible default by the counterparties for these hedging transactions, TCS has been monitoring counterparty health, diversifying the risk by having multiple banks with whom such transactions are undertaken and also monitoring limits with each of them dynamically.

2.3. Compliance Related Risks:

2.3.1 Regulatory & Compliance Related Risk: The Company has a global footprint and as it increases its global reach and operations, the risk of ensuring 100% compliance with the regulations and laws in the various jurisdictions, where it has a presence, increases — like that of any global organization.

To mitigate this risk, the Company has established a separate office under the Chief Compliance Officer and has also put in place an institutionalized structure to ensure 100% regulatory and legal compliance across the globe. The Chief Compliance Officer has a team of senior persons from all relevant functions as part of his team to ensure compliance with all laws and statutory requirements in these countries. The use of local managers as well as consultants, auditors, lawyer's, specialists and experts in these countries where we have a presence is encouraged to ensure 100% compliance.

2.3.2. Process Non-Compliance Related Risk: TCS is a process-centric organization and compliance with defined processes in the Company is de rigueur.

In order to ensure strict process compliance TCS has established a world-class integrated Quality Management System (iQMS) to ensure the quality of its services — which revolve around exceeding customer defined Service Level Aggreements (SLAs).

2.4. Reputation Related Risks:

2.4.1 Branding, Brand name and Corporate Governance Related Risks: The Company has recognized that its wide global presence has to be strengthened by appropriate brand building. It has been investing in building the brand of 'Experience certainty' through multiple means.

As TCS is a signatory to the Tata Brand Equity and Business Promotion Agreement, it is governed by strict standards in its communications as well as use of the Tata Brand and ensures compliance with the same.

Strong Corporate Governance practices and strict adherence to the Tata Code of Conduct governs all actions and decisions made by the officers in the Company. We believe that these practices minimize 'Reputation Risks'.

2.4.2. Fraud Related Risks: TCS is a global organisation with widespread operations in all five continents. Though it has best in class controls and built-in checks and balances for ensuring financial integrity in the conduct of its business and has adopted world-class corporate governance standards, because of the widespread nature of its business operations the risk of fraud is always present.

In order to mitigate this risk, the Company uses the services of its External Auditors (M/s. Deloitte Haskins & Sells) to annually administer a detailed fraud questionnaire to its three designated statutory officers, viz. the Chief Executive Officer, the Chief Financial Officer and the Company Secretary. These questionnaires are administered in a face-to-face meeting with these officers and the focus of these questions is to determine if there are any indications, perceptions or instances of breach of financial and business integrity by any member of the organisation. The findings are cross-checked by the External Auditors (M/s. Deloitte Haskins & Sells) with the Company's Internal Auditors (Ernst & Young Private Limited). The final responses by the statutory designated officers to the fraud questionnaire are prepared by the respective teams of these designated officers. All such responses are placed on record.

2.5. Business Operational and Strategic Risks:

2.5.1 Addressing macro-economic risks in an uncertain growth environment: During 2008, the global economy was subject to great turmoil. This crisis which led to a global recession continued during the first half of 2009. Since then, the global economy has shown a turnaround. The crisis in the financial sector which had led to a lower confidence in financial markets resulted in the global credit crunch in 2008. This appears to be receding as the G20 economies initiated a set of rapid fiscal and monetary policy responses. Responses included fiscal stimulus packages across these economies, coordinated efforts by central banks worldwide to lower interest rates, injection of liquidity into financial markets including quantitative easing.

Global trade which had shrunk in 2008 started recovering from mid-2009. Uncertainties in the currency markets are continuing to result in volatility in exchange rates as well as commodity prices.

According to the 'International Monatory Fund: World Economic Outlook 2009', after a deep global recession, economic growth has turned positive, as wide-ranging public intervention by governments across the globe has supported demand and lowered uncertainty and systemic risk in financial markets. The global economic recovery is expected to be slow, as financial systems remain impaired, and support from public policies will gradually have to be withdrawn, and households in economies that suffered asset price busts will have to continue to rebuild savings while struggling with high unemployment.

Advanced economies are projected to expand sluggishly through much of 2010, with unemployment continuing to rise until later in the year. Annual growth in 2010 is projected to be about 1.25 percent, following a contraction of 3.5 percent in 2009.

In emerging economies, real Gross Domestic Product (GDP) growth is forecast to reach almost 5 percent in 2010, up from 1.75 percent in 2009. The rebound is driven by China, India and a number of other emerging Asian economies.

To address these risks of Global trade shrinkage, and strategic changes in future market and customer segments, the Company which already has a wide presence both in developed world and in emerging markets has taken the following additional steps:

- Increased the breadth and depth of TCS' service offerings
- Increased the focus on penetration of new customer accounts
- Increased the focus on the identified future growth markets (Latin America, Middle-East, Africa, Japan and China) where the Company has been making investments over the last few years

2.5.2 **Global Market Risks:** With a slow economic recovery anticipated in the developed markets in 2010 the contours for conducting business globally is changing for TCS.

TCS has adapted its agile approach, customer reach and market presence, to effectively create proactive opportunities in such emerging economic scenarios. The Company believes that it will be a beneficiary of the changing IT spending landscape, as its long-standing clients look for new opportunities for improving operational efficiencies, innovation and time to market.

The approach adopted by the Company involves effectively leveraging its market/product/customer relationships built over many years, to work closely with its clients – to help them address their business problems and to enable them to meet their business objectives. TCS does this by bringing all the innovation, domain knowledge and technical expertise of the entire organization to bear on customer requirements and needs, so that it can provide clients with value-added solutions.

The Company has also increased its focus in the faster growing emerging markets of Latin America, Asia, and Middle-East & Africa where future growth in business opportunities are anticipated.

2.5.3 **Service Model Redundancy Risks:** Increased competition could result in pressure on pricing and commoditization of some services.

TCS is focusing on addressing this risk by focusing on innovation.

2.5.4 **Innovation Related Risks:** The Company is focused on innovation. Innovation initiatives are in multiple forms, but all of these are focused on better productivity through continuous improvement in processes, systems, methodologies and capabilities. Emphasis on innovation also helps the Company in moving up the value chain.

Innovation in the Company is practiced by adopting 'derived' innovation that seeks continuous improvement in every area and by 'platform' innovation, whereby multiple capability and skill teams engage to develop innovative ideas.

There are risks associated with translating all the investments that the Company is making in Innovation into successful business opportunities for its future growth.

These risks of investments in innovation projects are addressed by structured periodic reviews of all such programs and investments — by senior management.

2.5.5 **Resource Risks:** The movement of people between nations for providing high-end technical and business services skills required by the global customer organizations in the developed markets including USA, UK, Europe, Australia, and Japan are governed by procedures and legislation in each country and may result in delays in procuring visas and work permits.

In order to address this risk TCS has adopted a number of strategies:

1. Strengthened its efforts to identify and train local recruits in all these markets.
2. Strengthened its Global Compliance Process for ensuring strict compliance with Visa and work permit requirements and regulations.

3. Working closely with all its global customers monitoring and planning in advance the need for such resources, to ensure smooth conduct of business.

2.5.6 Executing M&A Transaction's Risk: Ensuring successful integration of the inorganic growth opportunities that the Company undertakes in line with the goals and the underlying premise for these transactions is a risk in terms of impairment of goodwill and effect on the Profit and Loss Statements if these goals are not achieved.

Risk mitigation action includes well-laid out integration plans and close monitoring and review of these transactions to ensure that the goals and milestones related to the transactions are achieved.

FINANCIAL PERFORMANCE

Tata Consultancy Services Limited (TCS Limited) is a public company listed on "National Stock Exchange of India Limited (NSE)" and "The Bombay Stock Exchange Limited (BSE)" since August 25, 2004.

The financial statements of TCS Limited are prepared in compliance with the Companies Act, 1956 and generally accepted accounting principles in India (Indian GAAP).

TCS Limited has a number of subsidiary companies which are either wholly-owned or partly-owned.

TCS Limited discloses audited financial results on a quarterly and annual basis. The financial results of Tata Consultancy Services Limited (TCS Limited) as per Indian GAAP are discussed hereunder in two parts:

(i) Tata Consultancy Services Limited (Consolidated) which includes performance of subsidiaries of TCS Limited. Preparation and presentation of such Consolidated Financial Statements brings out comprehensively the performance of the TCS group of companies and is more relevant for understanding the overall performance of TCS.

(ii) Tata Consultancy Services Limited (Unconsolidated) which excludes the performance of subsidiaries of TCS Limited. [See Management Discussion and Analysis (Unconsolidated)].

Financial Performance Summary (Consolidated)

In fiscal 2010, the global economic environment continued to be difficult. The Company focused on delivering value to its customers while improving its profitability. This has resulted in record levels of pre-tax and post-tax profit, earnings per share and cash flow from operations. The financial performance reflected the strength of the Company's leadership, strategy and ability to navigate through challenging economic environment.

The overall improvement in the financial performance can be seen in the section 'Company's Performance Trend'.

In fiscal 2010, the consolidated revenues of the Company aggregated Rs.30,028.92 crore (Rs.27,812.88 crore in fiscal 2009), registering a growth of 7.97%.

The consolidated profit before taxes (PBT) aggregated Rs.8,289.63 crore in fiscal 2010 (Rs.6,150.07 crore in fiscal 2009) – a growth of 34.79%. Pre-tax profit as a percentage of revenues improved from 22.11% in fiscal 2009 to 27.61% in fiscal 2010.

The consolidated profit after taxes aggregated Rs.7,000.64 crore (Rs.5,256.42 crore in fiscal 2009) – a growth of 33.18%. Post-tax profit as a percentage of revenues improved from 18.90% in fiscal 2009 to 23.31% in fiscal 2010.

In fiscal 2010, the Company's consolidated earnings per share were Rs.35.67 (Rs.26.81 in fiscal 2009).

FINANCIAL PERFORMANCE — (CONSOLIDATED)

The Management Discussion and Analysis below relates to the consolidated audited financial statements of TCS Limited and includes the results of its subsidiaries. The discussion should be read in conjunction with the consolidated financial statements and the related 'Notes to the Consolidated Accounts' of TCS Limited for the year ended March 31, 2010.

The table below gives an overview of the financial results of TCS Limited (consolidated):

	For the year ended March 31, 2010		For the year ended March 31, 2009		Fiscal 2010 vs 2009
Revenues from Operations	**Rs. Crore**	**% of Revenues**	**Rs. Crore**	**% of Revenues**	**% Increase**
Information technology and consultancy services	**29085.21**	**96.86**	26781.86	96.29	8.60
Sale of equipment and software licenses	**943.71**	**3.14**	1031.02	3.71	(8.47)
Total Revenues	**30028.92**	**100.00**	27812.88	100.00	7.97
Expenditure					
Employee costs	**10879.57**	**36.23**	9910.92	35.63	9.77
Overseas business expenses (employee allowances paid overseas)	**4186.18**	**13.94**	4572.28	16.44	(8.44)
Total Employee Costs	**15065.75**	**50.17**	14483.20	52.07	4.02
Overseas business expenses (other than employee allowances paid overseas)	**383.89**	**1.28**	460.07	1.65	(16.56)
Services rendered by business associates and others	**1261.97**	**4.20**	1114.57	4.01	13.22
Operation and other expenses	**4622.76**	**15.39**	4585.24	16.49	0.82
Total Expenditure	**21334.37**	**71.05**	20643.08	74.22	3.35
Other Income, Net	**272.07**	**0.91**	(426.99)	(1.54)	
Profit before Interest, Depreciation and Taxes	**8966.62**	**29.86**	6742.81	24.24	32.98
Interest	**16.10**	**0.05**	28.66	0.10	(43.82)
Depreciation	**660.89**	**2.20**	564.08	2.03	17.16
Profit before Taxes	**8289.63**	**27.61**	6150.07	22.11	34.79
Provision for Taxes					
Income tax expense (Including deferred tax benefit, fringe benefit tax and MAT credit entitlement)	**1196.97**	**3.99**	838.95	3.02	42.67
Net Profit for the year before Minority Interest and share of loss of associate	**7092.66**	**23.62**	5311.12	19.10	33.54
Minority Interest & share of loss of associate	**(92.02)**	**(0.31)**	(54.70)	(0.20)	-
Net Profit for the year	**7000.64**	**23.31**	5256.42	18.90	33.18

Revenues

Revenues from Operations

The Company's consolidated revenues increased in fiscal 2010 to Rs.30,028.92 crore from Rs.27,812.88 crore in fiscal 2009, a growth of 7.97% (22.96% in fiscal 2009). Revenues from information technology and consultancy services constituted 96.86% of the total revenues in fiscal 2010 (96.29%in fiscal 2009) – an increase of 8.60 % over the last fiscal.

Consolidated revenues from sale of equipment and software licenses decreased by 8.47% to Rs. 943.71 crore in fiscal 2010 from Rs.1,031.02 crore in fiscal 2009.

Analysis of Revenue Growth

The analysis of revenue growth attributable to various factors for the last two fiscal years is summarized in the table below:

Analysis of Growth %	**2009-10**	**2008-09**
Volume	**17.37**	19.33
Price	**(3.32)**	(4.89)
Mix (Onsite/Offshore)	**(8.12)**	(2.27)
Exchange rate	**2.04**	10.80
Total Growth	**7.97**	22.97

The second half of fiscal 2009 witnessed requests for price concessions and more favourable contract terms. The trend continued to be felt in fiscal 2010. In this difficult environment, we exercised multiple levers to ensure that the volume of work continued to increase. The Company focussed on deeper customer relationships and improved its value proposition to the customers, resulting in growth in volume of multiple customer accounts.

Shifting of resources to offshore delivery centres was a strategy used to help customers in reducing their costs which also led to margin improvement for the Company.

We are a global company and our revenues are earned in multiple currencies. The trend in exchange rates of the Indian Rupee vis-a-vis some of the major currencies in which we do business is shown in the table below:

Currency	Fiscal 2010	Fiscal 2009	Fiscal 2008	Currency Change FY10 Vs. FY09	Currency Change FY09 Vs. FY08
USD	**47.36**	46.30	40.14	2.30%	15.33%
GBP	**75.54**	78.33	80.63	(3.56%)	(2.85%)
EUR	**67.09**	65.52	57.46	2.40%	14.02%
AUD	**40.48**	35.82	35.13	12.99%	1.98%
CAD	**43.63**	41.21	39.57	5.88%	4.14%

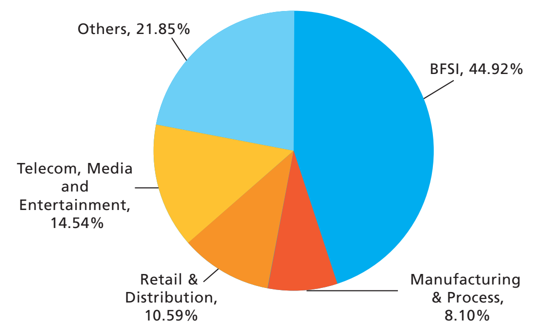
During the fiscal 2010, US Dollar and Euro strengthened vis-a-vis Indian Rupee to a lesser extent compared to the last fiscal. British Pound Sterling weakened in the last two fiscals. The impact of exchange rate fluctuation on revenues in fiscal 2010 has been 2.04% compared to 10.80% in fiscal 2009.

Revenues by Segment

The classification of revenues by industry segment (our primary segment) and geography (our secondary segment) is more relevant when viewed on a consolidated basis.

Revenues by Industry Segment

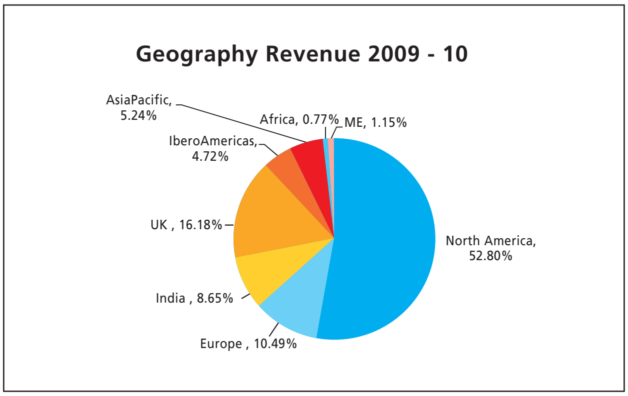
Industry Segment Revenues 2009-10



Industry Segment	**2009-10**	**2008-09**
	% of Revenues	**% of Revenues**
Banking, Financial Services & Insurance (BFSI)	**44.92**	42.89
Telecom, Media & Entertainment	**14.54**	16.17
Manufacturing	**8.10**	9.78
Retail and Consumer Packaged Goods	**10.59**	8.91
Others	**21.85**	22.25
Total	**100.00**	100.00

In spite of the financial difficulties faced by customers in fiscal 2010, primarily in BFSI segment, the Company's revenues from this segment have remained strong. Impressive improvement has been seen in Retail and Consumer Packaged Goods and also in verticals like Life Science & Healthcare, Energy & Utility included in 'Others' reported above.

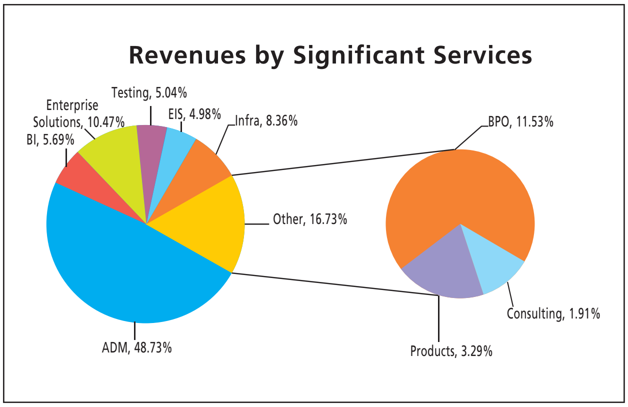
Revenues by geographic segment



Geographic segment	2009-10 % of Revenues	2008-09 % of Revenues
North America	52.80	51.38
United Kingdom	16.18	18.99
Europe	10.49	10.53
India	8.65	7.85
Asia Pacific	5.24	4.75
Iberoamerica	4.72	4.71
Middle East and Africa	1.92	1.79
Total	**100.00**	100.00

Although the economic conditions in North America were adversely affected, our focus on customer needs has resulted in growth in volume of business in this geography. The foreign exchange fluctuation was the key reason for lower growth/decline in Europe and United Kingdom.

Revenues by significant services



Service Lines	2009-10 % of Revenues	2008-09 % of Revenues
IT Solutions and Services		
Application Development & Maintenance	**48.73**	48.48
Business Intelligence	**5.69**	8.06
Enterprise Solutions	**10.47**	12.49
Assurance Services	**5.04**	4.22
Subtotal IT Solutions and Services	**69.93**	73.25
Enginnering & Industrial Services	**4.98**	5.96
Infratructure	**8.36**	7.98
Consulting	**1.91**	2.66
Products	**3.29**	2.90
Business Process Outsourcing	**11.53**	7.25
Total	**100.00**	100.00

The Company's newer service offerings such as Infrastructure Services, Assurance Services and Business Process Outsourcing (BPO) have been showing significant growth. The increase in revenues from BPO is mainly attributable to the acquisition of Citi Global Services Limited in December 2008. The decline in Business Intelligence and Enterprise Solutions is attributable to the general business conditions and reduction in discretionary spending.

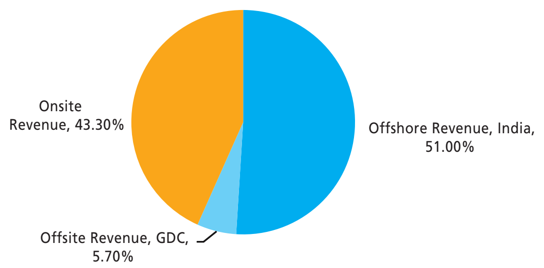
Revenues from fixed-price-fixed-time contracts

The Company generated 47.82% of its revenues in fiscal 2010 from fixed-price-fixed-time contracts (44.79% in fiscal 2009).

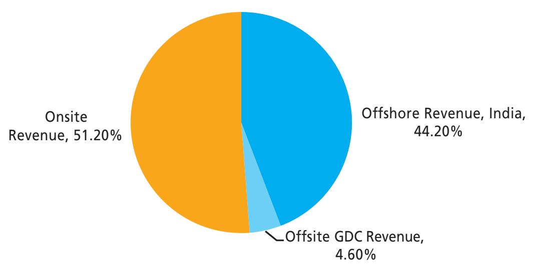
Revenues by location of service delivery

The Company has been using a network of Global Delivery Centres (GDCs) to service client requirements as part of its GNDM™ strategy. Onsite revenues are for those services which are performed at our client locations. Offsite revenues reflect the aggregation of revenues from services which are performed at our delivery centres located in India (referred to as offshore revenues) as well as GDCs in various countries. The composition of Company's revenues from off-shore, GDC and onsite are as follows:

Revenue Mix Onsite-Offshore India-GDC 2009-10



Revenue Mix Onsite-Offshore India-GDC 2008-09



Onsite-Offsite Revenue Mix (% of Revenues)

	2009-10	2008-09
Offshore Revenues -India	***51.00***	*44.20*
Offsite Revenues - GDC	***5.70***	*4.60*
Revenues - Offsite	**56.70**	48.80
Revenues - Onsite	**43.30**	51.20
Total Revenues	**100.00**	100.00

The movement from onsite to offsite was the result of strategic action by the Company to meet customer expectations for lower costs and also to increase our margins. This has resulted in substantial increase in offsite revenues (48.80% in fiscal 2009; 56.70% in fiscal 2010). The corresponding decrease in onsite revenues was from 51.20% in fiscal 2009 to 43.30% in fiscal 2010.

Expenditure

Employee costs and overseas business expenses

Employee costs include salaries which have fixed and variable components, contribution to provident fund, superannuation fund, gratuity fund and the employee insurance schemes. It also includes expenses incurred on staff welfare.

Overseas business expenses primarily comprise living allowances paid to employees in connection with overseas assignments. For purpose of this Management Discussion and Analysis (MD&A), these costs grouped in 'overseas business expenses' have been regrouped in 'employee costs' for aggregating all costs related to employee compensations. In this MD&A, we refer to such aggregated costs as 'Total employee costs'.

The table below summarises the employee costs:

	2009-10		2008-09	
	Rs. Crore	% of Revenues	Rs. Crore	% of Revenues
Total Revenues	**30,028.92**	**100.00**	27,812.88	100.00
Employee costs	**10,879.57**	**36.23**	9,910.92	35.63
Employee allowances paid overseas	**4,186.18**	**13.94**	4,572.28	16.44
Total Employee Costs	**15,065.75**	**50.17**	14,483.20	52.07

The total employee costs for fiscal 2010 was Rs.15,065.75 crore (Rs.14,483.20 crore in fiscal 2009). Employee costs as a percentage of revenues was 50.17% in fiscal 2010 (52.07% in fiscal 2009).

This decrease of 1.90% is attributable primarily to:

- decrease in employee costs in overseas locations by 2.50% as a result of the Company's use of the offshore leverage.
- increase in India employee costs by 0.60%—primarily on account of increase in India head count

Utilisation of manpower resources including trainees was 74.00% as at March 31, 2010 (69.40% as at March 31, 2009). The utilisation excluding trainees was 80.40% as at March 31, 2010 (79.70% as at March 31, 2009). The significant improvement in utilisation also contributed to margin improvement.

Overseas business expenses (other than employee allowances paid overseas)

This includes travel, marketing and office expenses incurred overseas.

Overseas business expenses (other than employee allowances paid overseas) decreased from Rs.460.07 crore in fiscal 2009 to Rs. 383.89 crore in fiscal 2010. As a percentage of revenues these expenses decreased from 1.65% in fiscal 2009 to 1.28% in fiscal 2010. Overseas travel which constituted the largest component, decreased from Rs.303.87 crore in fiscal 2009 (1.09% of revenues) to Rs.225.32 crore in fiscal 2010 (0.75% of revenues). This reduction of 0.34% in travel related costs as a percentage of revenues is due to:

- change in mix of onsite/offshore

- cost controls on travel put in place
- increased use of video and audio conferencing

Services rendered by business associates and others

Payments for services rendered by business associates or sub-contractors engaged for software development and other IT services are included in this head. The Company normally engages these consultants to bridge shortages in certain skill-sets.

Expenditure on business associates increased from Rs.1,114.57 crore in fiscal 2009 to Rs. 1,261.97 crore in fiscal 2010. As a percentage of revenues, the increase was from 4.01% in fiscal 2009 to 4.20% in fiscal 2010. The increase of 0.19% is attributable mainly to higher requirement of business associates in some overseas locations. The management conducts periodic reviews of the need for such associates vis-a-vis availability of the required skill sets within the Company and manages these costs appropriately.

Operating and other expenses

Operating and other expenses include all other expenses affecting the profit and loss statement related to the conduct of the Company's operations.

Nature of Expenses	For the year ended March 31, 2010		For the year ended March 31, 2009	
	Rs. Crore	% of Revenue	Rs. Crore	% of Revenue
Total Revenues	30,028.92	100.00	27,812.88	100.00
Software, hardware and material costs	987.79	3.29	1,031.22	3.71
Software licences	464.24	1.54	423.51	1.52
Communication	422.87	1.41	390.33	1.40
Travelling and conveyance	341.90	1.14	421.83	1.52
Rent	720.53	2.40	664.35	2.39
Legal and professional fees	206.00	0.69	256.63	0.92
Repairs and maintenance	212.77	0.71	176.53	0.63
Electricity expenses	233.72	0.78	196.23	0.71
Recruitment and training	112.21	0.37	120.99	0.44
Other Expenses	920.73	3.06	903.62	3.25
Total Other Operating Expenses	4,622.76	15.39	4,585.24	16.49

The reduction in operating and other expenses as a percentage of revenues of 1.10% (from 16.49% in fiscal 2009 to 15.39% in fiscal 2010) is primarily due to:

- decrease in software, hardware and software licenses 0.39%
- decrease in travelling and conveyance costs 0.38%
- decrease in legal and professional fees 0.23% (legal costs were higher in fiscal 2009 due to acquisition of a BPO unit)
- decrease in recruitment and training costs 0.07%
- decrease in other items of expenditure such as rates and taxes 0.06%, commission and brokerage 0.09%, printing and stationary 0.03% and Insurance 0.03%

The Company took a number of measures to control costs in all areas of operations, both in India and overseas. This initiative was widely deployed with extensive employee participation. The result of these efforts was reflected in multiple expense heads.

However, the Company had to increase its provision for doubtful debts from Rs.63.09 crore (0.23% of revenues in fiscal 2009) to Rs.169.67 crore in fiscal 2010 (0.57% of revenues in fiscal 2010). Some of these provisions arose as a result of restructuring of customer organisations in financial distress.

Other income

Other income comprises interest received on deposits with banks, dividends received on investments in subsidiaries, dividends from mutual funds and gains/ losses due to exchange rate fluctuations.

'Other income' in fiscal 2010 was a gain of Rs.272.07 crore (loss of Rs.426.99 crore in fiscal 2009). The increase in other income has contributed 2.45% to the improvement in net profit margin.

Net loss on account of foreign exchange fluctuations reduced in fiscal 2010. Also, there was an increase in other income as a result of continuous review of portfolio of interest-bearing investments in mutual funds, bank deposits and inter-company deposits. Increase in other income (net) is attributable to:

- decrease in exchange loss (net) of 2.17%
- increase in interest income of 0.31%
- increase in profit on redemption / sale of mutual funds and other current investments (net) of 0.34%

Forward and option contracts accounting

TCS Limited enters into various forward and option contracts to manage its exposure to exchange rates, in accordance with its risk management policies and procedures. These contracts are generally entered into with banks as counterparties. The Company designates its hedging instruments as cash flow hedges upon completion of the formal documentation and testing for effectiveness which is done periodically, applying the recognition and measurement principles set out in the "Financial Instruments: Recognition and Measurement" (Accounting Standard 30). All such hedging instruments are measured at fair value, at the reporting dates. Changes in the fair value between the reporting dates of such instruments designated as effective hedge of future cash flows are recognised in the 'Shareholders' funds' and the ineffective portion is recognised as 'other income' (net) in the profit and loss account.

On sale or termination of any effective hedge instrument before maturity, hedge accounting is discontinued and cumulative gains or losses on such instruments are retained in the 'Shareholders' funds' until the maturity of the instrument and thereafter transferred to the profit and loss account. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in 'Shareholders' funds' is transferred to 'other income' in the profit and loss account for the period. On sale or termination of hedge instruments on maturity, the resultant gains or losses are taken to the profit and loss account for the period.

Forward contracts and currency options outstanding at the reporting dates, other than designated cash flow hedges, are stated at their fair values and any gains or losses are recognised as 'other income' in the profit and loss account for the period.

Note 18 to the consolidated accounts provides details of the Company's 'Derivative Financial Instruments'.

Profit before interest, depreciation and taxes (PBIDT)

PBIDT in fiscal 2010 was Rs. 8,966.62 crore, (Rs.6,742.81 crore in fiscal 2009). The profit as a percentage of revenues was 29.86% in fiscal 2010 (24.24% in fiscal 2009). The increase in the PBIDT of 5.62% as percentage of revenues in fiscal 2010 is mainly attributable to:

- decrease in employee cost 1.90%
- decrease in overseas business expenses such as travel , marketing and office expenses 0.37%
- decrease in operating and other expenses 1.10%
- improvement in other income 2.45 %

Interest costs

Interest costs decreased from Rs.28.66 crore in fiscal 2009 to Rs.16.10 crore in fiscal 2010. In terms of percentage of revenues, Interest costs have decreased from 0.10% in fiscal 2010 to 0.05% in fiscal 2010. The reason for the decrease in interest cost is attributable to repayment of USD 100 million borrowed by our subsidiary in USA on December 31, 2009.

Depreciation

Depreciation charge has increased from Rs.564.08 crore in fiscal 2009 to Rs. 660.89 crore in fiscal 2010. As a percentage of revenues the depreciation charge was 2.03% in fiscal 2009 and 2.20% in fiscal 2010. The increase in depreciation of 0.17% as a percentage of revenues is primarily attributable to:

- additional computers installed 0.21%
- decrease in depreciation on furniture and fixtures 0.04%

Profit before taxes

Profit before taxes in fiscal 2010 was Rs. 8,289.63 crore (Rs.6,150.07 crore in fiscal 2009). As a percentage of revenues the profit increased from 22.11% in fiscal 2009 to 27.61% in fiscal 2010. The increase in profit before tax of 5.50% as a percentage of revenues can be attributed to higher PBIDT of 5.62% and lower interest costs of 0.05%, partially offset by higher depreciation of 0.17%.

Provision for taxation

Income tax expenses comprise current income tax and the net change in the deferred tax assets and liabilities in the applicable fiscal period from operations in India and foreign tax jurisdictions. The Company benefits in India from certain tax incentives under Section 10A of the Income Tax Act, 1961, for the IT services exported from designated 'Software Technology Parks (STP)'. In addition, benefit from tax incentives applicable to Free Trade Zones are available to the Company in respect of some of the units located in such zones. The benefits applicable to the Software Technology Parks (STPs) are due to expire by March 31, 2011.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, gives rise to tax credit which according to the Income Tax Act 1961, can be carried forward for subsequent seven years. Post tax-holiday period for STP, the Company would have sufficient tax liability to offset these tax credits. Accordingly, MAT is recognised as an asset in the balance sheet.

Income tax expense comprises tax on income from operations in India and foreign tax jurisdictions. Tax expenses relating to operations are determined in accordance with tax laws applicable in countries where such operations are carried out.

The Company's consolidated tax expense in fiscal 2010 increased to Rs.1,196.97 crore from Rs.838.95 crore in fiscal 2009. As a percentage of revenues, it increased to 3.99% in fiscal 2010 from 3.02% in fiscal 2009. As a percentage of profit before taxes, the tax charge has gone up from 13.64% in fiscal 2009 to 14.44% in fiscal 2010.

The increase in tax expense as percentage of revenues from 3.02% to 3.99% is primarily attributable to:

- increase in tax provision for Tata Consultancy Services Limited primarily as a result of expiry of tax holiday for certain STP units (0.91%)
- increase in the profit of our subsidiary in USA resulting in a higher tax provision (0.07%)
- increase in profit of our subsidiaries in Latin America resulting in a higher tax provision (0.11%)
- increase in tax provision for our subsidiary in Canada (0.06%)
- decrease in tax provision (0.16%) for one of our BPO subsidiary

Net profit before Minority Interest and share of loss of associate

The Company's net profit before minority interest and share of loss of associate increased from Rs.5,311.12 crore in fiscal 2009 to Rs.7,092.66 crore in fiscal 2010. Net profit margin on revenues increased from 19.10% in fiscal 2009 to 23.62% in fiscal 2010. The increase in net profit margin of 4.52% is attributable to increase in PBT margin of 5.50% offset by higher net taxes of 0.97% in fiscal 2010.

Minority Interest and share of loss of associate

Minority Interest

Minority interest represents the amount of net profit attributable to third party ownership interests in the Company's subsidiaries.

Minority interest registered an increase from Rs. 54.00 crore in fiscal 2009 to Rs.90.99 crore in fiscal 2009. This is primarily due to impact of TCS e-Serve Ltd. acquired on December 31, 2008 and increase in profit after tax of CMC Ltd.

Share of loss of associate

Investments in companies in which TCS Limited or any of its subsidiaries has significant influence by virtue of ownership of 20% to 50% in the equity capital of the said companies are defined as 'investments in associates'.

In its consolidated books of accounts the Company recognises its share of income or loss in the investee companies on the principles of equity method of accounting.

The Company's share of loss of associate as a result of such minority shareholding was a loss of Rs.1.03 crore in fiscal 2010 as compared to a loss of Rs.0.70 crore in fiscal 2009.

Net profit

The Company's consolidated net profit was Rs.7,000.64 crore in fiscal 2010 (23.31% of revenues) against Rs.5,256.42 crore in fiscal 2009 (18.90% of revenues).

Consolidated Segment Results

In order to manage the global operations more effectively, the organisation was restructured and the internal review processes were realigned around industry practices. Consequently, industry practice is considered as primary segment and geography is considered as secondary segment.

Revenues and expenses directly attributable to segments are reported under each reportable segment.

The Company's segment-wise operating performance are analysed in terms of revenues, expenses directly attributable to the segments, allocable expenses and segment results.

The summary of the Company's segment results is given below:

Amount in Rs. Crore

	As at March 31, 2010	% of Revenue	As at March 31, 2009	% of Revenue
Segment Revenues				
Banking, Financial Services & Insurance (BFSI)	**13,488.85**	**44.92**	11,928.59	42.89
Manufacturing	**2,433.80**	**8.10**	2,721.10	9.78
Retail & Distribution	**3,181.43**	**10.59**	2,479.13	8.91
Telecom	**4,365.02**	**14.54**	4,496.03	16.17
Others	**6,559.82**	**21.85**	6,188.03	22.25
Total Revenues	**30,028.92**	**100.00**	27,812.88	100.00
Segment Results				
BFSI	**4,190.08**	**13.95**	3,361.88	12.09
Manufacturing	**811.99**	**2.70**	871.53	3.13
Retail & Distribution	**949.02**	**3.16**	614.79	2.21
Telecom	**1,477.58**	**4.92**	1,487.61	5.35
Others	**1,931.70**	**6.43**	1,683.31	6.05
Total Segment Results	**9,360.37**	**31.17**	8,019.12	28.83
Unallocable expenses, Net	**1,342.81**	**4.47**	1,442.06	5.18
Operating Income	**8,017.56**	**26.70**	6,577.06	23.65
Other Income, Net	**272.07**	**0.91**	(426.99)	(1.54)
Profit before taxes	**8,289.63**	**27.61**	6,150.07	22.11
Tax Expense	**1196.97**	**3.99**	838.95	3.02
Profit before Minority Interest and share of profit of associate	**7,092.66**	**23.62**	5,311.12	19.10
Less: Minority Interest and share of loss of associate	**92.02**	**0.31**	54.70	0.20
Net Profit for the year	**7,000.64**	**23.31**	**5,256.42**	**18.90**

Amount in Rs. Crore

Segment Results	As at March 31, 2010	% of Segment Results	As at March 31, 2009	% of Segment Results
BFSI	**4,190.08**	**44.76**	3,361.88	41.92
Manufacturing	**811.99**	**8.67**	871.53	10.87
Retail & Distribution	**949.02**	**10.14**	614.79	7.67
Telecom	**1,477.58**	**15.79**	1,487.61	18.55
Others	**1,931.70**	**20.64**	1,683.31	20.99
Total Segment Results	**9,360.37**	**100.00**	8,019.12	100.00

Segment-wise performance are discussed below:

Amount in Rs. Crore

BFSI	As at March 31, 2010	% of Segment Revenues	As at March 31, 2009	% of Segment Revenues
Revenues	**13,488.85**	**-**	11,928.59	-
Identified operating expenses	**7,241.56**	**53.69**	6,587.31	55.22
Contribution	**6,247.29**	**46.31**	5,341.28	44.78
Allocated expenses	**2,057.21**	**15.25**	1,979.40	16.59
Segment Result BFSI	**4,190.08**	**31.06**	3,361.88	28.18

The largest segment is the Banking, Financial Services and Insurance (BFSI) Segment. This constituted 44.92% of our revenues in fiscal 2010 and has contributed 44.76% of total segment results.

BFSI has shown satisfactory growth in terms of volume as well as profitability, even though customers in this segment were affected relatively more during the economic slowdown.

Amount in Rs. Crore

Telecom	As at March 31, 2010	% of Segment Revenues	As at March 31, 2009	% of Segment Revenues
Revenues	**4,365.02**	**-**	4,496.03	-
Identified operating expenses	**2,221.72**	**50.90**	2,262.36	50.32
Contribution	**2,143.30**	**49.10**	2,233.67	49.68
Allocated expenses	**665.72**	**15.25**	746.06	16.59
Segment Result Telecom	**1,477.58**	**33.85**	1,487.61	33.09

The second largest segment for the Company is the Telecom segment. This constituted 14.54% of Company's Revenues in fiscal 2010 and has contributed 15.79% of total segment results.

Telecom witnessed pull back in terms of volume. Some of the major customers cut down their spending on outsourcing. However, we could put multiple levers into play in order to manage operations more effectively and improved the profitability.

Amount in Rs. Crore

Retail and consumer packaged goods	As at March 31, 2010	% of Segment Revenues	As at March 31, 2009	% of Segment Revenues
Revenues	**3,181.43**	**-**	2,479.13	-
Identified operating expenses	**1,747.20**	**54.92**	1,452.96	58.61
Contribution	**1,434.23**	**45.08**	1,026.17	41.39
Allocated expenses	**485.21**	**15.25**	411.38	16.59
Segment Result Retail & CPG	**949.02**	**29.83**	614.79	24.80

The third largest segment for the Company is the Retail and Consumer Packaged Goods (CPG) segment. This constituted 10.59% of the Company's Revenues in fiscal 2010 and has contributed 10.14% of total segment results.

Retail in all respects has shown substantial improvement over last fiscal. Volume grew by 28.33% with an impressive improvement in profitability.

Amount in Rs. Crore

Manufacturing	As at March 31, 2010	% of Segment Revenues	As at March 31, 2009	% of Segment Revenues
Revenues	**2,433.80**	**-**	2,721.10	-
Identified Operating Expenses	**1,250.63**	**51.39**	1,398.04	51.38
Contribution	**1,183.17**	**48.61**	1,323.06	48.62
Allocated Expenses	**371.18**	**15.25**	451.53	16.59
Segment Result Manufacturing	**811.99**	**33.36**	871.53	32.03

The fourth largest segment for the Company is the Manufacturing segment. This constituted 8.10% of the Company's revenues in fiscal 2010 and has contributed 8.67% of total segment results.

Manufacturing lagged in terms of volume of business. Major customers in this segment, primarily in automobile and aerospace sectors were worst affected by the economic slowdown. However, even in this segment, we could improve the profitability by superior cost management and transformational initiatives undertaken for major customers.

Amount in Rs. Crore

Other Segments	As at March 31, 2010	% of Segment Revenues	As at March 31, 2009	% of Segment Revenues
Revenues	**6,559.82**	**-**	6,188.03	-
Identified Operating Expenses	**3,627.67**	**55.30**	3,477.90	56.20
Contribution	**2,932.15**	**44.70**	2,710.13	43.80
Allocated Exenses	**1,000.45**	**15.25**	1,026.82	16.59
Segment Result—Other	**1,931.70**	**29.45**	**1,683.31**	**27.20**

Other segments includes:

- Life Sciences and Healthcare
- Energy, Resources and Utilities
- Travel, Transportation and Hospitality
- Third Party Products
- Hi-Tech
- S-Governance
- Others

The 'Other segment' constituted 21.85% of Company's revenues in fiscal 2010 and has contributed 20.64% of total segment results.

The combined performance of 'Other segments' is a moderate growth in volume and yet again, an impressive improvement in profitability.

FINANCIAL POSITION — CONSOLIDATED

Share capital

Amount in Rs. Crore

	As at March 31, 2010	As at March 31, 2009
Authorized Share Capital		
225 crore equity shares of Re.1 each as at March 31, 2010 (120 crore equity share of Re. 1 each as at March 31, 2009)	**225**	120
100 crore redeemable preference shares of Re.1 each as at March 31, 2010 (100 crore redeemable preference shares of Re. 1 each as at March 31, 2009)	**100**	100
Authorized Share Capital	**325.00**	220.00
Issued, Subscribed and Paid-up Share Capital		
195.72 crore equity shares of Re.1 each as at March 31, 2010 (97.86 crore equity shares of Re.1 each as at March 31, 2009)	**195.72**	97.86
100 crore redeemable preference shares of Re.1 each as at March 31, 2010 (100 crore redeemable preference shares of Re. 1 each as at March 31, 2009)	**100.00**	100.00
Issued, Subscribed and Paid-up Share Capital	**295.72**	197.86

The authorised share capital was increased from 120 crore equity shares of Re.1 each to 225 crore equity shares of Re.1 each.

The Company allotted 97.86 crore equity shares as fully paid-up bonus shares to its shareholders on June 18, 2009 by utilisation of the Securities Premium Account pursuant to a resolutions passed by the shareholders by postal ballot on June 12, 2009. Consequently, the paid-up equity capital of the Company increased to Rs.195.72 crore as at March 31, 2010 (Rs.97.86 crore as at March 31, 2009).

Reserves and surplus

Securities Premium Account stood reduced at Rs.1,918.47 crore as at March 31, 2010 (Rs.2,016.33 crore as at March 31, 2009) as a result of allotment of bonus shares in fiscal 2010.

The opening balance of general reserve as at April 1, 2009 was Rs.1,903.37 crore. In fiscal 2010, Rs. 636.22 crore was transferred to the general reserve from the profit and loss account. The closing balance in the general reserve as at March 31, 2010 was Rs. 2,539.59 crore.

Balance in the profit and loss account as at March 31, 2010 was at Rs.13,604.84 crore (Rs.11,835.03 crore as at March 31, 2009).

Foreign Currency Translation Reserve

For purpose of consolidation of subsidiaries with financials of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange difference which is accumulated in foreign currency translation reserve. Foreign exchange translation reserve was Rs.108.75 crore as at March 31, 2010 (Rs.471.94 crore as at March 31, 2009).

The closing balance of hedging reserve account as at March 31, 2010 showed a loss of Rs.6.07 crore (Rs.729.94 crore loss as at March 31, 2009). This is in conformity with the provisions laid down in Accounting Standard 30 (AS 30). The details of derivative financial instruments and the movement in Hedging Reserve during the year ended March 31, 2010, for derivatives designated as Cash Flow Hedges is shown in note 18 to the Consolidated Notes to Accounts.

Reserves and surplus at the end of fiscal 2010 was Rs.18,171.00 crore, an increase of 17.22% over Rs.15,502.15 crore at the end of fiscal 2009.

Loans

Secured loans as at March 31, 2010 were Rs.31.21 crore (Rs.37.89 crore as at March 31, 2009).

Bank overdrafts as at March 31, 2009 aggregated Rs. 'Nil' crore (Rs.1.45 crore as at March 31, 2009) and were secured against domestic book debts, hypothecation of inventories and other current assets.

The Company's obligations under finance lease (Refer Note 10 to Schedule Q) was Rs.31.21 crore as at March 31, 2010 (Rs.36.44 crore as at March 31, 2009) - these are secured against fixed assets obtained under finance lease arrangements.

Unsecured loans as at March 31, 2010 were Rs.72.04 crore (Rs.525.99 crore as at March 31, 2009). Loans from banks as at March 31, 2010 were at Rs.58.31 crore (Rs.513.04 crore as at March 31, 2009). The reduction in commercial borrowings in fiscal 2010 is attributable to the early repayment of loans by one of our North American subsidiaries. Other unsecured loans were Rs.13.73 crore as at March 31, 2010 (Rs.12.95 crore as at March 31, 2009).

Deferred tax liability (net) & deferred tax assets (net)

As stated in the accounting policies (see notes to accounts, schedule Q1 (l)), deferred tax assets and liabilities are offset, tax jurisdiction-wise. Schedule 'E' brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise. A combined view of all deferred tax assets and liabilities, across all tax jurisdictions is summarised below:

Amount in Rs. Crore

	Liability		**Assets**		**Net**		**Inc/ (Dec)**
	As at March 31, 2010	**As at March 31, 2009**	**As at March 31, 2010**	**As at March 31, 2009**	**As at March 31, 2010**	**As at March 31, 2009**	
Foreign Branch Profit Tax (net liability)	**43.97**	108.86	**-**	-	**43.97**	108.86	(64.89)
Foreign Branch Profit Tax (net asset)	**-**	-	**0.62**	0.53	**0.62**	0.53	0.09
Depreciation (net liability)	**2.43**	61.62	**-**	-	**2.43**	61.62	(59.19)
Depreciation (net assets)	**-**	-	**(61.56)**	(6.71)	**(61.56)**	(6.71)	(54.85)
Employee Benefit (net liability)	**(0.04)**	(31.13)	**-**	-	**(0.04)**	(31.13)	31.09
Employee Benefit (net asset)	**-**	-	**77.94**	24.91	**77.94**	24.91	53.03
Provision for Doubtful Debts (net liability)	**(0.01)**	(19.46)	**-**	-	**(0.01)**	(19.46)	19.45
Provision for Doubtful Debts (net asset)	**-**	-	**77.81**	12.61	**77.81**	12.61	65.20
Others (net liability)	**22.33**	8.66	**-**	-	**22.33**	8.66	13.67
Others (net assets)	**-**	-	**73.05**	28.70	**73.05**	28.70	44.35
	68.68	128.55	**167.86**	60.04	**236.54**	188.59	47.95

Fixed assets

Additions to the gross block excluding Capital Work in Progress (CWIP) in fiscal 2010 amounted to Rs.737.93 crore (Rs.1,659.63 crore in fiscal 2009). The significant items of additions in fiscal 2010 were:

- land and buildings of Rs.179.90 crore in fiscal 2010 (Rs.448.23 crore in fiscal 2009)
- leasehold improvements of Rs.62.90 crore in fiscal 2010 (Rs.192.24 crore in fiscal 2009)
- computers of Rs.266.84 crore in fiscal 2010 (Rs.543.54 crore in fiscal 2009)
- office equipment, electrical installations and furniture and fixtures of Rs.214.30 crore in fiscal 2010 (Rs.442.39 crore in fiscal 2009)

The amount in CWIP was Rs.1,017.37 crore as at March 31, 2010 (Rs.705.49 crore as at March 31, 2009) mostly related to construction/improvement of facilities which are likely to be ready for use in fiscal 2011 and beyond. The CWIP included capital advances of Rs.219.73 crore as at March 31, 2010 (Rs.181.57 crore as at March 31, 2009).

The Company made contractual commitments to vendors who are executing various infrastructure projects. The estimated amount of such contracts remaining to be executed on capital account was Rs.1,172.62 crore as at March 31, 2010 (Rs.664.59 crore as at March 31, 2009).

Goodwill on consolidation

Goodwill on consolidation as at March 31, 2010 was Rs. 3,215.99 crore (Rs.3,261.40 crore as at March 31, 2009). Details of goodwill on consolidation as at March 31, 2010 and March 31, 2009 are shown below:

Amount in Rs. Crore

	As at March 31, 2010	As at March 31, 2009	Increase/ (Decrease)
Tata Consultancy Services Netherlands BV	**301.19**	336.03	(34.84)
Tata Consultancy Services Sverige AB	**5.68**	25.35	(19.67)
TCS Iberoamerica SA	**286.36**	305.55	(19.19)
TCS FNS Pty Limited	**161.63**	138.09	23.54
Tata Consultancy Services Canada Inc.	**0.70**	-	0.70
TCS e-Serve Limited	**1,956.23**	1,952.18	4.05
Others	**504.20**	504.20	-
Total	**3,215.99**	3,261.40	(45.41)

Investments

Amount in Rs. Crore

	As at March 31, 2010	As at March 31, 2009
Investments in fully paid-up equity shares of associates and others (Unquoted)	**6.67**	8.68
Investments in fully paid-up preference shares of associates and others (Unquoted)	**5.00**	9.31
Investments in Bonds and Debentures (Quoted)	**10.97**	11.99
Investments in Bonds and Debentures (Unquoted)	**1,200.00**	-
Investments in Mutual Funds (Unquoted)	**2,459.44**	1,584.43
Total Investments	**3,682.08**	1,614.41

During the fiscal 2010 the Company invested in unquoted debentures. Investment in Mutual Fund increased substantially to Rs.2,459.44 crore as at March 31, 2010 from Rs.1,584.43 crore as at March 31, 2009 in line with the Company's policy for investment of free cash.

Trade Investments/Acquisitions/Liquidations during fiscal 2010 through subsidiaries

Acquisitions	Details of Transaction
Acquisition of 100% equity interest in ERI Holdings Corp., consequently increasing holding in Exegenix Research Inc. from 49.9% to 100%.	On June 5, 2009, the Company, through its wholly owned subsidiary, Tata Consultancy Services Canada Inc., acquired 100% equity interest in ERI Holdings Corp. Consequently, the Company's interest in Exegenix Research Inc. has increased to 100%.
Investment in 100% share capital of TCS Uruguay S.A.	On January 1, 2010, the Company, through its wholly-owned subsidiary, TCS Iberoamerica S.A., subscribed to 100 percent share capital of TCS Uruguay S.A.
Acquisition of 100% share capital of MGDC S.C	On January 1, 2010, the Company purchased 100 percent share of MGDC S.C.,Mexico, through its wholly-owned subsidiaries, TCS Uruguay S.A. (99%) and TCS Argentina S.A. (1%).
Liquidations	**Details of Transaction**
Liquidation of TCS Financial Management, LLC (subsidiary of Tata America International Corporation)	On April 14, 2009, TCS Financial Management, LLC (subsidiary of Tata America International Corporation) has been voluntarily liquidated.
Liquidation of Financial Network Services Malaysia Sdn Bhd (subsidiary of TCS Financial Solutions Australia Pty Limited)	On June 16, 2009, Financial Network Services Malaysia Sdn Bhd (subsidiary of TCS Financial Solutions Australia Pty Limited) has been voluntarily liquidated.
Liquidation of Financial Network Services (Africa) (Pty) Ltd. (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited)	On March 5, 2010, Financial Network Services (Africa) (Pty) Ltd. (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited) has been voluntarily liquidated.
Liquidation of Tata Infotech (Singapore) Pte. Limited	On March 24, 2010, Tata Infotech (Singapore) Pte. Limited has been voluntarily liquidated.

Inventories

The Company had inventories of Rs.17.79 crore as at March 31, 2010 (Rs.36.60 crore as at March 31, 2009). The inventory constitutes raw materials, components, sub-assemblies and finished goods.

Current assets, loans and advances

Unbilled Revenues

Unbilled revenues were Rs.1,201.14 crore as at March 31, 2010 (Rs.1,481.38 crore as at March 31, 2009) representing 4.00% of the revenues for fiscal 2010 (5.33% as at March 31, 2009).

Sundry debtors

Sundry debtors as at March 31, 2010 aggregated Rs.5,855.41 crore (Rs.6,134.02 crore as at March 31, 2009).

As a percentage of revenues, sundry debtors were at 19.50% as at March 31, 2010 as compared to 22.05% as at March 31, 2009.

Sundry debtors were 71 days (79 days as at March 31, 2009) in terms of Days Sales Outstanding (DSO), as at March 31, 2010. Substantial management attention was paid to bring down DSO. The Company took steps to improve the billing and collection process and put in place a continuous monitoring system. The improved DSO has given rise to substantial increase in available funds.

Cash and bank balances

Amount in Rs. Crore

	As at March 31, 2010	As at March 31, 2009
Fixed Deposit with Scheduled Banks	**3,531.31**	1,351.83
Foreign Banks Current Account	**417.69**	777.73
Foreign Banks Deposit Account	**538.61**	424.34
Other	**230.98**	144.24
Total Cash & Bank	**4,718.59**	2,698.14

The Company had cash and bank balances of Rs.4,718.59 crore as at March 31, 2010 (Rs.2,698.14 crore as at March 31, 2009). Of this, Rs.956.30 crore was held in foreign bank accounts as at March 31, 2010 (Rs.1,202.07 crore as at March 31, 2009). The amount held in fixed deposits with banks in India increased from Rs.1,351.83 crore as at March 31, 2009 to Rs.3,531.31 crore as at March 31, 2010 in line with our cash management policies.

Loans and advances

Loans and advances include loans and advances to employees, advances recoverable in cash or kind or for value to be received, advance tax (including refunds receivable) (net), and MAT credit entitlement.

Loans and advances as at March 31, 2010 were at Rs.3,969.77 crore (Rs.3,160.91 crore as at March 31, 2009). The increase is primarily attributable to:

- MAT credit entitlement of Rs.1,095.88 crore as at March 31, 2010 (Rs.775.32 crore as at March 31, 2009)
- advances recoverable in cash or kind or for value to be received of Rs.1,938.44 crore as at March 31, 2010 (Rs.1,656.69 crore as at March 31, 2009)

- advance tax [including refunds receivable (net)] of Rs.771.12 crore as at March 31, 2010 (Rs.578.79 crore as at March 31, 2009)

Current liabilities

Current liabilities include sundry creditors, advances from customers, advance billings and deferred revenues and other liabilities.

Current liabilities decreased to Rs.4,093.79 crore as at March 31, 2010 as compared to Rs.4,340.44 crore as at March 31, 2009. The decrease is primarily due to:

- increase in sundry creditors to Rs.2977.45 crore as at March 31, 2010 (Rs.2,309.00 crore as at March 31, 2009)
- decrease in other liabilities to Rs.371.82 crore as at March 31, 2010 (Rs.1,232.57 crore as at March 31, 2009). These other liabilities include fair values of foreign exchange forward and currency option contracts of Rs.115.92 crore as at March 31, 2010 (Rs.691.27 crore as at March 31, 2009)

Provisions

These include provisions for current income taxes (net), fringe benefit taxes (net), employee benefits, proposed final dividend on equity shares, proposed dividend on redeemable preference shares, tax on dividend and provision for contingencies & warranties.

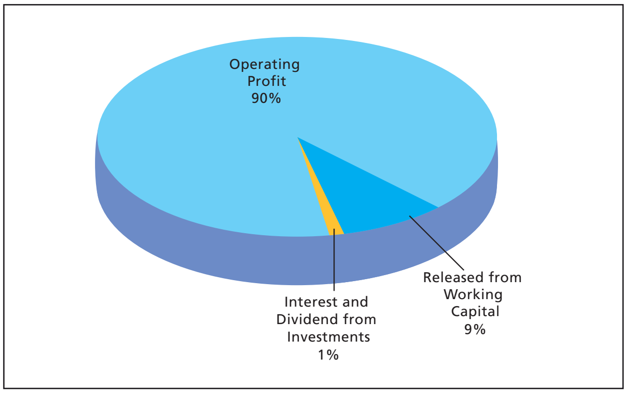
Provisions aggregated Rs.4,300.07 crore as at March 31, 2010 (Rs.1,627.30 crore as at March 31, 2009).

The increase is mainly attributable to:

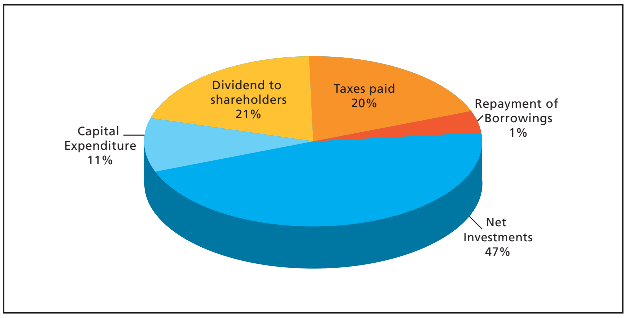
- proposed final dividends on equity shares of Rs. 2,740.11 crore as at March 31, 2010 (Rs. 489.31 crore as at March 31, 2009)
- tax on dividends Rs.466.23 crore as at March 31, 2010 (Rs.88.21 crore as at March 31, 2009)

CASH FLOW — CONSOLIDATED

Cash Inflows



Cash Outflows



Amount in Rs. Crore

Cash flow summary	Fiscal 2010	Fiscal 2009
Cash and cash equivalents at beginning of the year	**1459.54**	1067.40
Net cash provided by operating activities	**7406.23**	5408.56
Net cash used in investing activities	**(5413.22)**	(3434.54)
Net cash used in financing activities	**(2381.35)**	(1671.67)
Net increase/(decrease) in cash and cash equivalents	**(388.34)**	302.35
Exchange difference on translation of foreign currency cash and cash equivalents	**(46.83)**	89.79
Cash and cash equivalents at end of the year	**1024.37**	1459.54

Cash flow from operations

In fiscal 2010 the Company generated net cash from operating activities of Rs.7,406.23 crore (Rs.5,408.56 crore in fiscal 2009), break up of which is given below:

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
Profit before taxes and exceptional items	**8289.63**	6150.07
Add: Depreciation	**660.89**	564.08
Others	**(116.50)**	(280.90)
Operating Profit before Working Capital changes	**8834.02**	6433.25
Effect of Working Capital changes	**479.52**	187.23
Cash generation from Operations	**9313.54**	6620.48
Tax Payments made	**(1907.31)**	(1211.92)
Net cash provided by operating activities	**7406.23**	5408.56

Other significant items contributing in generation/use of cash from operating activities relating to working capital are given in the table below:

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
(Increase)/Decrease in Inventories	**18.81**	5.83
(Increase)/Decrease in Unbilled Revenues	**280.24**	(64.73)
(Increase)/Decrease in Sundry Debtors	**110.58**	(531.77)
(Increase)/Decrease Loans and Advances	**(153.17)**	(222.49)
Increase / (Decrease) in Current Liabilities and Provisions	**579.73**	471.84
Increase / (Decrease) in Translation differences on Working Capital	**(356.67)**	528.55
Effect of Working Capital changes	**479.52**	187.23

Cash Flow from investing activities

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
(Purchase) of Fixed Assets	**(1044.79)**	(1147.30)
(Purchase) / sale of Other Investments including dividends reinvested	**(1914.80)**	1041.52
Acquisitions (Net of cash acquired)	**(12.87)**	(2445.29)
(Purchase) of Fixed deposit with banks (net) having maturity over three months	**(2421.99)**	(1077.67)
Other	**(18.77)**	194.20
Net cash used for investing activities	**(5413.22)**	(3434.54)

In fiscal 2010 the Company used Rs.5,413.22 crore on investing activities (Rs.3,434.54 crore in fiscal 2009). The significant items in investing activities in fiscal 2010 were:

- fixed deposits with banks (net) having maturity greater than three months of Rs.2,421.99 crore in fiscal 2010 (Rs.1,077.67 crore in fiscal 2009)
- other investments of Rs.1,914.80 crore in fiscal 2010 (sale of investments Rs.1,041.52 crore in fiscal 2009) consisting of (a) subscription to 1000, 4.50% non-convertible debentures for Rs.1000 crore and (b) subscription to 2000, 4.75% non-convertible debentures for Rs. 200 crore in fiscal 2010
- Rs.11.90 crore paid in connection with an earlier acquisition of a BPO unit in Chile and Rs.0.97 crore paid towards acquisition of Exegenix Research in Canada in fiscal 2010 (Rs.2,445.29 crore primarily for purchase of shares in CitiGlobal Services Limited in fiscal 2009)

Cash flow from financing activities

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
Proceeds from the issue of shares by subsidiaries	**5.39**	3.93
Proceeds/(Repayments) from/of Borrowings (net)	**(400.57)**	(28.75)
Dividends paid including dividend tax	**(1958.42)**	(1605.99)
Dividends paid to a minority shareholder of a subsidiary	**(11.11)**	(8.11)
Interest paid	**(16.64)**	(32.75)
Net cash used in financing activities	**(2381.35)**	(1671.67)

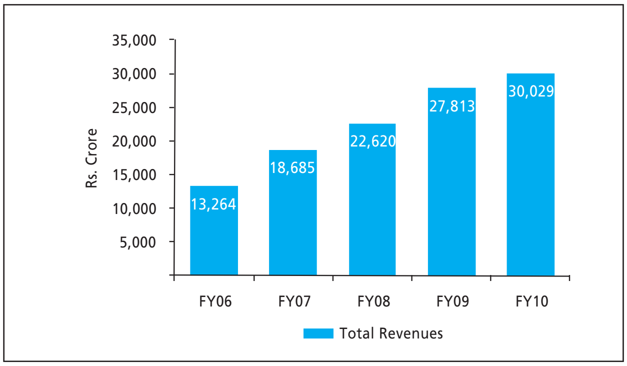
In fiscal 2010 the Company used Rs.2,381.35 crore on financing activities (Rs.1,671.67 crore in fiscal 2009). In fiscal 2010, the significant item of cash used in financing activities were:

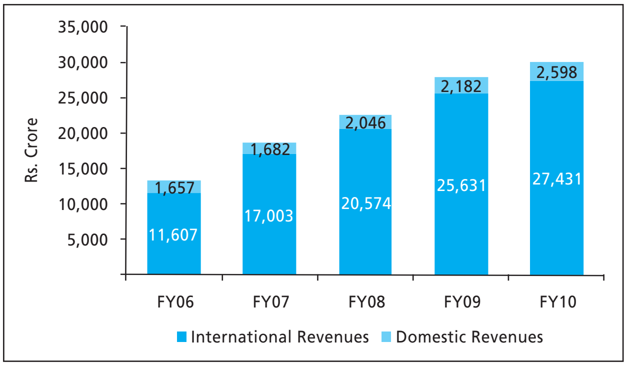
- payment of dividend including tax Rs.1,958.42 crore (Rs.1,605.99 crore in fiscal 2009)
- Repayment of bank borrowings of Rs.400.57 crore in fiscal 2010, (Rs.28.75 crore in fiscal 2009)

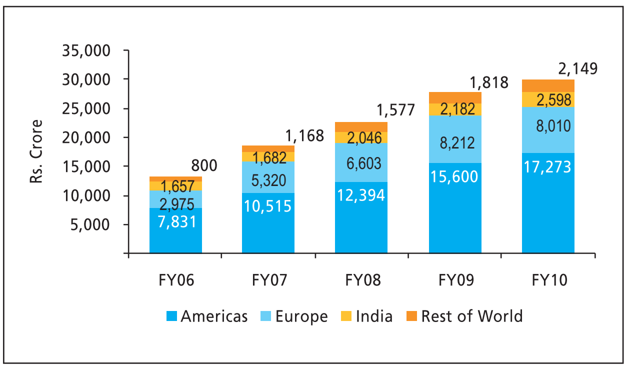
COMPANY'S PERFORMANCE TREND (INDIAN GAAP CONSOLIDATED)

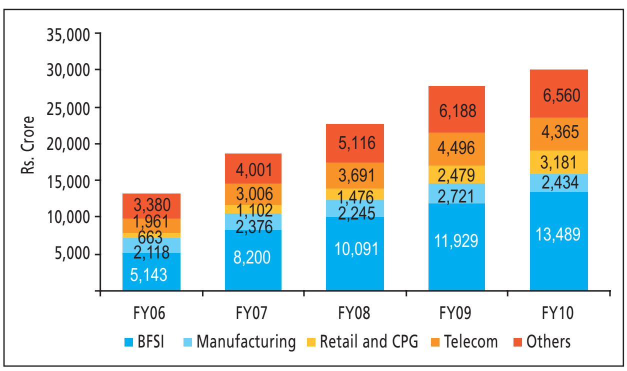
Highlights – Charts

Revenues

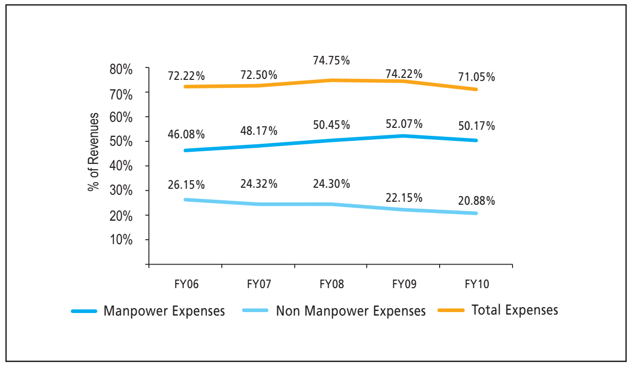


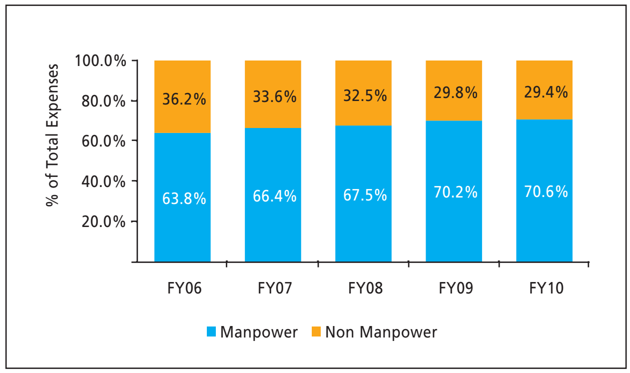




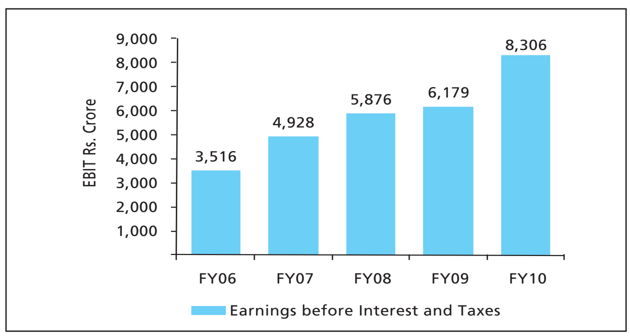


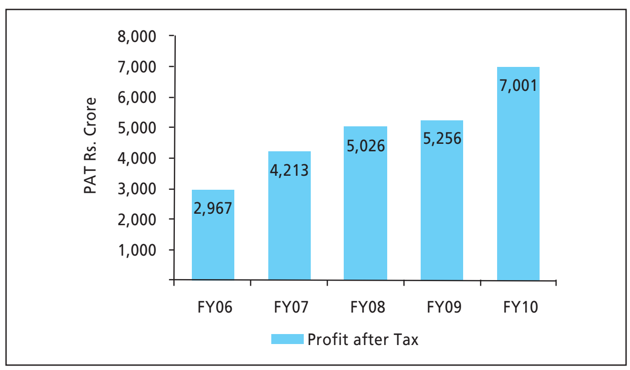
Expenditure

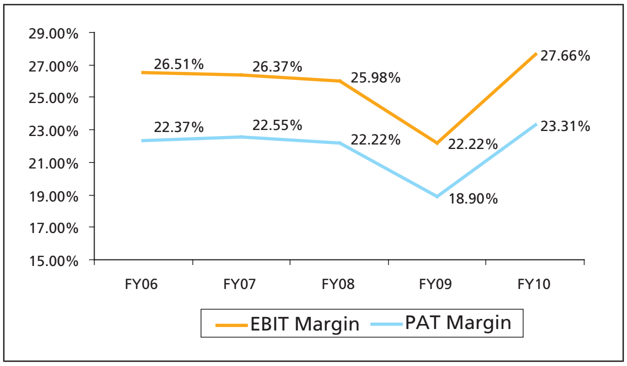




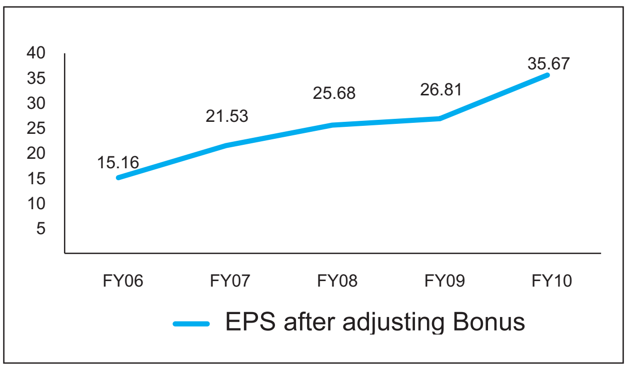
Earnings

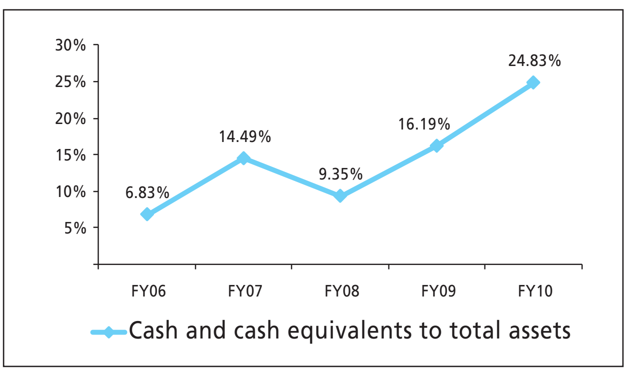


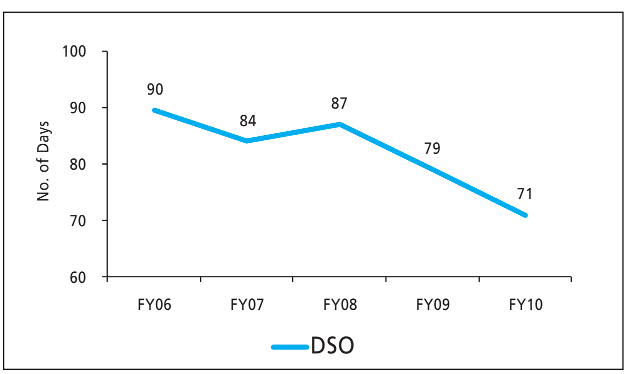


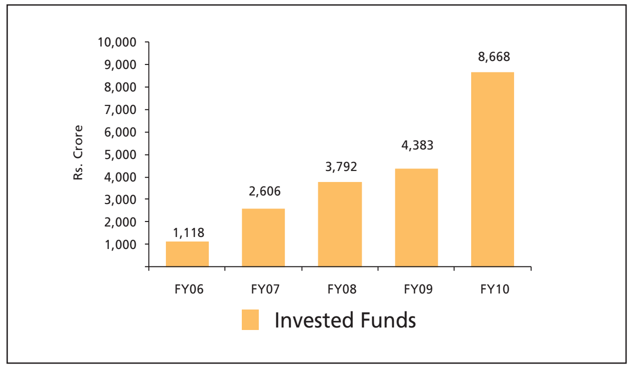


Funds Management

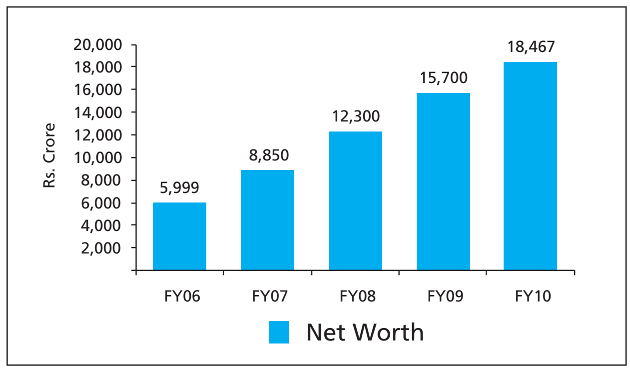


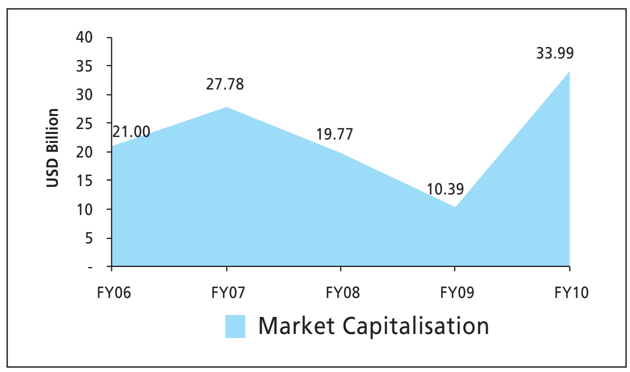


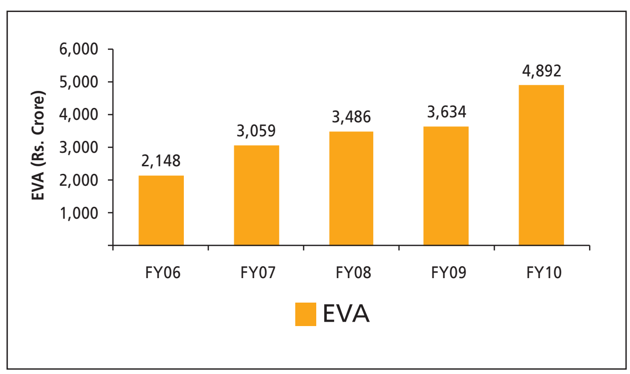




Value Creation







PERFORMANCE SUMMARY

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Revenues						
Total Revenue	**30,028.92**	27,812.88	22,619.52	18,685.21	13,263.99	9,748.47
International Revenue	**27,431.02**	25,630.76	20,573.90	17,003.22	11,607.08	8,560.90
Domestic Revenue	**2,597.90**	2,182.12	2,045.62	1,681.99	1,656.91	1,187.57
Revenue From Offshore Business	**13,989.82**	11,328.80	8,620.46	6,886.30	4,341.05	3,313.07
Revenue By Geographic segments						
Americas	**17,272.93**	15,600.21	12,394.05	10,514.81	7,831.28	5,771.41
Europe	**8,009.57**	8,212.22	6,603.02	5,320.48	2,975.34	2,250.17
India	**2,597.90**	2,182.12	2,045.62	1,681.99	1,656.91	1,187.57
Others	**2,148.52**	1,818.33	1,576.83	1,167.93	800.46	539.32
Cost						
Employee Cost	**15,065.75**	14,483.20	11,411.05	9,001.39	6,111.52	4,384.52
Other Operating Cost	**6,268.62**	6,159.88	5,497.09	4,544.97	3,468.17	2,550.12
Total Cost (excluding interest & depreciation)	**21,334.37**	20,643.08	16,908.14	13,546.36	9,579.69	6,934.64
Profitability						
EBIDTA (before other income)	**8,694.55**	7,169.80	5,711.38	5,138.85	3,684.30	2,813.83
Profit before tax	**8,289.63**	6,150.07	5,845.95	4,918.28	3,506.62	2,633.69
Profit after tax	**7,000.64**	5,256.42	5,026.02	4,212.63	2,966.74	1,976.90
Capital Accounts (INR Crore)						
Share Capital	**295.72**	197.86	197.86	97.86	48.93	48.01
Reserves And Surplus	**18,171.00**	15,502.15	12,102.26	8,752.24	5,949.88	3,429.53
Gross Block	**6,419.51**	5,843.86	4,291.80	3,197.71	1,951.04	1,170.65
Total Investments	**3,682.08**	1,614.41	2,606.16	1,256.87	704.62	421.54
Net Current Assets	**7,395.02**	7,544.12	5,553.32	4,331.11	2,867.18	1,797.09
Earnings per share in Rs.						
EPS - as reported	**35.67**	53.63	51.36	43.05	60.63	47.37
EPS - Adjusted for Bonus Issue	**35.67**	26.81	25.68	21.53	15.16	11.84
Headcount (number)						
Headcount (including subsidiaries) as on March 31	**160,429**	143,761	111,407	89,419	66,480	45,714

RATIO ANALYSIS

	Unit	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Ratios - Financial Performance							
International Revenue/Total Revenue	%	**91.35**	92.15	90.96	91.00	87.51	87.82
Domestic Revenue/Total Revenue	%	**8.65**	7.85	9.04	9.00	12.49	12.18
Employee Cost/Total Revenue	%	**50.17**	52.07	50.45	48.17	46.08	44.98
Other Operating Cost/Total Revenue	%	**20.88**	22.15	24.30	24.32	26.15	26.16
Total Cost/Total Revenue	%	**71.05**	74.22	74.75	72.50	72.22	71.14
EBIDTA (before other income)/Total Revenue	%	**28.95**	25.78	25.25	27.50	27.78	28.86
Profit before tax/Total Revenue	%	**27.61**	22.11	25.84	26.32	26.44	27.02
Tax/Total Revenue	%	**3.99**	3.02	3.48	3.55	3.84	4.07
Effective Tax Rate - Tax/PBT	%	**14.44**	13.64	13.45	13.50	14.53	15.07
Profit after tax/Total Revenue	%	**23.31**	18.90	22.22	22.55	22.37	20.28
Ratios - growth							
International Revenue	%	**7.02**	24.58	21.00	46.49	35.58	—
Total Revenue	%	**7.97**	22.96	21.06	40.87	36.06	—
EBIDTA (before other Income)	%	**21.27**	25.54	11.14	39.48	30.94	—
Profit after tax	%	**33.18**	4.58	19.31	42.00	50.07	—
Ratios - Balance Sheet							
Debt-Equity Ratio	Nos.	**0.01**	0.04	0.04	0.06	0.02	0.06
Current Ratio	Nos.	**1.88**	2.26	2.24	2.24	2.25	2.24
Days Sales Outstanding	Days	**71**	79	87	84	90	77
Invested Funds / total assets	%	**45.62**	26.29	28.97	27.03	17.67	17.92
Invested Funds / total revenue	%	**28.87**	15.76	16.76	13.94	8.43	7.05
Capital expenditure / total revenue	%	**3.43**	3.95	5.58	6.64	4.69	3.72
Operating cash flows / total revenue	%	**24.66**	19.45	17.22	18.58	18.76	21.46
Free Cash Flow/Operating Cash Flow Ratio	%	**86.07**	79.70	67.60	64.25	74.97	82.64
Ratios - per share							
EPS - adjusted for Bonus	Rs.	**35.67**	26.81	25.68	21.53	15.16	11.84
Price Earning Ratio, end of year	Nos.	**21.89**	10.07	15.79	28.97	31.57	—
Dividend Per Share	Rs.	**20.00**	14.00	14.00	13.00	13.50	11.50
Dividend Per Share - adjusted for Bonus	Rs.	**20.00**	7.00	7.00	6.50	3.38	2.88
Dividend Payout	%	**65.45**	30.54	31.89	30.74	25.07	27.55
Market Capitalization/total revenue	%	**5.09**	1.90	3.51	6.53	7.06	—

FINANCIAL PERFORMANCE — UNCONSOLIDATED

Summary

The total revenues of TCS Limited aggregated Rs.23,044.45 crore in fiscal 2010 as compared to Rs.22,404.00 crore in fiscal 2009, registering a growth of 2.86%.

In fiscal 2010, the Company's profit before taxes aggregated Rs.6,370.38 crore (Rs.5,139.69 crore in fiscal 2009).

In fiscal 2010, the Company's profit after taxes aggregated Rs.5,618.51 crore (Rs.4,696.21 crore in fiscal 2009).

In fiscal 2010, the Company's earnings per share were Rs.28.61 (Rs.23.95 in fiscal 2009).

Dividends

Decision on dividend is based on Tata Consultancy Services Limited (Unconsolidated) financials which excludes the performance of subsidiaries of TCS Limited. The Board of Directors declares quarterly interim dividends based on the performance of the Company.

For fiscal 2010 the Company declared three interim dividends of Rs.2 each on the equity shares. A final dividend of Rs.4 per equity share has been recommended. In addition, the Board of Directors has recommended a special dividend of Rs.10 for the current fiscal.

On approval of the final dividend of Rs.4 and the special dividend of Rs.10, total dividend for fiscal 2010 would be Rs.20 per equity share.

DISCUSSIONS ON FINANCIAL PERFORMANCE - UNCONSOLIDATED

The Management's Discussion and Analysis given below relates to the audited financial statements of TCS Limited (Unconsolidated). The discussion should be read in conjunction with the financial statements and related notes for the year ended March 31, 2010.

The following table gives an overview of the financial results of TCS Limited (unconsolidated):

	For the year ended March 31, 2010		For the year ended March 31, 2009		FY 10 vs. FY 09
Revenues from operations	**Rs. Crore**	**% of Revenues**	**Rs. Crore**	**% of Revenues**	**% Growth**
Information technology and consultancy services	**22,232.93**	**96.48**	21,535.75	96.12	3.24
Sale of equipment and software licences	**811.52**	**3.52**	868.25	3.88	(6.53)
Total Revenues	**23,044.45**	**100.00**	**22,404.00**	**100.00**	**2.86**
Expenditure					
Employee costs	**7,882.43**	**34.21**	7,370.09	32.90	6.95
Overseas business expenses (employee cost)	**3,900.76**	**16.93**	4,306.25	19.22	(9.42)
Total employee costs	**11,783.19**	**51.13**	**11,676.34**	**52.12**	**0.92**
Overseas business expenses (other than employee cost)	**324.54**	**1.41**	421.63	1.88	(23.03)
Services rendered by business associates and others	**992.02**	**4.30**	1,019.67	4.55	(2.71)
Operation and other expenses	**3,273.03**	**14.20**	3,265.53	14.58	0.23
Total expenditure	**16,372.78**	**71.05**	**16,383.17**	**73.13**	**(0.06)**
Other Income (Net)	**177.60**	**0.77**	(456.24)	(2.04)	-
Profit before interest, depreciation and taxes	**6,849.27**	**29.72**	**5,564.59**	**24.84**	**23.09**
Interest	**9.54**	**0.04**	7.44	0.03	28.23
Depreciation	**469.35**	**2.04**	417.46	1.86	12.43
Profit before taxes	**6,370.38**	**27.64**	**5,139.69**	**22.94**	**23.94**
Provision for taxes					
Income tax expense (including deferred tax benefit, fringe benefit tax and MAT credit entitlement)	**751.87**	**3.26**	443.48	1.98	69.54
Net profit from operations after taxes	**5,618.51**	**24.38**	**4,696.21**	**20.96**	**19.64**

Revenues

The Company's revenues increased to Rs.23,044.45 crore in fiscal 2010, from Rs.22,404.00 crore in fiscal 2009, a growth of 2.86%.

Revenues from information technology and consultancy services increased to Rs.22,232.93 crore in fiscal 2010 from Rs.21,535.75 crore in fiscal 2009, a growth of 3.24%. Revenues from information technology and consultancy services contributed 96.48% of revenues in fiscal 2010 (96.12% in fiscal 2009).

Revenues from sale of equipment and software licenses decreased to Rs.811.52 crore in fiscal 2010 from Rs.868.25 crore in fiscal 2009, a decrease of 6.53%. Sale of equipment and software licenses was at 3.52% of revenues in fiscal 2010 (3.88% in fiscal 2009).

Expenditure

Employee costs and overseas business expenses

'Total employee costs' in fiscal 2010 was Rs.11,783.19 crore, (Rs.11,676.34 crore in fiscal 2009). 'Total employee costs' as percentage of revenues was 51.13% in fiscal 2010 (52.12% in fiscal 2009). This decrease of 0.99% in employee costs as a percentage of revenues is attributable primarily to:

- higher salaries and incentives to employees in India of 1.09%, due to the increase in the number of employees
- higher staff welfare expenses of 0.22%
- offset by lower employee allowances to overseas employees of 2.29% primarily as a result of movement of onsite personnel to offshore projects during the year

Overseas business expenses (other than employee allowances)

Expenses on this account went down from Rs.421.63 crore in fiscal 2009 to Rs.324.54 crore in fiscal 2010 mainly due to decrease in travel related costs by Rs. 85.63 crore primarily on account of lower costs for overseas business travel. As a percentage of revenues, overseas business expenses decreased from 1.88% in fiscal 2009 to 1.41% in fiscal 2010. These were the result of a well laid out cost management process during fiscal 2010.

Services rendered by business associates and others

These expenses decreased from Rs.1,019.67 crore in fiscal 2009 to Rs.992.02 crore in fiscal 2010. As a percentage of revenues, it went down from 4.55% in fiscal 2009 to 4.30% in fiscal 2010. The decrease of 0.25% in the fiscal 2010 is attributable to decrease in requirement of business associates in India.

Operating and other expenses

Nature of Expenses	For the year ended March 31, 2010		For the year ended March 31, 2009	
	Rs Crore	% of Revenue	Rs Crore	% of Revenue
Software, hardware and material costs	888.78	3.86	918.17	4.10
Cost of software licences	366.02	1.59	337.28	1.51
Communication	284.22	1.23	292.77	1.31
Travelling and conveyance expenses	186.00	0.81	265.35	1.18
Rent	503.90	2.19	492.94	2.20
Legal and professional	93.76	0.41	103.82	0.46
Repairs and Maintenance	141.41	0.61	122.16	0.55
Electricity	183.62	0.80	164.34	0.73
Recruitment and training expense	78.79	0.34	98.89	0.44
All other expenses	546.53	2.36	469.81	2.10
Total Other Operating Expenses	3,273.03	14.20	3,265.53	14.58

Operating and other expenses given above, have increased from Rs.3,265.53 crore in fiscal 2009 to Rs.3,273.03 crore in fiscal 2010. As a percentage of revenues, it has decreased from to 14.58% in fiscal 2009 to 14.20% in fiscal 2010. The decrease of 0.37% in terms of percentage of revenues is primarily due to:

- net reduction in software, hardware and material purchased & cost of software licenses by 0.16% due to lower sale of equipment and software licenses revenues
- reduction in communication costs by 0.08% as a result of increased usage of Voice over Internet Protocol (VOIP)

- reduction in travelling and conveyance expenses by 0.37% as a result of increased use of videoconferencing and controls on travel
- reduction in legal and professional fees by 0.05%
- offset by an increase in facility related repairs and maintenance and electricity costs of 0.13%
- increase in 'other expenses' of 0.27% primarily on account of higher provision of doubtful debts of 0.48% offset by lower bad debt & advances provision of 0.08%, lower commission and brokerage charges of 0.07%, lower printing and stationary costs of 0.03%, lower rates and taxes of 0.03%

Other income

Net other income was a gain of Rs.177.60 crore in fiscal 2010 (loss of Rs.456.24 crore in fiscal 2009).

The primary reasons for the increase in other income are:

- reduction in the net exchange loss of Rs.205.42 crore in fiscal 2010 as compared to net exchange loss of Rs.746.11 crore in fiscal 2009
- higher interest income of Rs.196.69 crore in fiscal 2010 (Rs.82.24 crore in fiscal 2009)
- higher profit on sale of mutual funds and other current investments of Rs.148.41 crore in fiscal 2010 (Rs.48.98 crore in fiscal 2009)

Forward and options contracts accounting

Details of 'Derivative Financial Instruments' are available in Note 26 of Notes to Accounts (Unconsolidated).

Profit before interest, depreciation and taxes (PBIDT)

The PBIDT in fiscal 2010 was Rs.6,849.27 crore (Rs.5,564.59 crore in fiscal 2009). The profit as a percentage of revenues went up from 24.84% in fiscal 2009 to 29.72% in fiscal 2010. The increase in the PBIDT of 4.88% as a percentage of revenues during fiscal 2010 is attributable to:

- decrease in 'total employee cost' 0.99%
- decrease in the cost of services rendered by business associates 0.25%
- decrease in overseas business expense other than employee cost 0.47%
- decrease in operating and other expenses 0.37%
- increase in 'other income'

Interest costs

Interest costs increased from Rs.7.44 crore in fiscal 2009 to Rs.9.54 crore in fiscal 2010.

Depreciation

Depreciation charge increased from Rs.417.46 crore in fiscal 2009 to Rs.469.35 crore in fiscal 2010.

Depreciation charge was 2.04% of revenues in fiscal 2010 (1.86% in fiscal 2009). The increase in depreciation 0.18% in terms of percentage of revenues is primarily due to:

- addition to computers resulting in higher depreciation of 0.20%
- addition to freehold building resulting in higher depreciation charge of 0.04%
- addition to office equipment and electrical installation resulting in higher depreciation charge of 0.04% offset by lower depreciation charge in fiscal 2010 for:
  - lower leasehold improvement resulting in lower depreciation charge of 0.07%
  - lower motor cars and furniture and fixtures resulting in lower depreciation charge of 0.04%

Profit before taxes (PBT)

The PBT in fiscal 2010 was Rs.6,370.38 crore (Rs.5,139.69 crore in fiscal 2009). As a percentage of revenues, the PBT increased from 22.94% in fiscal 2009 to 27.64% in fiscal 2010. The primary reason for the increase in the PBT of 4.70% as a percentage of revenues is due to:

- increase in PBIDT by 4.88%
- offset by higher depreciation charges of 0.18%

Provision for taxation

The tax expense increased from Rs.443.48 crore in fiscal 2009 to Rs.751.87 crore in fiscal 2010. This represented 3.26% of revenues in fiscal 2010 (1.98% in fiscal 2009). The increase in net tax provision of Rs.308.39 crore is primarily attributable to:

- increase in the provision for domestic taxes of Rs.389.50 crore
- decrease in the provision for overseas taxes of Rs.81.11 crore

Domestic tax increase of Rs.389.50 crore is primarily on account of

(a) higher current tax of Rs.490.81 crore primarily attributable to

  a. expiry of tax holiday for certain STP units (Rs.304.14 crore)

  b. increase in Non-STP income (Rs.68.41 crore)

  c. increase in Short Term Capital Gain Tax (Rs.39.01 crore)

(b) lower deferred tax expense of Rs.78.30 crore arising primarily out of higher depreciation of fixed assets Rs.46.95 crore and provision for doubtful debts of Rs.34.31 crore.

(c) overseas taxes lower by Rs.81.11 crore mainly due to decrease in overseas branch taxes

Net profit

The Company's net profit was Rs.5,618.51 crore in fiscal 2010 (Rs.4,696.21 crore in fiscal 2009).

Net profit margin increased from 20.96% in fiscal 2009 to 24.38% in fiscal 2010. The improvement of 3.42% is attributable to:

- higher PBT of 4.70%
- offset by higher taxes of 1.28% and discontinuance of fringe benefit tax.

Dividends

For fiscal 2010 the Company declared three interim dividends of Rs.2 each on the equity shares. A final dividend of Rs.4 per equity share has been recommended. In addition, the Board of Directors has recommended a special dividend of Rs.10 for the current fiscal.

On approval of the final dividend of Rs.4 and the special dividend of Rs.10, total dividend for fiscal 2010 would be Rs.20 per equity share.

The details of dividends are given below :

	2009-10					2008-09		
	Number of shares	Dividend per share (Rs.)	Dividend Amount (Rs. Crore)	Dividend Tax (Rs. Crore)	Total Outflow (Rs. Crore)	Number of shares	Dividend per share (Rs.)	Total Outflow (Rs. Crore)
First Interim Dividend	1,95,72,20,996	2.00	391. 44	66. 53	457. 97	97,86,10,498	3.00	343. 47
Second Interim Dividend	1,95,72,20,996	2.00	391. 44	66. 53	457. 97	97,86,10,498	3.00	343. 47
Third Interim Dividend	1,95,72,20,996	2.00	391. 44	66. 53	457. 97	97,86,10,498	3.00	343. 47
Sub-total	-	-	1174. 32	199.59	1373. 91	-	-	1030. 41
Final Dividend	1,95,72,20,996	4.00	782.89	130.03	912.92	97,86,10,498	5.00	572. 49
Special Dividend	1,95,72,20,996	10.00	1957.22	325.07	2282.29	97,86,10,498	-	-
Total	**1,95,72,20,996**	**20.00**	**3914. 43**	**654. 69**	**4569. 12**	**97,86,10,498**	**14.00**	**1602. 90**

Proposed dividend on redeemable preference shares of Rs.100 crore is Rs.17 crore. The dividend payable on the preference shares is 1% fixed component and a variable component linked to the dividends paid out to the equity shareholders.

FINANCIAL POSITION — UNCONSOLIDATED

Share capital

Amount in Rs. Crore

	As at March 31, 2010	As at March 31, 2009
Authorised Share Capital	**325.00**	220.00
Issued, Subscribed and Paid-up Share Capital	**295.72**	197.86

The issued, subscribed and paid-up share capital as at March 31, 2009 comprised Rs.97.86 crore of equity shares of face value of Re. 1/- each and Rs.100.00 crore of cumulative redeemable preference shares of face value of Re.1/- each.

The Company increased the authorised share capital to Rs.325.00 crore in fiscal 2010 to enable the issue of bonus shares in the ratio of 1:1. The bonus share recommendation of the Board of Directors was approved by the shareholders through postal ballot on June 12, 2009. Post bonus issue, the issued, subscribed and paid-up share capital has gone up to Rs.295.72 crore.

Reserves and surplus

As at March 31, 2010 the balance in the securities premium account was Rs.1,918.47 crore, post transfer of Rs.97.86 crore to share capital account consequent to issue of bonus shares (Rs.2,016.33 crore as at March 31, 2009).

General Reserve as at March 31, 2009 was Rs.1,864.29 crore. On transfer of 10% of the profit after tax for fiscal 2010 amounting to Rs.561.85 crore (previous fiscal Rs.469.62 crore), the general reserve as at March 31, 2010 increased to Rs.2,426.14 crore.

Balance in the profit and loss account as at March 31, 2010 was at Rs.10,458.13 crore (Rs.9,990.41 crore as at March 31, 2009).

Foreign currency translation reserve was Rs.94.98 crore as at March 31, 2010 (Rs.99.22 crore as at March 31, 2009).

Balance in hedging reserve account as at March 31, 2010 showed a loss of Rs.76.82 crore (loss of Rs.721.86 crore as at March 31, 2009). This is in conformity with the provisions laid down in Accounting Standard 30 (AS 30).

Reserves and surplus as at March 31, 2010 was Rs.14,820.90 crore, an increase of 11.87% over Rs.13,248.39 crore as at March 31, 2009 due to accretion of profits for fiscal 2010.

Loans

Secured loans as at March 31, 2010 aggregated Rs.29.25 crore (Rs.32.63 crore as at March 31, 2009).

This decrease is primarily due to:

- reduction in finance lease obligations of Rs.29.25 crore undertaken as at March 31, 2010 (Rs.31.18 crore as at March 31, 2009) which are secured against fixed assets
- bank overdrafts as at March 31, 2010 aggregating Rs. 'Nil' crore (Rs.1.45 crore as at March 31, 2009) which were secured against domestic book debts

Unsecured loans stood at Rs.6.49 crore as at March 31, 2010 (Rs.8.41 crore as at March 31, 2009). Out of the unsecured loans, Rs.1.25 crore is repayable within one year (Rs.1.91 crore as at March 31, 2009).

Deferred tax liability (net) & deferred tax assets (net)

As stated in the accounting policy (see notes to accounts, schedule Q1 (k)), deferred tax assets and liabilities are offset, tax jurisdiction-wise. Schedule 'E' brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise. A combined view of all deferred tax assets and liabilities, across all tax jurisdictions is summarised below.

Amount in Rs. Crore

	Liability		Asset		Increase/ Decrease
	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009	
Foreign branch profit tax (net liability)	**43.97**	108.86	**-**	-	(64.89)
Depreciation (net liability)	**2.24**	61.54	**-**	-	(59.30)
Depreciation (net asset)	**-**	-	**(64.82)**	0.86	(65.68)
Employee benefit (net liability)	**-**	(31.13)	**-**	-	31.13
Employee benefit (net asset)	**-**	-	**36.00**	-	36.00
Provision for doubtful debts (net liability)	**-**	(19.46)	**-**	-	19.46
Provision for doubtful debts (net asset)	**-**	-	**63.34**	-	63.34
Others (net liability)	**(6.11)**	(16.76)	**-**	-	10.65
Others (net asset)	**-**	-	**18.61**	2.79	15.82
Total asset/ (liability)	**40.10**	103.05	**53.13**	3.65	(13.47)

Fixed assets

Addition to the gross block (excluding CWIP) in fiscal 2010 amounted to Rs.571.42 crore (Rs.1,183.19 crore in fiscal 2009). The significant additions in fiscal 2010 were:

- land and buildings of Rs.161.65 crore in fiscal 2010 (Rs.430.91 crore in fiscal 2009)
- leasehold improvements of Rs.49.45 crore in fiscal 2010 (Rs.140.78 crore in fiscal 2009)
- computers of Rs.179.37 crore in fiscal 2010 (Rs.329.51 crore in fiscal 2009)
- office equipment, electrical installations and furniture and fixtures of Rs.178.00 crore in fiscal 2010 (Rs.278.87 crore in fiscal 2009)

The additional square footage of space developed by the Company during fiscal 2010 is shown in the table below:

Location	Area in Sq. Ft. FY 2010
Chennai	266,043
Hyderabad	244,657
Mumbai	660,859
Noida	64,000
Total	**1,235,559**

The amount of CWIP of Rs.940.72 crore as at March 31, 2010 (Rs.685.13 crore as at March 31, 2009) mostly relates to construction/ improvement of facilities which are expected to be ready for use during fiscal 2011 and beyond.

The Company made contractual commitments to vendors who are executing various infrastructure projects. The estimated amount of such contracts remaining to be executed on capital account was Rs.1,115.02 crore as at March 31, 2010 (Rs.637.87 crore as at March 31, 2009).

The number of seats available in India as at March 31, 2010 was 109,105 (101,623 seats as at March 31, 2009).

Investments

Summary of the Company's investments:

Amount in Rs. Crore

	As at March 31, 2010	As at March 31, 2009
Trade Investments, Bonds and Debentures	**5,769.93**	4,530.11
Investments in Mutual Funds	**2,123.46**	1,410.42
Total Investments	**7,893.39**	5,940.53
Less: Provision for Dimunition in value of Investments	**-**	4.50
Net Investments	**7,893.39**	5,936.03

The Company had been investing in various mutual funds. These are typically investments in short term debt funds to gainfully use the excess cash balances with the Company.

Investments in mutual funds aggregated Rs.2,123.46 crore as at March 31, 2010 (Rs.1,410.42 crore as at March 31, 2009), an increase of Rs.713.04 crore. While investing in short term instruments, the Company balances tax efficient returns with risks involved in such investments. Consequently, there has been an increase in investments in bank fixed deposits of duration greater than three months by Rs.1972.77 crore during the current fiscal. The balance in deposits with scheduled banks stood at Rs.3,098.10 crore as at March 31, 2010 (Rs.1,125.33 crore as at March 31, 2009).

During the fiscal 2010 the Company invested in unquoted debentures and has made the following trade related investments/ liquidations:

Investments/ Divestitures	Details
Investment in Tata Consultancy Services Canada Inc.	Additional investment in equity — Rs.31.25 crore
Investment in Tata Consultancy Services, Morocco SARL AU	Conversion of existing term loan into equity — Rs.8.17 crore
Additional investment in TCS e-Serve	Additional investment — Rs.4.05 crore
Liquidation of Tata Infotech (Singapore) Pte. Limited	The Company was voluntarily liquidated

Inventories

The Company had inventories of Rs.6.78 crore as at March 31, 2010 (Rs.16.95 crore as at March 31, 2009) at its Goa manufacturing plant. The inventory constitutes raw materials, components, sub assemblies and finished goods.

Current assets, loans and advances

Unbilled Revenues

Unbilled revenues comprise revenues recognised in relation to efforts incurred on fixed-price-fixed-time contracts and time and material contracts not billed as of the year-end.

Unbilled revenues were at Rs.646.96 crore as at March 31, 2010 (Rs.817.06 crore as at March 31, 2009) representing 2.81% of the revenues for fiscal 2010 (3.65% for fiscal 2009).

Sundry debtors

Sundry debtors as at March 31, 2010 aggregated Rs.3,332.20 crore (Rs.3,732.78 crore as at March 31, 2009).

Provision for bad and doubtful debts in fiscal 2010 was Rs.258.04 crore (Rs.110.08 crore in fiscal 2009). The amounts considered bad and doubtful as a percentage of total revenues was 1.12% as at March 31, 2010 (0.49% as at March 31, 2009).

Sundry debtors as at March 31, 2010 were 14.46 % of revenues (16.66 % as at March 31, 2009).

Days Sales Outstanding (DSO) improved by 8 days, from 61 days as at March 31, 2009 to 53 days as at March 31, 2010.

Cash and bank balances

The Company had cash and bank balances of Rs.3,396.16 crore as at March 31, 2010 (Rs.1,605.26 crore as at March 31, 2009). The balances with scheduled banks (including bank deposits and cash in transit) in India aggregated Rs.3,214.05 crore as at March 31, 2010 (Rs.1,205.58 crore as at March 31, 2009). This increase in deposits with scheduled banks is in line with the investment strategy adopted by the Company. The balances with foreign banks were Rs.181.39 crore as at March 31, 2010 (Rs.398.55 crore as at March 31, 2009).

Loans and advances

Loans and advances as at March 31, 2010 were Rs.3,385.11 crore (Rs.2,966.98 crore as at March 31, 2009).

Significant items of loans and advances are:

- advances recoverable in cash or kind or for value to be received of Rs.1,538.62 crore as at March 31, 2010 (Rs.1,314.90 crore as at March 31, 2009).
- MAT credit entitlement of Rs.1,039.03 crore as at March 31, 2010 (Rs.775.14 crore as at March 31, 2009)
- loans and advances to subsidiary companies of Rs.490.88 crore as at March 31, 2010 (Rs.536.79 crore as at March 31, 2009)
- loans and advances to employees of Rs.133.08 crore as at March 31, 2010 (Rs.123.52 crore as at March 31, 2009)
- advance tax [including refunds receivable (net)], of Rs.183.50 crore as at March 31, 2010 (Rs.216.63 crore as at March 31, 2009)

Current liabilities

Current liabilities went down to Rs.3,312.64 crore as at March 31, 2010 as compared Rs.3,513.88 crore as at March 31, 2009. This decrease is primarily due to:

- higher sundry creditors of Rs.2,028.27 crore as at March 31, 2010 (Rs.1,498.19 crore as at March 31, 2009)
- lower advance billings and deferred revenues of Rs.492.15 crore as at March 31, 2010 (Rs.521.74 crore as at March 31, 2009)
- lower other liabilities of Rs.278.75 crore (Rs.1,081.67 crore as at March 31, 2009). Other liabilities include fair values of foreign exchange forward and currency option contracts of Rs.115.92 crore as at March 31, 2010 (Rs.638.18 crore as at March 31, 2009)

Provisions

Provisions made towards taxes, employee retirement benefits, proposed dividend, tax on dividend and warranties aggregated Rs.3,926.61 crore as at March 31, 2010 (Rs.1,328.99 crore as at March 31, 2009).

The increase is mainly attributable to:

- higher proposed final dividend on equity shares of Rs.2,740.11 crore as at March 31, 2010 (Rs.489.31 crore as at March 31, 2009)
- higher tax on dividend of Rs.457.92 crore as at March 31, 2010 (Rs.84.35 crore as at March 31, 2009)
- lower current income taxes (net) of Rs.262.39 crore as at March 31, 2010 (Rs.339.73 crore as at March 31, 2009)

CASH FLOW — UNCONSOLIDATED

The Company's growth has been financed largely by cash generated from operations. The Company has sufficient cash generated from operations for meeting its working capital requirements as well as the requirements for capital expenditure. In addition, the Company has short term working capital facilities with various banks.

Banking and financing arrangements

As at March 31, 2010, the Company had available lines of credit with multiple bankers aggregating Rs.1,920.00 crore interchangeable between fund-based and non-fund based limits (Rs.2,080.00 crore as at March 31, 2009). As at March 31, 2010 the Company had utilised Rs.809.49 crore of these limits (Rs.584.42 crore utilized as at March 31, 2009). The available unutilised facility as at March 31, 2010 was Rs.1,110.51 crore (March 31, 2009 was Rs.1,495.58 crore). In addition the Company had a separate, additional one-off banking limit of GBP 75 million.

Cash flow summary

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
Cash and cash equivalents at beginning of the year	**540.65**	398.79
Net cash provided by operating activities	**6,264.74**	4913.48
Net cash used in investing activities	**(4,556.64)**	(3,185.34)
Net cash used in financing activities	**(1,969.65)**	(1,604.49)
Net increase/(decrease) in cash and cash equivalents	**(261.55)**	123.65
Exchange difference on translation of foreign currency cash and cash equivalents	**14.18**	18.21
Cash and cash equivalents at end of the year	**293.28**	540.65
Deposits with original maturity over three months	**3,097.97**	1,060.16
Restricted Cash	**4.91**	4.45
Cash and Bank balance at the end of the year as per Schedule 'J'	**3,396.16**	1,605.26

Cash flow from operations

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
Profit before taxes and exceptional items	**6,370.38**	5,139.69
Add: Depreciation	**469.35**	417.46
Others	**(210.52)**	(243.35)
Operating Profit before Working Capital Changes	**6,629.21**	5,313.80
Effect of Working Capital Changes	**807.93**	399.10
Cash Generated from Operations	**7,437.14**	5,712.90
Tax Payments Made	**(1,172.40)**	(799.42)
Net Cash Provided by Operations	**6,264.74**	4913.48

In fiscal 2010 the Company generated net cash of Rs.6,264.74 crore (Rs.4,913.48 crore in fiscal 2009) from operating activities. Items contributing to generation/use of cash from operating activities relating to working capital changes are given in the table below:

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
(Increase)/Decrease in Inventories	**10.17**	0.24
(Increase)/Decrease in Unbilled revenues	**164.15**	53.12
(Increase)/Decrease in Sundry debtors	**169.79**	68.08
(Increase)/Decrease in Loans and advances	**(144.51)**	(198.73)
Increase/(Decrease) in Current liabilities and provisions	**608.33**	476.39
Effect of Working Capital Changes	**807.93**	399.10

Cash flow from investing activities

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
(Purchase) of Fixed Assets	**(816.27)**	(956.25)
(Purchase) of Debentures/ Trade Investments	**(1200.00)**	(2451.98)
(Loans) given to Subsidiaries (Net)	**89.40**	(29.28)
(Purchase) / sale of Other Investments including dividends reinvested	**(564.63)**	1074.26
(Purchase) of Fixed Deposits with Banks having maturity more than 3 months	**(2037.81)**	(935.00)
Other	**(27.33)**	112.91
Net cash used for investing activities	**(4556.64)**	(3185.34)

In fiscal 2009 the Company used Rs.4,556.64 crore on investing activities (Rs.3,185.34 crore in fiscal 2009).

The significant items in fiscal 2010 were:

- purchase of fixed assets Rs.816.27 crore (Rs.956.25 crore in fiscal 2009)

- purchase of (a) 1000 4.50% non-convertible debentures for Rs. 1000 crore and (b) 2000 4.75% non-convertible debentures for Rs. 200 crore in fiscal 2010 (Rs.2,451.98 crore primarily for the acquisition of shares in CitiGlobal Services Limited in fiscal 2009)
- purchase of mutual fund investments of Rs. 564.63 crore (Rs.1,074.26 crore redeemed in fiscal 2009)
- loans repaid by subsidiaries in fiscal 2010 was Rs.89.40 crore (Rs.29.28 crore given to subsidiaries in fiscal 2009)
- investments in bank fixed deposits of maturity greater than three months Rs.2,037.81 crore (Rs.935.00 crore in fiscal 2009)
- other cash outflows related to investing activities like proceeds from sale / transfer of trade investments, inter-corporate deposits placed/refunded, dividends received from subsidiaries and from other investments and interest received aggregated to cash use of Rs.27.33 crore in fiscal 2010 (cash inflow of Rs.112.91 crore in fiscal 2009)

Cash flow from financing activities

Amount in Rs. Crore

	Fiscal 2010	Fiscal 2009
Proceeds/(Repayments) from/ of Borrowings (net)	**(5.30)**	5.88
Dividend paid (including dividend distribution tax)	**(1954.57)**	(1602.88)
Interest paid	**(9.78)**	(7.49)
Net Cash used in Financing Activities	**(1969.65)**	(1604.49)

In fiscal 2010 the significant item of cash used in financing activities was payment of dividend Rs.1,954.57 crore including dividend tax (Rs.1,602.88 crore in fiscal 2009).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company 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 unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company has a well defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. The Company uses a state-of-the-art ERP system to record data for accounting 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 global best practices.

The Company has appointed Ernst and Young Private Limited to oversee and carry out internal audit of the Company's activities. The audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the Statutory Auditors (M/s. Deloitte Haskins & Sells) and the Audit Committee. In line with international practice, the planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes in the Company, including significant subsidiaries and selected foreign branches. Safeguarding of assets and their protection against unauthorised use are also a part of these exercises.

The Company 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 the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

Corporate Governance Report for the year 2009-10

I. Company's Philosophy on Corporate Governance

Corporate governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organisation most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organisation and of their own role as trustees on behalf of the shareholders.

By combining ethical values with business acumen, globalisation with national interests and core business with emerging business, the Company aims to be amongst the largest and most respected global organisations. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the Tata companies.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Executive Directors and the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the Tata Code of Conduct for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices. The Tata Code of Conduct for Prevention of Insider Trading has been amended during the year in line with the amended Securities and Exchange Board of India (SEBI) Regulations in this regard.

The Company has in place an Information Security Policy that ensures proper utilisation of IT resources.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges. With the adoption of a Whistle Blower Policy and the setting up of a Nominations Committee and an Executive Committee of the Directors, the Company has moved ahead in its pursuit of excellence in corporate governance.

II. Board of Directors

(i) As on March 31, 2010, the Company has twelve Directors with a Non-Executive Chairman. Of the twelve Directors, nine (i.e. 75.00%) are Non-Executive Directors and six (i.e. 50.00%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

(ii) None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2010 have been made by the Directors.

(iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	Number of Board Meetings during the year 2009-10		Whether attended last AGM held on June 30, 2009	Number of Directorships in other public companies		Number of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. R. N. Tata (Chairman) DIN 00000001	Non-Independent, Non-Executive	8	8	Yes	9	1	-	-
Mr. S. Ramadorai # (Vice-Chairman) DIN 00000002	Non-Independent, Non-Executive	8	8*	Yes	6	6	3	3
Mr. N. Chandrasekaran (Chief Executive Officer and Managing Director) DIN 00121863	Non-Independent, Executive	8	8	Yes	1	2	-	1
Mr. Aman Mehta DIN 00009364	Independent, Non-Executive	8	7	Yes	-	6	2	4
Mr. Naresh Chandra ## DIN 00015833	Independent, Non-Executive	2@	2	No	-	-	-	-
Mr. V. Thyagarajan DIN 00017541	Independent, Non-Executive	8	8	Yes	-	1	-	-
Prof. Clayton M. Christensen DIN 00020111	Independent, Non-Executive	8	Nil**	Yes	-	-	-	-
Dr. Ron Sommer DIN 00621387	Independent, Non-Executive	8	6***	No	1	-	-	-
Mrs. Laura M. Cha DIN 00909210	Independent, Non-Executive	8	4****	No	-	-	-	-
Mr. S. Mahalingam (Chief Financial Officer and Executive Director) DIN 00121727	Non-Independent, Executive	8	8	Yes	1	3	1	-
Mr. Phiroz Vandrevala (Executive Director) DIN 01778976	Non-Independent, Executive	8	8	Yes	-	1	-	-
Dr. Vijay Kelkar ### DIN 00011991	Independent, Non-Executive	2@@	1	N.A. Appointed after the last AGM	2	3	-	1
Mr. Ishaat Hussain ### DIN 00027891	Non-Independent, Non-Executive	2@@	2	N.A. Appointed after the last AGM	2	12	4	5

Retired as Chief Executive Officer and Managing Director on October 5, 2009 and appointed as an Additional Director and designated as Vice Chairman in Non-Executive capacity w.e.f. October 6, 2009.

* Attended four meetings as Chief Executive Officer and Managing Director and four meetings as a Non-Executive Director.

Retired as Director on June 30, 2009.

@ Details provided till the date of retirement.

** Participated in five meetings over teleconference.

*** In addition to attending six meetings, he participated in two meetings over teleconference.

**** In addition to attending four meetings, she participated in one meeting over teleconference.

Appointed as an Additional Director w.e.f. January 5, 2010.

@@ Details provided from the date of appointment.

No sitting fee has been paid for participation over teleconference.

(iv) Eight Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said Meetings were held are as follows:

April 20, 2009; May 26, 2009; July 17, 2009; September 4, 2009; October 16, 2009; December 15, 2009; January 15, 2010 and March 12, 2010.

(v) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(vi) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

(vii) Scheduling and selection of Agenda items for Board Meetings:

All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee Meetings.

(viii) Post meeting follow-up mechanism:

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions/minutes of previous meetings is placed at the succeeding meetings of the Board/Committee for noting.

III. Audit Committee

(i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

(ii) The terms of reference of the Audit Committee are broadly as under:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - ❖ any changes in accounting policies and practices;
  - ❖ major accounting entries based on exercise of judgment by management;
  - ❖ qualifications in draft audit report;
  - ❖ significant adjustments arising out of audit;
  - ❖ the going concern assumption;
  - ❖ compliance with accounting standards;
  - ❖ compliance with stock exchange and legal requirements concerning financial statements;
  - ❖ any related party transactions as per Accounting Standard 18.

- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

(iii) The Audit Committee invites such of the executives as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

(iv) The previous Annual General Meeting of the Company was held on June 30, 2009 and was attended by Mr. Aman Mehta, Chairman of the Audit Committee.

(v) The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2009-10	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	8	7
Mr. Naresh Chandra#	Independent, Non-Executive	2@	2
Mr. V. Thyagarajan	Independent, Non-Executive	8	8
Dr. Ron Sommer	Independent, Non-Executive	8	6*

\# Retired as Director on June 30, 2009.

@ Details provided till the date of retirement.

* In addition to attending six meetings, he participated in one meeting over teleconference.

No sitting fee has been paid for participation over teleconference.

(vi) Eight Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

April 20, 2009; May 26, 2009; July 17, 2009; September 4, 2009; October 16, 2009; December 15, 2009; January 15, 2010 and March 12, 2010.

The necessary quorum was present for all the meetings.

IV. Remuneration Committee

(i) The Company has a Remuneration Committee of Directors.

(ii) The broad terms of reference of the Remuneration Committee are as under:

- To approve the annual remuneration plan of the Company;
- To approve the remuneration and commission/incentive remuneration payable to the Managing Director for each financial year;
- To approve the remuneration and annual performance bonus payable to the Chief Financial Officer and the Executive Vice Presidents of the Company for each financial year;
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

(iii) The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2009-10	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	3	3
Mr. R. N. Tata	Non-Independent, Non-Executive	3	3
Mr. Naresh Chandra#	Independent, Non-Executive	2@	2
Mr. S. Ramadorai##	Non-Independent, Non-Executive	-@@	-
Mr. V. Thyagarajan##	Independent, Non-Executive	-@@	-

\# Retired as Director on June 30, 2009.

@ Details provided till the date of retirement.

\## Appointed as a Member of the Committee w.e.f. March 12, 2010.

@@ Details provided from the date of appointment.

(iv) Meetings of the Remuneration Committee were held on April 20, 2009, May 26, 2009 and September 4, 2009.

(v) The Company does not have any Employee Stock Option Scheme.

(vi) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and Economic Value Added Analysis 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 pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective April 1, each year. The Remuneration Committee decides on the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 1956, based on the performance of the Company as well as that of the Managing Director and each Executive Director.

During the year, 2009-10, the Company paid Sitting Fees of Rupees ten thousand per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of Committees of the Board. The Members have at the Annual General Meeting of the Company on June 30, 2009 approved of 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 their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

(vii) Details of Remuneration for the year ended March 31, 2010:

(a) Non-Executive Directors

Name	Commission (Rs. Lakh)	Sitting Fees (Rs. Lakh)
Mr. R. N. Tata	80.00	1.30
Mr. S. Ramadorai	35.00	0.70
Mr. Aman Mehta	85.00	1.70
Mr. Naresh Chandra	30.00	0.60
Mr. V. Thyagarajan	75.00	1.80
Prof. Clayton M. Christensen	35.00	Nil
Dr. Ron Sommer	75.00	1.40
Mrs. Laura M. Cha	30.00	0.50
Dr. Vijay Kelkar	5.00	0.10
Mr. Ishaat Hussain	Nil	0.20

(b) Managing Director and Executive Directors

Name of Director and period of appointment	Salary (Rs. Lakh)	Benefits Perquisites & Allowances (Rs. Lakh)	Commission (Rs. Lakh)	ESPS
Mr. S. Ramadorai Chief Executive Officer and Managing Director (from April 1, 2009 to October 5, 2009)	44.25	67.38	250.00	Nil
Mr. N. Chandrasekaran (Executive Director and Chief Operating Officer from September 6, 2007 to October 5, 2009) (Chief Executive Officer and Managing Director from October 6, 2009 for a period of 5 years)	46.70	51.12	200.00	Nil
Mr. S. Mahalingam Chief Financial Officer and Executive Director (w.e.f. September 6, 2007 for a period of 5 years)	43.89	42.20	150.00	Nil
Mr. Phiroz Vandrevala Executive Director (w.e.f. September 7, 2007 for a period of 5 years)	39.62	34.58	95.00	Nil

The above figures do not include (a) provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation/premium paid are not available for the Whole-time Directors and (b) retirement benefits of Rs. 1407.59 lakh to the former Managing Director.

Services of the Managing Director and Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

(viii) Details of shares of the Company held by the Directors as on March 31, 2010 are given below:

Name	Number of shares
Mr. R. N. Tata	**1,523,256**
Mr. S. Ramadorai	**199,120**
Mr. N. Chandrasekaran	**88,528**
Mr. S. Mahalingam	**161,680**
Mr. Phiroz Vandrevala	**100,608**
Mr. Ishaat Hussain	**1,740**

The Company has not issued any convertible debentures.

V. Shareholders/Investors Grievance Committee

(i) The Company has a Shareholders/Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

(ii) One meeting of the Shareholders/Investors Grievance Committee was held during the year on January 15, 2010.

(iii) The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2009-10	
		Held	Attended
Mrs. Laura M. Cha (Chairperson)	Independent, Non-Executive	1	1
Mr. S. Ramadorai	Non-Independent, Non-Executive	1	1
Mr. V. Thyagarajan	Independent, Non-Executive	1	1

(iv) The Company has always valued its customer relationships. This philosophy has been extended to investor relationship and an Investor Relations Department (IRD) was set up in June 2004, prior to the Company's Initial Public Offer of shares. The IRD focuses on servicing the needs of investors, analysts, brokers and the general public.

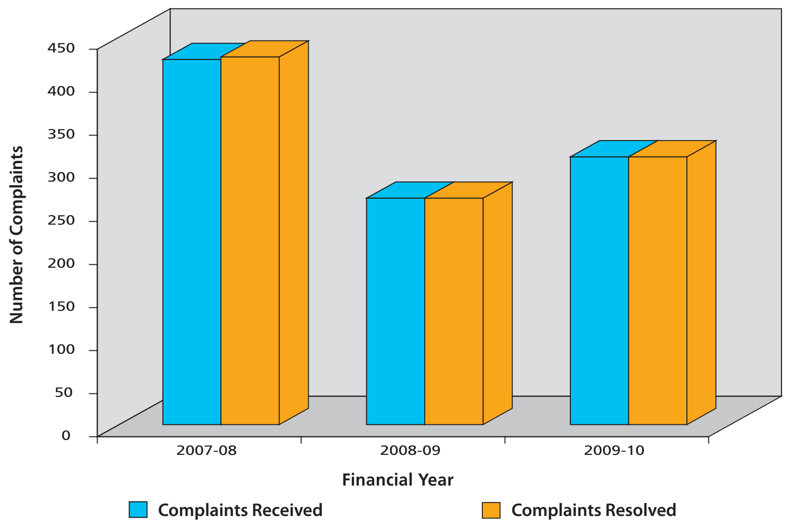
(v) Name, designation and address of Compliance Officer:

Mr. Suprakash Mukhopadhyay
Vice President and Company Secretary
Tata Consultancy Services Limited
11th Floor, Air India Building
Nariman Point
Mumbai 400 021
Telephone: 91 22 6778 9285
Fax: 91 22 6630 3672

(vi) Details of investor complaints received and resolved during the year 2009-10 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	311	311	0

(vii) Trend of investor complaints received and resolved during the last three years:



VI. Other Committees

(i) Ethics and Compliance Committee:

In terms of the Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (Insider Trading Code) to be followed by the Directors, Officers and other employees, the Company has an Ethics and Compliance Committee of Directors. The Committee considers matters relating to the Insider Trading Code and also considers matters relating to the Company's Code of Conduct (CoC).

Monthly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code and the CoC. One meeting of the Ethics and Compliance Committee was held during the year on January 15, 2010.

The composition of the Ethics and Compliance Committee and details of the meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2009-10	
		Held	Attended
Mr. Naresh Chandra# (Chairman)	Independent, Non-Executive	-@	-
Mr. S. Ramadorai	Non-Independent, Non-Executive	1	1
Mr. V. Thyagarajan##	Independent, Non-Executive	1	1

\# Retired as Director on June 30, 2009.

@ Details provided till the date of retirement.

\## Appointed as Member of the Committee w.e.f. July 31, 2009.

The Board has in 2004 appointed Mr. S. Mahalingam, Chief Financial Officer as the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.

(ii) Bank Account Committee:

The Company has a Bank Account Committee of Directors to approve of the opening and closing of bank accounts of the Company and to authorise persons to operate the bank accounts of the Company. The Committee comprises of Mr. Aman Mehta (Independent, Non-Executive), Mr. N. Chandrasekaran (Non-Independent, Executive) and Mr. S. Mahalingam (Non-Independent, Executive).

(iii) Nominations Committee:

The Company has a Nominations Committee of Directors comprising of Mr. R. N. Tata (Non-Independent, Non-Executive), Mr. V. Thyagarajan (Independent, Non-Executive) and Prof. Clayton M. Christensen (Independent, Non-Executive).

The Nominations Committee is responsible for making recommendations regarding the composition of the Board and in this regard shall identify Independent Directors to be inducted to the Board and take steps to refresh the composition of the Board from time to time.

(iv) Executive Committee:

The Company has an Executive Committee of Directors. The Executive Committee's role covers a detailed review of the following matters before these are presented to the Board:

- Business and strategy review;
- Long-term financial projections and cash flows;
- Capital and revenue budgets and capital expenditure programmes;
- Acquisitions, divestments and business restructuring proposals;
- Senior management succession planning;
- Any other item as may be decided by the Board.

Two meetings of the Executive Committee were held during the year on May 26, 2009 and March 12, 2010.

The composition of the Executive Committee and details of the meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2009-10	
		Held	Attended
Mr. R. N. Tata (Chairman)	Non-Independent, Non-Executive	2	2
Mr. S. Ramadorai	Non-Independent, Non-Executive	2	2*
Prof. Clayton M. Christensen	Independent, Non-Executive	2	Nil
Dr. Ron Sommer	Independent, Non-Executive	2	2
Mr. N. Chandrasekaran#	Non-Independent, Executive	-@	-

* Attended one meeting as Chief Executive Officer and Managing Director and one meeting as a Non-Executive Director.

\# Appointed as Member of the Committee w.e.f. March 12, 2010.

@ Details provided from the date of appointment.

(v) Software Technology Parks of India (STPI)/Special Economic Zone (SEZ) Committee:

A Committee of Directors consisting of Mr. V. Thyagarajan (Independent, Non-Executive), Mr. N. Chandrasekaran, (Non-Independent, Executive) and Mr. S. Mahalingam (Non-Independent, Executive) was constituted on December 15, 2009 with authority to approve, from time to time, registration/renewal of registration/de-registration of various offices of the Company under the STPI/SEZ Schemes and such other Schemes as may be deemed fit by them, and also approve of other STPI/SEZ/other Scheme(s) related matters.

(vi) Risk Management Committee:

A Risk Management Committee of Directors has been constituted on March 12, 2010 comprising of Mr. Ishaat Hussain (Non-Independent, Non-Executive), Mr. S. Ramadorai (Non-Independent, Non-Executive), Mr. N. Chandrasekaran (Non-Independent, Executive) and Mr. S. Mahalingam (Non-Independent, Executive).

The Risk Management Committee is responsible for advising the Company on foreign exchange matters and framing the broad guidelines for investment of surplus funds of the Company.

VII. General Body Meetings

(i) General Meeting

(a) Annual General Meeting

Details	Date	Time	Venue
Annual General Meeting 2006-07	June 29, 2007	3.30 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020
Annual General Meeting 2007-08	July 1, 2008		
Annual General Meeting 2008-09	June 30, 2009		

(b) Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the year.

(ii) Postal Ballot

A Special Resolution for alteration of the Articles of Association of the Company and two Ordinary Resolutions for increase in Authorised Share Capital and Alteration of Memorandum of Association of the Company and issue of Bonus Shares as contained in a Notice to the Shareholders dated May 8, 2009 were passed during the year under a Postal Ballot. Ms. Shirin Bharucha was appointed as the Scrutinizer for the Postal Ballot process. The Bonus Shares were allotted on June 18, 2009 based on the Record Date of June 17, 2009.

Details of the Resolutions passed under the Postal Ballot are as follows:

Resolution No. 1

- Description

  Ordinary Resolution to accord the consent of the Shareholders for increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company.

- Voting Pattern

Voting	Number of Votes	Percentage of Total Votes
Votes in Favour	831,926,169	99.42
Votes not in Favour	14,804	0.00
Invalid Votes	4,802,884	0.58
Total	**836,743,857**	**100.00**

Resolution No. 2

- Description

  Special Resolution to accord the consent of the Shareholders for the Alteration of Articles of Association of the Company.

- Voting Pattern

Voting	Number of Votes	Percentage of Total Votes
Votes in Favour	831,878,451	99.42
Votes not in Favour	19,153	0.00
Invalid Votes	4,846,609	0.58
Total	**836,744,213**	**100.00**

Resolution No.3

- Description

  Ordinary Resolution to accord the consent of the Shareholders for issue of Bonus Shares in the proportion of one new Equity Share for every one existing Equity Share held by the Shareholder.

- Voting Pattern

Voting	Number of Votes	Percentage of Total Votes
Votes in Favour	831,920,829	99.42
Votes not in Favour	3,683	0.00
Invalid Votes	4,818,940	0.58
Total	**836,743,452**	**100.00**

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year for the resolutions mentioned above. The results of the Postal Ballot were announced by a Director of the Company at the Registered Office of the Company on June 13, 2009 and advertised in the newspapers.

(iii) Special Resolutions

At the Annual General Meeting of the Company held on June 29, 2007, a Special Resolution was passed in connection with the place of keeping and inspection of the Registers and Annual Returns of the Company. The resolution was passed with the requisite majority.

At the Annual General Meeting of the Company held on June 30, 2009, a Special Resolution was passed for the payment of commission to the non-whole-time Directors of the Company. The resolution was passed with the requisite majority.

VIII. Disclosures

(i) The Board has received disclosures from Key Managerial Personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2007-08, 2008-09 and 2009-10 respectively: NIL

(iii) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreements with the Stock Exchanges:

(a) The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.

(b) A communication on the half-yearly financial performance of the Company including a summary of the significant events in the six-month period was sent to every Member in October 2009.

(c) The statutory financial statements of the Company are unqualified.

(d) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.

(iv) Secretarial Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

IX. Means of Communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, Deccan Chronicle, Lok Satta, Business Standard, The Hindu Business Line, Hindustan Times and Sandesh. The results are also displayed on the Company's website "www.tcs.com". Half-yearly results have been sent to the Members along with a message from the Managing Director on the Company's performance during the half-year ended September 30, 2009. Press releases made by the Company from time to time are also displayed on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are displayed on the Company's website. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

X. General Shareholder Information

(i) Annual General Meeting:

Date	:	July 2, 2010
Time	:	3.30 p.m.
Venue	:	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg New Marine Lines, Mumbai 400 020

As required under Clause 49(IV)(G)(i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on July 2, 2010.

(ii) Financial Calendar:

Year ending	:	March 31
AGM in	:	July
Dividend Payment	:	The Final Dividend and Special Dividend if declared, shall be paid/credited on or after July 3, 2010.

(iii) Date of Book Closure/Record Date	:	As mentioned in the Notice of the AGM to be held on July 2, 2010.
(iv) Listing on Stock Exchanges	:	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Bombay Stock Exchange Limited Floor 25, P. J. Towers, Dalal Street Mumbai 400 001

(v) Stock Codes/Symbol:

National Stock Exchange of India Limited	:	TCS
Bombay Stock Exchange Limited	:	532540

Listing Fees as applicable have been paid.

(vi) Corporate Identification Number (CIN) of the Company	:	L22210MH1995PLC084781

(vii) Dividend Policy:

Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of Shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to Shareholders.

(viii) Market Price Data:

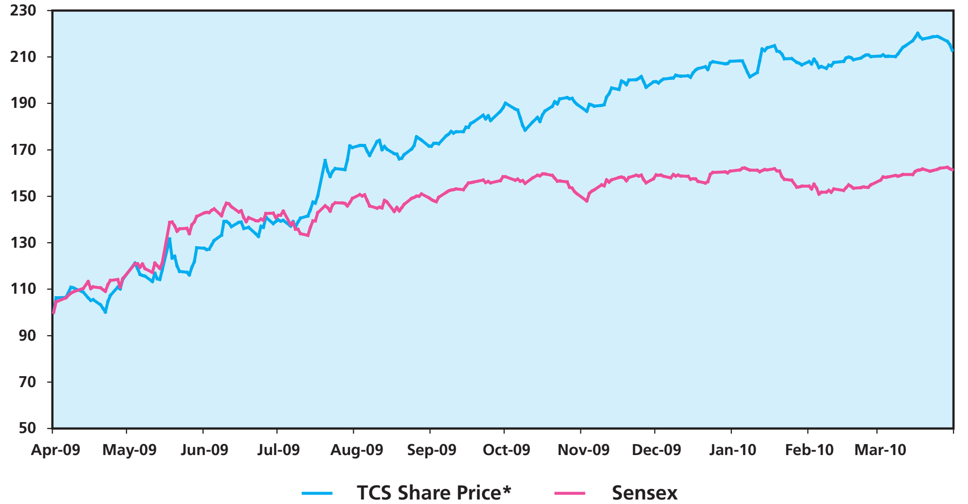
High, Low (based on closing prices) and number of shares traded during each month in the financial year 2009-10 on National Stock Exchange of India Limited and Bombay Stock Exchange Limited:

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Total Number of Shares Traded	High (Rs.)	Low (Rs.)	Total Number of Shares Traded
April 2009	623.60	542.95	32,515,207	623.20	542.95	6,718,394
May 2009	743.85	615.25	53,833,047	731.80	615.55	7,272,937
June 2009	782.15	694.75	20,339,953	782.05	694.35	4,523,285
June 2009*	397.40	366.65	31,787,893	396.90	366.20	5,000,938
July 2009	533.10	380.70	92,323,338	530.00	380.05	19,098,752
August 2009	548.50	498.05	70,498,278	548.30	499.00	12,847,919
September 2009	621.00	526.90	60,837,000	619.35	526.60	12,155,061
October 2009	644.55	561.75	58,635,492	644.55	561.70	11,336,495
November 2009	702.80	606.05	38,794,296	703.60	607.50	7,145,393
December 2009	750.25	684.30	34,829,911	749.75	683.95	5,383,776
January 2010	802.20	699.80	55,835,048	799.60	700.50	8,441,864
February 2010	766.25	723.50	27,220,892	766.75	723.80	3,454,091
March 2010	840.70	762.60	37,419,280	840.70	761.45	5,917,109

* Price from June 16, 2009 is Ex-Bonus.

(ix) Performance of the share price of the Company in comparison to the Bombay Stock Exchange Limited Sensex:

TCS Share Price and Sensex Movement



Base 100 = April 1, 2009

* Adjusted for 1:1 Bonus. The share has been trading ex-bonus on the Stock Exchanges w.e.f. June 16, 2009.

(x) Registrar and Transfer Agents:

Name and Address	:	TSR Darashaw Limited (TSRDL) 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi Mumbai 400 011
Telephone	:	91 22 6656 8484
Fax	:	91 22 6656 8494
E-mail	:	csg-unit@tsrdarashaw.com
Website	:	www.tsrdarashaw.com

(xi) Places for acceptance of documents:

Documents will be accepted at	:	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011
Time	:	10.00 a.m. to 3.30 p.m. (Monday to Friday except bank holidays)

For the convenience of the Shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSRDL:

(a) Branches of TSRDL:

- TSR Darashaw Limited
  503, Barton Centre, 5th Floor
  84, Mahatma Gandhi Road
  Bangalore 560 001
  Telephone: 91 80 2532 0321
  Fax: 91 80 2558 0019
  E-mail: tsrdlbang@tsrdarashaw.com

- TSR Darashaw Limited
  Bungalow No. 1,'E' Road,
  Northern Town, Bistupur
  Jamshedpur 831 001
  Telephone: 91 657 2426616
  Fax: 91 657 2426937
  E-mail: tsrdljsr@tsrdarashaw.com

- TSR Darashaw Limited
  Tata Centre, 1st Floor
  43, Jawaharlal Nehru Road
  Kolkata 700 071
  Telephone: 91 33 2288 3087
  Fax: 91 33 2288 3062
  E-mail: tsrdlcal@tsrdarashaw.com

- TSR Darashaw Limited
  Plot No. 2/42, Sant Vihar,
  Ansari Road, Daryaganj
  New Delhi 110 002
  Telephone: 91 11 2327 1805
  Fax: 91 11 2327 1802
  E-mail: tsrdldel@tsrdarashaw.com

(b) Agent of TSRDL:

Shah Consultancy Services
3, Sumatinath Complex, Pritam Nagar
Akhada Road, Ellisbridge
Ahmedabad 380 006
Telefax: 91 79 2657 6038
E-mail: shahconsultancy8154@gmail.com

(xii) Share Transfer System:

99.97% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with TSRDL at any of the above mentioned addresses.

Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The Directors, the Chief Financial Officer and the Company Secretary are severally empowered to approve transfers.

(xiii) Shareholding as on March 31, 2010:

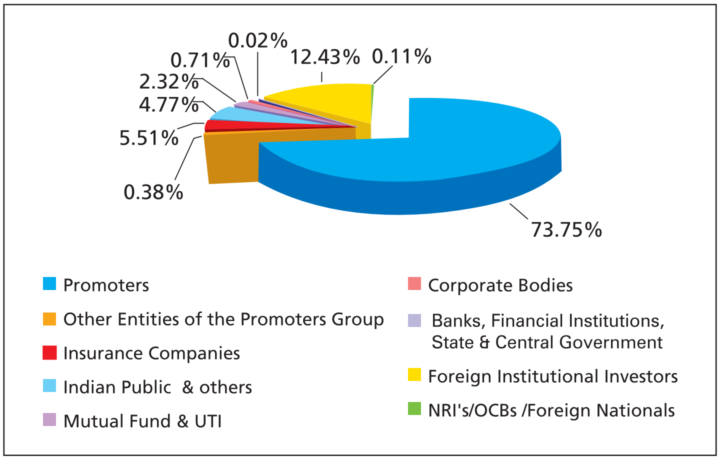
(a) Distribution of equity shareholding as on March 31, 2010:

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 - 1000	56,472,392	2.89	681,017	98.67
1001 - 5000	14,698,996	0.75	7,413	1.07
5001 - 10000	4,614,567	0.24	662	0.10
10001 - 20000	4,403,544	0.22	308	0.04
20001 - 30000	2,829,193	0.14	115	0.02
30001 - 40000	2,283,510	0.12	65	0.01
40001 - 50000	2,508,178	0.13	55	0.01
50001 - 100000	10,751,609	0.55	146	0.02
100001 - above	1,858,659,007	94.96	405	0.06
Grand Total	**1,957,220,996**	**100.00**	**690,186**	**100.00**

(b) Categories of equity shareholders as on March 31, 2010:

Category	Number of shares held	Percentage of holding
Promoters	1,443,404,398	73.75
Other Entities of the Promoters Group	7,358,908	0.38
Insurance Companies	107,749,562	5.51
Indian Public and others	93,377,377	4.77
Mutual Fund and UTI	45,327,381	2.32
Corporate Bodies	13,939,849	0.71
Banks, Financial Institutions, State and Central Government	451,394	0.02
Foreign Institutional Investors	243,337,254	12.43
NRIs/OCBs/Foreign Nationals	2,274,873	0.11
Grand Total	**1,957,220,996**	**100.00**

Shareholding Pattern as on March 31, 2010



(c) Distribution and Category of Redeemable Preference Shareholder as on March 31, 2010:

Tata Sons Limited, the holding company, holds 100% of the 1,000,000,000 redeemable preference shares of the Company.

(xiv) Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.97% of the Company's equity share capital are dematerialised as on March 31, 2010.

The Company's equity shares are regularly traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

(xv) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on March 31, 2010, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.

(xvi) For Shareholders of erstwhile Tata Infotech Limited (TIL) which has merged with the Company:

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits (relating to the erstwhile TIL) remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claim. Members who have not yet encashed their dividend warrant(s) for the financial years 2002-03 to 2005-06, are requested to make their claims without any delay to the Company's Registrar and Transfer Agents, TSR Darashaw Limited.

A separate communication has been sent in March 2010 to the Shareholders who have not encashed their dividend warrants and which are not yet transferred to IEPF, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

The following table gives information relating to outstanding dividend accounts and the dates by which they need to be transferred:

Financial Year	Date of declaration	Date of payment	Date on which dividend will become part of IEPF
2002-03	August 28, 2003	August 29, 2003	August 27, 2010
2003-04	August 13, 2004	August 16, 2004	August 12, 2011
2004-05	February 2, 2005	February 25, 2005	February 1, 2012
	August 24, 2005	August 25, 2005	August 23, 2012
2005-06	August 24, 2005	September 19, 2005	August 23, 2012
	October 14, 2005	October 29, 2005	October 13, 2012
	January 17, 2006	January 30, 2006	January 16, 2013

(xvii) For Shareholders of TCS:

A separate communication has been sent in March 2010 to the Shareholders of TCS who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

(xviii) Plant Location:

In view of the nature of the Company's business viz. Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and abroad. The Company has a manufacturing facility at 17-B, Tivim Industrial Estate, Karaswada, Mapusa–Bardez, Goa.

(xix) Address for correspondence:

Tata Consultancy Services Limited
9th Floor, Nirmal Building
Nariman Point
Mumbai 400 021
Telephone: 91 22 6778 9356 / 91 22 6778 9595
Fax: 91 22 6630 3672
Designated e-mail address for investor services: investor.relations@tcs.com
Website: www.tcs.com

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

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2010, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre, Vice President Global Human Resources and the Company Secretary as on March 31, 2010.

Mumbai
April 19, 2010

N. Chandrasekaran
Chief Executive Officer & Managing Director

COMPLIANCE CERTIFICATE

TO THE MEMBERS OF
TATA CONSULTANCY SERVICES LIMITED

We have examined the compliance of conditions of corporate governance by **TATA CONSULTANCY SERVICES LIMITED** ("the Company"), for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation 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.

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 above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. VENKATRAM
Partner
Membership No. : 71387

Mumbai, May 24, 2010

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF

TATA CONSULTANCY SERVICES LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA CONSULTANCY SERVICES LIMITED** ('the Company'), and its subsidiaries (collectively referred as 'the TCS Group') as at March 31, 2010 and the Consolidated Profit and Loss account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. The Consolidated Financial Statements include investments in associates accounted on equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets (net) of Rs. 2506.28 crores as at March 31, 2010, total revenues of Rs. 4977.71 crores and net cash outflow amounting to Rs. 82.21 crores for the year ended on that date. These financial statements and other financial information has been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of other auditors.
4. The financial statements which reflect total assets (net) of Rs. 3.14 crores as at March 31, 2010, total revenues of Rs. 0.18 crores and net cash inflow of Rs. 0.41 crores for the year ended March 31, 2010 have not been audited.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the TCS Group as at March 31, 2010;
   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the TCS Group for the year ended on that date; and
   (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the TCS Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, April 19, 2010

Consolidated Balance Sheet as at March 31, 2010

		Schedule	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
	SOURCES OF FUNDS:			
1	SHAREHOLDERS' FUNDS			
	(a) Share Capital	A	**295.72**	197.86
	(b) Reserves and Surplus	B	**18171.00**	15502.15
			18466.72	15700.01
2	MINORITY INTEREST		**361.71**	277.16
3	LOAN FUNDS			
	(a) Secured Loans	C	**31.21**	37.89
	(b) Unsecured Loans	D	**72.04**	525.99
			103.25	563.88
4	DEFERRED TAX LIABILITIES (NET)	E	**68.68**	128.55
5	TOTAL FUNDS EMPLOYED		**19000.36**	16669.60
	APPLICATION OF FUNDS:			
6	FIXED ASSETS	F		
	(a) Gross Block		**6419.51**	5843.86
	(b) Less :- Accumulated Depreciation		**2897.47**	2359.72
	(c) Net Block		**3522.04**	3484.14
	(d) Capital Work-in-Progress		**1017.37**	705.49
			4539.41	4189.63
7	GOODWILL (ON CONSOLIDATION)		**3215.99**	3261.40
8	INVESTMENTS	G	**3682.08**	1614.41
9	DEFERRED TAX ASSETS (NET)	E	**167.86**	60.04
10	CURRENT ASSETS, LOANS AND ADVANCES			
	(a) Interest Accrued on Investments		**26.18**	0.81
	(b) Inventories	H	**17.79**	36.60
	(c) Unbilled Revenues		**1201.14**	1481.38
	(d) Sundry Debtors	I	**5855.41**	6134.02
	(e) Cash and Bank Balances	J	**4718.59**	2698.14
	(f) Loans and Advances	K	**3969.77**	3160.91
			15788.88	13511.86
11	CURRENT LIABILITIES AND PROVISIONS			
	(a) Current Liabilities	L	**4093.79**	4340.44
	(b) Provisions	M	**4300.07**	1627.30
			8393.86	5967.74
12	NET CURRENT ASSETS [(10) less (11)]		**7395.02**	7544.12
13	TOTAL ASSETS (NET)		**19000.36**	16669.60
14	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 19, 2010

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Aman Mehta
Director

Laura M. Cha
Director

V. Thyagarajan
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 19, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

		Schedule	**2010 Rs. in crores**	2009 Rs. in crores
	INCOME			
1	Information technology and consultancy services		**29085.21**	26781.86
2	Sale of equipment and software licences		**943.71**	1031.02
3	Other income, (net)	N	**272.07**	(426.99)
			30300.99	27385.89
	EXPENDITURE			
4	Employee costs	O	**10879.57**	9910.92
5	Operation and other expenses	P	**10454.80**	10732.16
6	Interest		**16.10**	28.66
7	Depreciation	F	**660.89**	564.08
			22011.36	21235.82
	PROFIT BEFORE TAXES		**8289.63**	6150.07
8	**PROVISION FOR TAXES**			
	(a) Current tax (Refer note 15 to Schedule Q, page 124)		**1709.83**	1197.53
	(b) Deferred tax benefit		**(187.71)**	38.71
	(c) Fringe benefit tax		**(4.57)**	26.44
	(d) MAT credit entitlement		**(320.58)**	(423.73)
			1196.97	838.95
	PROFIT FOR THE YEAR BEFORE MINORITY INTEREST AND SHARE OF PROFIT OF ASSOCIATES		**7092.66**	5311.12
9	Minority interest		**90.99**	54.00
10	Share of loss of associates		**1.03**	0.70
	NET PROFIT FOR THE YEAR		**7000.64**	5256.42
11	Balance brought forward from previous year		**11835.03**	8688.21
	AMOUNT AVAILABLE FOR APPROPRIATION		**18835.67**	13944.63
12	**APPROPRIATIONS**			
	(a) Interim dividends on equity shares		**1174.32**	880.74
	(b) Proposed final dividend on equity shares		**2740.11**	489.31
	(c) Dividend on redeemable preference shares		**17.00**	7.00
	(d) Tax on dividend		**663.18**	235.99
	(e) General Reserve		**636.22**	496.56
	(f) Balance carried to Balance Sheet		**13604.84**	11835.03
			18835.67	13944.63
13	**Earnings per share - Basic and diluted (Rs.)** (Refer note 20 to Schedule Q, page 126)		**35.67**	26.81
14	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 19, 2010

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Aman Mehta
Director

Laura M. Cha
Director

V. Thyagarajan
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 19, 2010

Statement of Consolidated Cash Flows for the year ended March 31, 2010

		Schedule	2010 Rs. in crores	2009 Rs. in crores
1	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before taxes		**8289.63**	6150.07
	Adjustments for:			
	Depreciation		**660.89**	564.08
	Provision for doubtful debts and advances		**174.03**	73.79
	Provision for diminution in value of investment		**(3.77)**	4.54
	Impairment of goodwill		**21.43**	-
	Interest expense		**16.10**	28.66
	Loss / (gain) on sale of fixed assets (net)		**3.90**	(7.31)
	Dividend income		**(13.38)**	(125.89)
	Profit on sale of mutual fund and other current investments (net)		**(157.02)**	(50.41)
	Interest income		**(205.11)**	(102.32)
	Exchange difference on translation of foreign currency cash and cash equivalents		**46.83**	(89.79)
	Unrealised exchange loss / (gain)		**0.49**	(12.17)
	Operating profit before working capital changes		**8834.02**	6433.25
	Inventories		**18.81**	5.83
	Unbilled revenues		**280.24**	(64.73)
	Sundry debtors		**110.58**	(531.77)
	Loans and advances		**(153.17)**	(222.49)
	Current liabilities and provisions		**579.73**	471.84
	Adjustment of translation differences on working capital		**(356.67)**	528.55
	Cash generated from operations		**9313.54**	6620.48
	Taxes paid		**(1907.31)**	(1211.92)
	Net cash provided by operating activities		**7406.23**	5408.56
2	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets (Refer note 19 to Schedule Q, page 126)		**(1044.79)**	(1147.30)
	Grant received		**-**	12.20
	Proceeds from sale of fixed assets		**13.30**	49.50
	Purchase of long term investments		**(1200.00)**	(2.50)
	Purchase of mutual funds and other investments		**(56018.77)**	(29572.71)
	Proceeds from sale / transfer of long term investments		**3.50**	-
	Inter-corporate deposits		**(229.00)**	(170.00)
	Sale of mutual funds and other investments		**55303.97**	30616.73
	Adjustment of purchase consideration		**45.67**	-
	Acquisition of subsidiaries net of cash of Rs.0.04 crore *(Previous year : Rs.91.46 crores)* (including additional consideration)		**(12.87)**	(2445.29)
	Sale of subsidiaries		**2.57**	2.15
	Proceeds from inter-corporate deposits		**39.00**	90.00
	Dividends received		**13.38**	125.89
	Interest received		**92.81**	84.46
	Fixed deposit with banks (net) having maturity over three months		**(2421.99)**	(1077.67)
	Net cash used in investing activities		**(5413.22)**	(3434.54)
3	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Repayment of other than short term borrowings		**(449.20)**	-
	Borrowings (net)		**48.63**	(28.75)
	Dividend paid, including dividend tax		**(1958.42)**	(1605.99)
	Dividend paid to minority shareholders of a subsidiary		**(11.11)**	(8.11)
	Proceeds from issue of shares to minority		**5.39**	3.93
	Interest paid		**(16.64)**	(32.75)
	Net cash used in financing activities		**(2381.35)**	(1671.67)
	Net (decrease) / increase in cash and cash equivalents		**(388.34)**	302.35
	Cash and cash equivalents at beginning of the year		**1459.54**	1067.40
	Exchange difference on translation of foreign currency cash and cash equivalents		**(46.83)**	89.79
	Cash and cash equivalents at end of the year		**1024.37**	1459.54
	Deposits with original maturity over three months		**3652.74**	1233.19
	Restricted cash		**41.48**	5.41
	Cash and Bank balance at the end of the year as per Schedule J		**4718.59**	2698.14
4	NOTES TO ACCOUNTS	Q		

Note: Effective date October 1, 2007, the Company sold its interest in Pentacrom S.A. and Pentacrom Servicios S.A. for a total consideration of Rs. 5.98 crores (USD 1.50 million), receivable in three installments of one-third of the price each.

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 19, 2010

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Aman Mehta
Director

Laura M. Cha
Director

V. Thyagarajan
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 19, 2010

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'A'		
SHARE CAPITAL		
(a) **Authorised**		
(i) 225,00,00,000 equity shares of Re.1 each *(March 31, 2009 : 120,00,00,000 equity shares of Re.1 each)*	**225.00**	120.00
(ii) 100,00,00,000 redeemable preference shares of Re.1 each *(March 31, 2009 : 100,00,00,000 redeemable preference shares of Re.1 each)*	**100.00**	100.00
	325.00	220.00
(b) **Issued, Subscribed and Paid up**		
(i) 195,72,20,996 equity shares of Re.1 each *(March 31, 2009 : 97,86,10,498 equity shares of Re.1 each)*	**195.72**	97.86
(ii) 100,00,00,000 redeemable preference shares of Re.1 each *(March 31, 2009 : 100,00,00,000 redeemable preference shares of Re.1 each)*	**100.00**	100.00
	295.72	197.86

Notes:

1. Equity Shares of Rs.10 each have been sub-divided into ten equity shares of Re. 1 each pursuant to the resolution passed by the shareholders at the Annual General Meeting on May 5, 2004.
2. The Company allotted 9,11,00,009 equity shares as fully paid up bonus shares by capitalisation of profits transferred from General Reserve, pursuant to a shareholders' resolution passed at the Annual General Meeting on May 5, 2004.
3. The Authorised Share Capital was increased to 120,00,00,000 equity shares of Re.1 each pursuant to a shareholders' resolution passed at the Annual General Meeting on June 29, 2006.
4. The Company allotted 48,93,05,249 equity shares as fully paid up bonus shares on July 31, 2006 by utilisation of Securities Premium Account.
5. 91,90,440 equity shares of Re. 1 each, had been allotted in 2005-06 as fully paid up to the Shareholders of erstwhile Tata Infotech Limited pursuant to the Scheme of Amalgamation.
6. The Authorised Share Capital was increased to Rs. 220 crores by creation of 100,00,00,000 redeemable preference shares of face value of Re.1 each pursuant to a shareholders' resolution passed by postal ballot on March 17, 2008.
7. Effective March 28, 2008, the Issued, Subscribed and Paid up capital increased to Rs.197.86 crores by allotment of 100,00,00,000 redeemable preference shares of face value of Re.1 each. These shares would be redeemable at par at the end of six years from the date of allotment but may be redeemed at any time after 3 years from the date of allotment at the option of shareholder. These shares would carry a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the redeemable preference shares.
8. The Authorised Equity Share Capital was increased to 225,00,00,000 equity shares of Re.1 each pursuant to the resolutions passed by the share holders by postal ballot on June 12, 2009.
9. The Company allotted 97,86,10,498 equity shares as fully paid up bonus shares on June 18, 2009 by utilisation of Securities Premium Account pursuant to a resolution passed by the shareholders by postal ballot on June 12, 2009.
10. 144,34,04,398 equity shares *(March 31, 2009 : 72,17,02,199 equity shares)* and 100,00,00,000 redeemable preference shares *(March 31, 2009 : 100,00,00,000 redeemable preference shares)* are held by Tata Sons Limited, the holding company.

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'B'		
RESERVES AND SURPLUS		
(a) Capital Reserve (on consolidation)	**5.02**	5.02
(b) Capital Redemption Reserve	**0.40**	0.40
(c) Securities Premium Account		
(i) Opening balance	**2016.33**	2016.33
(ii) Transferred to Share Capital Account consequent to issue of bonus shares	**(97.86)**	-
	1918.47	2016.33
(d) General Reserve		
(i) Opening balance	**1903.37**	1406.81
(ii) Transferred from Profit and Loss Account	**636.22**	496.56
	2539.59	1903.37
(e) Balance in Profit and Loss Account	**13604.84**	11835.03
(f) Foreign currency translation reserve		
(i) Opening balance	**471.94**	0.64
(ii) Adjustment during the year (net)	**(363.19)**	471.30
	108.75	471.94
(g) Hedging reserve account (Refer note 18 to Schedule Q, page 125)		
(i) Opening balance	**(729.94)**	(15.15)
(ii) Adjustment during the year (net)	**723.87**	(714.79)
	(6.07)	(729.94)
	18171.00	15502.15

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'C'		
SECURED LOANS		
(a) From Banks		
Overdrafts	**-**	1.45
(b) From Others (i.e. entities other than banks and financial institutions)		
Obligations under finance lease (Refer note 10 to Schedule Q, page 117)	**31.21**	36.44
	31.21	37.89

Notes:

1. Bank overdrafts are secured against domestic book debts.
2. Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'D'		
UNSECURED LOANS		
(a) Short-term loans		
From Banks	**58.31**	513.04
(b) Others		
From entities other than banks	**13.73**	12.95
	72.04	525.99

Note:

Loans repayable within one year Rs. 59.56 crores *(March 31, 2009 : Rs. 514.30 crores)*

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'E'		
DEFERRED TAX BALANCES		
(a) Deferred Tax Liabilities (net)		
(i) Foreign branch profit tax	**43.97**	108.86
(ii) Depreciation	**2.43**	61.62
(iii) Employee Benefits	**(0.04)**	(31.13)
(iv) Provision for doubtful debts	**(0.01)**	(19.46)
(v) Others	**22.33**	8.66
	68.68	128.55
(b) Deferred Tax Assets (net)		
(i) Foreign branch profit tax	**0.62**	0.53
(ii) Depreciation	**(61.56)**	(6.71)
(iii) Employee benefits	**77.94**	24.91
(iv) Provision for doubtful debts	**77.81**	12.61
(v) Others	**73.05**	28.70
	167.86	60.04

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'F'

FIXED ASSETS

Rs. in crores

Description	Gross Block as at April 1, 2009	Additions	Deletions/ Adjustments	Translation Exchange Difference	**Gross Block as at March 31, 2010**	Accumulated Depreciation as at April 1, 2009	Depreciation for the year	Deletions/ Adjustments	Translation Exchange Difference	**Accumulated Depreciation as at March 31, 2010**	**Net book value as at March 31, 2010**	Net book value as at March 31, 2009
(a) TANGIBLE FIXED ASSETS												
FREEHOLD LANDS	331.42	-	-	(1.77)	**329.65**	-	-	-	-	**-**	**329.65**	331.42
LEASEHOLD LANDS	69.68	-	-	-	**69.68**	(8.40)	(1.45)	-	-	**(9.85)**	**59.83**	61.28
FREEHOLD BUILDINGS	1302.77	173.92	(1.14)	(5.76)	**1469.79**	(161.86)	(63.52)	0.19	0.15	**(225.04)**	**1244.75**	1140.91
FACTORY BUILDINGS	0.74	0.47	-	-	**1.21**	(0.74)	(0.03)	-	-	**(0.77)**	**0.44**	-
LEASEHOLD BUILDINGS	36.48	5.51	1.24	12.03	**55.26**	(14.46)	(5.46)	(0.22)	(1.19)	**(21.33)**	**33.93**	22.02
LEASEHOLD IMPROVEMENTS	426.99	62.90	(10.28)	(3.69)	**475.92**	(187.31)	(60.54)	10.61	1.23	**(236.01)**	**239.91**	239.68
PLANT AND MACHINERY	11.74	-	(0.87)	-	**10.87**	(10.69)	(0.93)	0.87	-	**(10.75)**	**0.12**	1.05
COMPUTER EQUIPMENT	1701.18	266.84	(55.44)	(4.75)	**1907.83**	(1083.53)	(263.73)	51.88	3.86	**(1291.52)**	**616.31**	617.65
MOTOR CARS	34.01	6.51	(9.67)	-	**30.85**	(17.77)	(4.65)	6.67	0.02	**(15.73)**	**15.12**	16.24
OFFICE EQUIPMENT	559.68	85.77	(7.75)	(1.44)	**636.26**	(210.28)	(62.35)	6.04	0.49	**(266.10)**	**370.16**	349.40
ELECTRICAL INSTALLATIONS	478.50	64.81	(8.15)	(0.67)	**534.49**	(212.53)	(55.08)	2.22	3.88	**(261.51)**	**272.98**	265.97
FURNITURE AND FIXTURES	364.63	63.72	(9.14)	(12.52)	**406.69**	(261.88)	(84.06)	5.75	3.69	**(336.50)**	**70.19**	102.75
(b) INTANGIBLE ASSETS												
GOODWILL ON ACQUISITION	249.79	-	(10.14)	(16.21)	**223.44**	(70.87)	(21.22)	10.14	7.09	**(74.86)**	**148.58**	178.92
ACQUIRED CONTRACT RIGHTS	183.64	-	-	(11.47)	**172.17**	(46.25)	(15.93)	-	4.47	**(57.71)**	**114.46**	137.39
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.71	-	-	-	**12.71**	(12.71)	-	-	-	**(12.71)**	**-**	-
SOFTWARE LICENSES	79.90	7.48	(0.98)	(3.71)	**82.69**	(60.44)	(21.94)	0.98	4.32	**(77.08)**	**5.61**	19.46
Total	5843.86	737.93	(112.32)	(49.96)	**6419.51**	(2359.72)	(660.89)	95.13	28.01	**(2897.47)**	**3522.04**	3484.14
Previous year	4291.80	1659.63	(105.83)	(1.74)	5843.86	(1622.20)	(564.08)	(178.41)	4.97	(2359.72)	3484.14	2669.60
Capital Work-in-Progress (including Capital Advance Rs. 219.73 crores *(March 31, 2009 : Rs.181.57 crores)*)											**1017.37**	705.49
Grand Total											**4539.41**	4189.63

Notes:

1. Freehold buildings include Rs. 2.67 crores *(March 31, 2009 : Rs. 2.67 crores)* being value of investment in shares of Co-operative Housing Societies and Limited Companies.
2. Net book value of computer equipment of Rs. 14.45 crores *(March 31, 2009 : Rs. 3.61 crores)*, furniture and fixtures of Rs. 5.15 crores *(March 31, 2009 : Rs. 3.83 crores)* and leasehold improvements of Rs. 25.72 crores *(March 31, 2009 : Rs. 29.35 crores)* is under finance lease.
3. Legal formalities relating to conveyance of freehold building having net book value Rs. 0.25 crore *(March 31, 2009 : Rs. 0.26 crore)* are pending completion.

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'G'		
INVESTMENTS		
LONG TERM INVESTMENTS		
(i) Fully Paid Equity Shares (Unquoted)		
(a) Associates		
Exegenix Research Inc. (Refer note 3 to Schedule Q, page 112)	-	0.56
National Power Exchange Limited	1.70	2.50
(b) Others		
Philippine Dealing System Holdings Corporation	4.04	4.57
Firstech Solutions Co. Limited	0.93	1.05
(ii) Fully Paid Preference Shares (Unquoted)		
Exegenix Research Inc. (Refer note 3 to Schedule Q, page 112)	-	0.81
7.5% cumulative redeemable preference shares of Rallis India Limited	-	3.50
8% cumulative redeemable preference shares of Tata AutoComp Systems Limited	5.00	5.00
(iii) Others		
Investment in Bonds (Quoted)	10.97	11.99
Investment in Debentures (Unquoted)	1200.00	-
CURRENT INVESTMENTS		
Investment in Mutual Funds (Unquoted)	2459.44	1584.43
	3682.08	1614.41
Notes:		
1. Market value of quoted investments	11.37	11.99
2. Book value of quoted investments	10.97	11.99
3. Book value of unquoted investments (net of provision)	3671.11	1602.42

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'H'		
INVENTORIES		
(at lower of cost and net realisable value)		
(a) Stores and spares	3.63	4.28
(b) Raw Materials, sub-assemblies and components	5.15	15.22
(c) Goods-in-transit	0.30	3.79
(d) Finished goods and Work-in-progress	8.71	13.31
	17.79	36.60

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'I'		
SUNDRY DEBTORS (Unsecured)		
(a) Over six months		
(i) Considered good	**526.32**	659.44
(ii) Considered doubtful	**320.06**	148.42
(b) Others		
(i) Considered good	**5323.75**	5473.35
(ii) Considered doubtful	**16.78**	20.80
	6186.91	6302.01
Less: Provision for doubtful debts	**(336.84)**	(169.22)
	5850.07	6132.79
(c) Future finance lease receivables	**6.65**	2.39
Less: Unearned finance income	**(1.31)**	(1.16)
	5.34	1.23
	5855.41	6134.02

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'J'		
CASH AND BANK BALANCES		
(a) Cash on hand	**1.75**	3.15
(b) Cheques on hand	**84.55**	25.41
(c) Remittances in transit	**28.34**	5.10
(d) Bank Balances		
(i) with Scheduled Banks		
(1) In current accounts (including Equity share application monies of Rs. 0.03 crore, *(March 31, 2009 : Rs. 0.05 crore)*)	**102.67**	83.51
(2) In cash credit accounts	**13.67**	27.07
(3) In deposit accounts	**3531.31**	1351.83
(ii) with Foreign Banks		
(1) In current accounts	**417.69**	777.73
(2) In deposit accounts	**538.61**	424.34
	4718.59	2698.14

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'K'		
LOANS AND ADVANCES (Unsecured)		
(a) Considered good		
(i) Loans and advances to employees	**164.33**	150.11
(ii) Advances recoverable in cash or kind or for value to be received	**1938.44**	1656.69
(iii) Advance tax (including refunds receivable) (net)	**771.12**	578.79
(iv) MAT credit entitlement	**1095.88**	775.32
	3969.77	3160.91
(b) Considered doubtful		
(i) Loans and advances to employees	**22.18**	19.31
(ii) Advances recoverable in cash or kind or for value to be received	**12.29**	9.86
	34.47	29.17
Less: Provision for doubtful loans and advances	**(34.47)**	(29.17)
	3969.77	3160.91
Notes:		
1. Advances recoverable in cash or kind or for value to be received include fair values of foreign exchange forward and currency option contracts.	**90.23**	17.47
2. Advances recoverable in cash or kind or for value to be received include balances with Customs and Excise Authorities.	**-**	0.33
3. Advances recoverable in cash or kind or for value to be received include Inter-corporate deposits.	**290.00**	100.00

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'L'		
CURRENT LIABILITIES		
(a) Sundry Creditors		
(i) Dues of micro and small enterprises	**0.28**	1.06
(ii) Dues of other creditors	**2977.45**	2309.00
(b) Advances from customers	**35.30**	46.67
(c) Advance billings and deferred revenues	**702.89**	745.15
(d) Equity share application monies refundable	**0.03**	0.05
(e) Investor Education and Protection Fund - Unpaid dividends (not due)	**5.81**	5.35
(f) Other liabilities	**371.82**	1232.57
(g) Interest accrued but not due	**0.21**	0.59
	4093.79	4340.44
Note:		
Other liabilities include fair values of foreign exchange forward and currency option contracts.	**115.92**	691.27

Schedules forming part of the Consolidated Balance Sheet

		As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'M'			
PROVISIONS			
(a)	Current income taxes (net)	**460.99**	470.56
(b)	Fringe benefit tax (net)	**7.85**	8.03
(c)	Contingencies	**7.91**	23.08
(d)	Employee benefits	**599.85**	540.86
(e)	Proposed final dividend on equity shares	**2740.11**	489.31
(f)	Proposed dividend on redeemable preference shares	**17.00**	7.00
(g)	Tax on dividend	**466.23**	88.21
(h)	Provision for warranties	**0.13**	0.25
		4300.07	1627.30

Schedules forming part of the Consolidated Profit and Loss Account

		2010 Rs. in crores	2009 Rs. in crores
SCHEDULE 'N'			
OTHER INCOME (NET)			
(a)	Interest (Tax deducted at source Rs. 16.36 crores, *Previous year : Rs. 9.38 crores)*	**205.11**	102.32
(b)	Dividend income	**13.38**	125.89
(c)	Profit on redemption / sale of mutual funds and other current investments (net)	**157.02**	50.41
(d)	Rent	**7.26**	5.97
(e)	(Loss)/Profit on sale of fixed assets (net)	**(3.90)**	7.31
(f)	Exchange loss (net)	**(190.88)**	(781.36)
(g)	Miscellaneous income	**84.08**	62.47
		272.07	(426.99)
Notes:			
1.	Dividend Income includes :		
	Dividend from other long-term investments	**0.35**	0.61
	Dividend from mutual funds (other investments)	**13.03**	125.28
2.	Exchange loss (net) includes :		
	Loss on foreign exchange forward contracts and currency option contracts which have been designated as Cash Flow Hedges (Refer note 18 to Schedule Q, page 125).	**(187.56)**	(582.38)

Schedules forming part of the Consolidated Profit and Loss Account

		2010 Rs. in crores	2009 Rs. in crores
SCHEDULE 'O'			
EMPLOYEE COSTS			
(a)	Salaries and incentives	**9558.61**	8654.87
(b)	Contributions to -		
	(i) Provident fund	**264.68**	232.06
	(ii) Superannuation scheme	**77.21**	78.73
(c)	Gratuity fund contributions	**65.48**	68.34
(d)	Social security and other benefit plans for overseas employees	**213.76**	282.87
(e)	Staff welfare expenses	**699.83**	594.05
		10879.57	9910.92

		2010 Rs. in crores	2009 Rs. in crores
SCHEDULE 'P'			
OPERATION AND OTHER EXPENSES			
(a)	Overseas business expenses	**4570.07**	5032.35
(b)	Services rendered by business associates and others	**1261.97**	1114.57
(c)	Software, hardware and material costs	**987.79**	1031.22
(d)	Cost of software licenses	**464.24**	423.51
(e)	Communication expenses	**422.87**	390.33
(f)	Travelling and conveyance expenses	**341.90**	421.83
(g)	Rent	**720.53**	664.35
(h)	Legal and professional fees	**206.00**	256.63
(i)	Repairs and maintenance	**212.77**	176.53
(j)	Electricity expenses	**233.72**	196.23
(k)	Bad Debts and advances written off	**24.65**	34.47
(l)	Provision for doubtful debts	**169.67**	63.09
(m)	Provision for doubtful advances	**4.36**	10.70
(n)	Recruitment and training expenses	**112.21**	120.99
(o)	Commission and brokerage	**6.59**	30.52
(p)	Printing and stationery	**51.49**	54.39
(q)	Insurance	**45.31**	50.60
(r)	Rates and taxes	**64.95**	79.23
(s)	Entertainment	**16.78**	15.24
(t)	Impairment of goodwill in subsidiaries	**21.43**	-
(u)	Other expenses	**515.50**	565.38
		10454.80	10732.16
Notes:			
1.	Overseas business expenses includes:		
	Travel expenses	**225.32**	303.87
	Employee allowances	**4186.18**	4572.28
2.	Repairs and maintenance includes:		
	Buildings	**109.85**	84.40
	Office and computer equipments	**90.95**	77.89

SCHEDULE 'Q' - NOTES TO ACCOUNTS

1) **Significant Accounting Policies**

a) Basis of Preparation

The consolidated financial statements of Tata Consultancy Services Limited, its subsidiaries and associates ("the Group") are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956.

Comparative figures of the Profit and Loss Account do not include the figures of TCS e-Serve Limited for the nine months ended December 31, 2008, which became a subsidiary effective December 31, 2008.

b) Principles of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

i) 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. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

ii) Interest in a jointly controlled entity is reported using proportionate consolidation.

iii) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit of the associate company has been added to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

iv) The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. 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 Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

c) Use of estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provision for doubtful debts, employee benefit plans, provision for income taxes, accounting for contract costs expected to be incurred to complete software development, the useful lives of depreciable fixed assets and provisions for impairment.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude computers and other assets individually costing Rs. 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

e) Depreciation

Depreciation other than on freehold land and capital work-in-progress is charged so as to write-off the cost of the assets on the following basis:

Leasehold Land and Buildings	Straight-Line	Lease period
Freehold Buildings	Written down value	2.5% - 5%
	Straight-Line	2.5%
Factory Buildings	Written down value	10%
Leasehold Improvements	Straight-Line	Lease period
Plant and Machinery	Straight-Line	33.33%
Computer Equipment	Straight-Line	16% - 50%
Motor Cars	Written down value	25% - 40%
	Straight-Line	33.33%
Office Equipment	Written down value	13.91%
	Straight-Line	10% - 20%
Electrical Installations	Written down value	13% - 15%
Furniture and Fixtures	Straight-Line	10% - 100%
Goodwill	Straight-Line	5 - 12 years
Acquired Contract Rights	Straight-Line	12 years
Intellectual Property / Distribution Rights	Straight-Line	24 - 36 months
Software Licenses	Straight-Line	License Period
	Straight-Line	20% - 50%

Fixed assets purchased for specific projects are depreciated over the period of the project.

f) 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 based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or 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 vests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the profit and loss account on a straight-line basis.

g) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss to be reversed for goodwill because of a change in estimates is not permitted.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

h) Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.

i) Employee benefits (Refer note 6, page 113)

i) Post-employment benefit plans

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

For defined benefit schemes, 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 full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized 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, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

iii) 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 services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

j) Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenues from sale of software licences are recognised upon delivery where there is no customisation required. In case of customisation the same is recognised over the life of the contract using the proportionate completion method.

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

Revenues from Business Process Outsourcing (BPO) services are recognised on time and material, fixed price and unit priced contracts. Revenue on time and material and unit priced contracts is recognised as the related services are rendered. Revenue from fixed price contracts is recognised as per the proportionate completion method with contract cost determining the degree of completion.

Dividends are recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

k) Research and Development

Expenditure on Research and Development activities is recognised as an expense in the period in which it is incurred. Development costs of marketable computer software are capitalised when a product's technological feasibility has been established until the time the product is available for general release to customers. In most instances, the Group's products are released soon after technological feasibility has been established. Therefore, costs incurred subsequent to achievement of technological feasibility are usually not significant, and generally most software development costs have been expensed.

Fixed assets utilised for research and development are capitalised and depreciated in accordance with the depreciation rates set out in paragraph 1(e).

l) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the Group intends to settle the asset and liability on a net basis.

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

m) Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on forward exchange contracts and currency option contracts are amortized and recognised in the profit and loss account over the period of the contract. Forward exchange contracts and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the profit and loss account.

For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under Foreign Currency Translation Reserve.

n) Derivative instruments and hedge accounting

The Group uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS – 30).

The use of hedging instruments is governed by the policies of the Company and its subsidiaries which are approved by it's respective Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the Profit and Loss Account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Profit and Loss Account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the Profit and Loss Account for the period.

o) Inventories

Raw materials, sub-assemblies and components are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods in transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at cost, less provision for obsolescence. Finished goods produced or purchased by the Group are carried at the lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

p) Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

q) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on 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 not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

r) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

2) a) Particulars of subsidiaries and associates

Name of the Company	Country of Incorporation	**Percentage of voting power as at March 31, 2010**	*Percentage of voting power as at March 31, 2009*
Subsidiaries (held directly)			
APOnline Limited	India	**89.00**	*89.00*
C-Edge Technologies Limited	India	**51.00**	*51.00*
CMC Limited	India	**51.12**	*51.12*
Diligenta Limited	UK	**76.00**	*76.00*
MP Online Limited	India	**89.00**	*89.00*
Tata Consultancy Services Canada Inc.	Canada	**100.00**	*100.00*
Tata America International Corporation	USA	**100.00**	*100.00*
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	**100.00**	*100.00*
Tata Consultancy Services Belgium SA	Belgium	**100.00**	*100.00*
Tata Consultancy Services Deutschland GmbH	Germany	**100.00**	*100.00*
Tata Consultancy Services Netherlands BV	Netherlands	**100.00**	*100.00*
Tata Consultancy Services Sverige AB	Sweden	**100.00**	*100.00*
Tata Infotech (Singapore) Pte. Limited (ceased to be a subsidiary w.e.f. 24.03.2010)	Singapore	**-**	*100.00*
TCS FNS Pty Limited	Australia	**100.00**	*100.00*
TCS Iberoamerica SA	Uruguay	**100.00**	*100.00*
WTI Advanced Technology Limited	India	**100.00**	*100.00*
Tata Consultancy Services Morocco SARL AU	Morocco	**100.00**	*100.00*
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	**60.00**	*60.00*
TCS e-Serve Limited	India	**96.26**	*96.26*
Subsidiaries (held indirectly)			
CMC Americas Inc.	USA	**100.00**	*100.00*
Financial Network Services (Beijing) Co. Ltd.	China	**100.00**	*100.00*
Tata Information Technology (Shanghai) Company Limited	China	**100.00**	*100.00*
Tata Consultancy Services (China) Co., Ltd.	China	**65.94**	*70.87*
TCS Solution Center S.A.	Uruguay	**100.00**	*100.00*
Tata Consultancy Services Argentina S.A.	Argentina	**99.00**	*99.00*
Tata Consultancy Services Do Brasil Ltda	Brazil	**100.00**	*100.00*
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	**100.00**	*100.00*
Tata Consultancy Services De Espana S.A.	Spain	**100.00**	*100.00*
TCS Italia SRL	Italy	**100.00**	*100.00*
Tata Consultancy Services Japan Ltd.	Japan	**100.00**	*100.00*
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	**100.00**	*100.00*
Financial Network Services Malaysia Sdn Bhd (ceased to be a subsidiary w.e.f. 16.06.2009)	Malaysia	**-**	*100.00*
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	**100.00**	*100.00*
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	**100.00**	*100.00*
Tata Consultancy Services Chile S.A.	Chile	**100.00**	*100.00*
TCS Inversiones Chile Limitada	Chile	**99.99**	*99.99*
Tata Consultancy Services BPO Chile SA	Chile	**100.00**	*100.00*
Syscrom S.A.	Chile	**100.00**	*100.00*
Custodia De Documentos Interes Limitada	Chile	**100.00**	*100.00*

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2010	*Percentage of voting power as at March 31, 2009*
TATASOLUTION CENTER S.A	Ecuador	**100.00**	*100.00*
TCS Financial Solutions Australia Holdings Pty Limited	Australia	**100.00**	*100.00*
TCS Financial Solutions Australia Pty Limited	Australia	**100.00**	*100.00*
TCS Management Pty Ltd.	Australia	**100.00**	*100.00*
PT Financial Network Services	Indonesia	**100.00**	*100.00*
PT Tata Consultancy Services Indonesia	Indonesia	**100.00**	*100.00*
Financial Network Services (Africa) (Pty) Ltd. (ceased to be a subsidiary w.e.f. 05.03.2010)	South Africa	**-**	*100.00*
Financial Network Services (H.K.) Limited	Hong Kong	**100.00**	*100.00*
Tata Consultancy Services Switzerland Ltd.	Switzerland	**100.00**	*100.00*
Tata Consultancy Services France SAS	France	**100.00**	*100.00*
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	**75.00**	*75.00*
TCS Financial Management, LLC (ceased to be a subsidiary w.e.f. 14.04.2009)	USA	**-**	*100.00*
Tata Consultancy Services (Thailand) Limited	Thailand	**100.00**	*100.00*
Tata Consultancy Services (Philippines) Inc.	Philippines	**100.00**	*100.00*
TCS e-Serve International Limited	India	**100.00**	*100.00*
TCS e-Serve America, Inc.	USA	**100.00**	*100.00*
Exegenix Research Inc. (w.e.f. 05.06.2009)	Canada	**100.00**	*49.90*
ERI Holdings Corp. (w.e.f. 05.06.2009)	Canada	**100.00**	-
TCS Uruguay S. A. (w.e.f. 01.01.2010)	Uruguay	**100.00**	-
MGDC S.C. (w.e.f. 01.01.2010)	Uruguay	**100.00**	-
Associates			
National Power Exchange Limited	India	**50.00**	*50.00*

b) The contribution of the subsidiaries formed or acquired during the year is as under:

(Rs. in crores)

Name of Subsidiary	Revenue (post acquisition)	Net Profit/(Loss) (post acquisition)	Net Assets
Exegenix Research Inc.	-	1.46	3.79
ERI Holdings Corp.	-	(0.06)	1.39

3) **Acquisitions / Divestments**

a) On April 14, 2009, TCS Financial Management, LLC (subsidiary of Tata America International Corporation) has been voluntarily liquidated.

b) On June 5, 2009, the Company, through its wholly owned subsidiary, Tata Consultancy Services Canada Inc., acquired 100% equity interest in ERI Holdings Corp. Consequently, the Company's interest in Exegenix Research Inc. has increased to 100%.

c) On June 16, 2009, Financial Network Services Malaysia Sdn Bhd (subsidiary of TCS Financial Solutions Australia Pty Limited) has been voluntarily liquidated.

d) On January 1, 2010, the Company, through its wholly owned subsidiary, TCS Iberoamerica SA, subscribed to 100 percent share capital of TCS Uruguay S. A.

e) On January 1, 2010, the Company purchased 100 percent share in MGDC S.C., Mexico through its wholly owned subsidiary, TCS Uruguay S.A. (99%) and Tata Consultancy Services Argentina S.A. (1%).

f) On March 5, 2010, Financial Network Services (Africa) (Pty) Ltd. (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited) has been voluntarily liquidated.

g) On March 24, 2010, Tata Infotech (Singapore) Pte. Limited has been voluntarily liquidated.

4) The Company has given undertakings to (a) Bank of China Co. Limited, not to transfer its controlling interest in TCS Financial Solutions Australia Pty Limited, a wholly owned subsidiary of TCS FNS Pty Limited, (b) The Government of Madhya Pradesh not to divest its shareholding in MP Online Limited except to an affiliate. In addition the Company's wholly owned subsidiary Tata Consultancy Services Asia Pacific Pte Ltd. has given undertakings to Beijing Zhongguancun Software Park Development Co. Limited, Tianjin Huayuan Software Area Construction and Development Co. Limited and Uniware Co. Limited not to divest its shareholding in Tata Consultancy Services (China) Co. Ltd.

5) The shareholders approved the issue of Bonus Shares in the proportion of one new equity share for every one existing equity share, by postal ballot on June 12, 2009. Accordingly, a sum of Rs. 97.86 crores has been transferred to Share Capital Account on allotment of fully paid bonus shares to the holders of the equity shares based on the record date of June 17, 2009 by utilisation of Securities Premium Account. Consequently, the earnings per share have been adjusted for all the periods presented.

6) **Retirement benefit plans**

a) Defined contribution plans

The Company and its subsidiaries make Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company and its subsidiaries are required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company and its subsidiaries to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall has been provided for as at the Balance Sheet date.

The Group recognised Rs. 264.68 crores *(Previous year : Rs. 232.06 crores)* for provident fund contributions and Rs. 77.21 crores *(Previous year : Rs. 78.73 crores)* for superannuation contributions in the profit and loss account. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group has contributed Rs. 53.01 crores *(Previous year : Rs. 50.81 crores)* towards foreign defined contribution plans.

b) Defined benefit plans

In accordance with Indian law, the Company and its subsidiaries in India provide for gratuity, post retirement medical benefit and pension plan, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The measurement date used for determining retirement benefits for gratuity is March 31. Certain overseas subsidiaries of the Company also provide for retirement benefit plans in accordance with the local laws.

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

The following table set out the funded status of the retirement benefit plans and the amounts recognised in the financial statements:

Funded retirement benefits		Indian As at March 31, 2010 (Rs. in crores)	Foreign As at March 31, 2010 (Rs. in crores)	Consolidated As at March 31, 2010 (Rs. in crores)
i)	**Change in benefit obligations:**			
	Project benefit obligation, beginning of the year	**425.38**	**159.71**	**585.09**
		332.21	*119.21*	*451.42*
	Service cost	**76.88**	**16.99**	**93.87**
		62.13	*15.64*	*77.77*
	Interest cost	**33.19**	**6.27**	**39.46**
		29.27	*5.04*	*34.31*
	Acquisitions	**-**	**-**	**-**
		20.53	*-*	*20.53*
	Actuarial (gain) / loss	**(8.76)**	**11.19**	**2.43**
		7.09	*14.75*	*21.84*
	Plan Participant's contributions	**-**	**5.79**	**5.79**
		-	*5.73*	*5.73*
	Exchange (gain) / loss	**-**	**(11.94)**	**(11.94)**
		-	*6.93*	*6.93*
	Past service cost	**-**	**3.17**	**3.17**
		-	*-*	*-*
	Benefit paid	**(29.48)**	**(18.38)**	**(47.86)**
		(25.85)	*(7.59)*	*(33.44)*
	Projected benefit obligation, end of the year	**497.21**	**172.80**	**670.01**
		425.38	*159.71*	*585.09*
ii)	**Change in plan assets:**			
	Fair value of plan assets, beginning of the year	**359.63**	**137.62**	**497.25**
		266.56	*124.31*	*390.87*
	Expected return on plan assets	**32.35**	**6.90**	**39.25**
		25.03	*6.79*	*31.82*
	Plan Participant's contributions	**-**	**5.79**	**5.79**
		-	*5.73*	*5.73*
	Employer's contributions	**70.85**	**19.41**	**90.26**
		82.88	*24.60*	*107.48*
	Acquisitions	**-**	**-**	**-**
		5.89	*-*	*5.89*
	Exchange (loss) / gain	**-**	**(9.10)**	**(9.10)**
		-	*5.27*	*5.27*
	Benefit paid	**(29.48)**	**(18.38)**	**(47.86)**
		(25.85)	*(7.59)*	*(33.44)*
	Actuarial gain / (loss)	**3.48**	**13.07**	**16.55**
		5.12	*(21.49)*	*(16.37)*
	Fair value of plan assets, end of the year	**436.83**	**155.31**	**592.14**
		359.63	*137.62*	*497.25*
	Shortfall of plan assets over obligation	**(60.38)**	**(17.49)**	**(77.87)**
		(65.75)	*(22.09)*	*(87.84)*
iii)	**Accrued liability**	**(60.38)**	**(17.49)**	**(77.87)**
		(65.75)	*(22.09)*	*(87.84)*

Funded retirement benefits	Indian As at March 31, 2010 (Rs. in crores)	Foreign As at March 31, 2010 (Rs. in crores)	Consolidated As at March 31, 2010 (Rs. in crores)
iv) **Net gratuity and other cost for the year ended March 31, 2010**			
Service cost	**76.88**	**16.99**	**93.87**
	62.13	*15.64*	*77.77*
Interest on Defined Benefit Obligation	**33.19**	**6.27**	**39.46**
	29.27	*5.04*	*34.31*
Expected return on plan assets	**(32.35)**	**(6.90)**	**(39.25)**
	(25.03)	*(6.79)*	*(31.82)*
Past service cost	**-**	**3.17**	**3.17**
	-	-	-
Net Actuarial (gains) / losses recognised in the year	**(12.24)**	**(1.88)**	**(14.12)**
	1.97	*36.24*	*38.21*
Net gratuity and other cost	**65.48**	**17.65**	**83.13**
	68.34	*50.13*	*118.47*
Actual return on Plan Assets	**35.82**	**19.97**	**55.79**
	30.15	*(14.70)*	*15.45*
v) **Category of Assets as at March 31, 2010**			
Corporate Bonds	**-**	**74.49**	**74.49**
	-	*59.99*	*59.99*
Equity Shares	**-**	**31.00**	**31.00**
	-	*19.23*	*19.23*
Special Deposit Scheme	**1.76**	**-**	**1.76**
	1.76	-	*1.76*
Index linked gilt	**-**	**29.82**	**29.82**
	-	*22.59*	*22.59*
Insurer Managed Funds	**435.01**	**-**	**435.01**
	357.85	-	*357.85*
Cash and Bank Balances	**-**	**1.16**	**1.16**
	-	*1.50*	*1.50*
Others	**0.06**	**18.84**	**18.90**
	0.02	*34.31*	*34.33*
Total	**436.83**	**155.31**	**592.14**
	359.63	*137.62*	*497.25*

vi) **Assumptions used in accounting for the gratuity plan:**

	Indian	Foreign
Discount rate	**7.50%**	**3.00% - 6.30%**
	7.50% - 8.00%	*3.50% - 6.30%*
Salary escalation rate	**4.00% - 12.00%**	**1.50% - 3.25%**
	4.00% - 15.00%	*1.50% - 3.25%*
Expected rate of return on plan assets	**8.00%**	**4.50% - 5.56%**
	8.00% - 9.15%	*4.50% - 5.56%*

The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company and its subsidiaries policy for plan asset management.

(Rs. in crores)

Particulars	Domestic			Foreign		
	2010	2009	2008	**2010**	2009	2008
Experience adjustment						
On plan liabilities	**4.55**	*(19.01)*	*(27.75)*	**(10.86)**	*4.46*	*(0.31)*
On plan assets	**3.47**	*5.08*	*3.96*	**(12.02)**	*(6.17)*	*(0.25)*
Present value of benefit obligation	**497.21**	*425.38*	*332.21*	**172.80**	*159.71*	*119.21*
Fair value of plan assets	**436.83**	*359.63*	*266.56*	**155.31**	*137.62*	*124.31*
Excess of (obligation over plan assets) / plan assets over obligation	**(60.38)**	*(65.75)*	*(65.65)*	**(17.49)**	*(22.09)*	*5.10*

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as of March 31, 2010. Group is expected to contribute Rs. 68.43 crores to gratuity funds for the year ended March 31, 2011, comprising domestic component of Rs. 51.07 crores and foreign component of Rs. 17.36 crores.

Unfunded post retirement medical benefits	**As at March 31, 2010 (Rs. in crores)**
i) **Change in benefit obligations:**	
Project benefit obligation, beginning of the year	**4.46**
	5.13
Service cost	**0.04**
	0.03
Interest cost	**0.33**
	0.41
Actuarial loss / (gain)	**0.26**
	(0.72)
Benefit paid	**(0.43)**
	(0.39)
Projected benefit obligation, end of the year	**4.66**
	4.46
ii) **Accrued liability**	**(4.66)**
	(4.46)
iii) **Net medical and other cost for the year ended March 31, 2010**	
Service cost	**0.04**
	0.03
Interest on Defined Benefit Obligation	**0.33**
	0.41
Net Actuarial loss / (gain) recognised in the year	**0.26**
	(0.72)
Net medical and other cost	**0.63**
	(0.28)
iv) **Assumptions used in accounting for the medical plan:**	
	Rate
Discount rate	**7.50%**
	7.50%

7) Unbilled revenue as at March 31, 2010, amounting to Rs. 1201.14 crores *(March 31, 2009 : Rs. 1481.38 crores)* primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

8) **Obligation towards operating leases**

Non-cancellable operating lease obligation	**As at March 31, 2010 (Rs. in crores)**	As at March 31, 2009 (Rs. in crores)
Not later than one year	**406.50**	*346.37*
Later than one year but not later than five years	**1274.79**	*884.94*
Later than five years	**1172.36**	*430.23*
Total	**2853.65**	*1661.54*

Rental expenses of Rs. 424.63 crores *(Previous year : Rs. 301.42 crores)* in respect of obligation under non-cancellable operating leases have been recognised in the profit and loss account. Further, a sum of Rs. 295.90 crores *(Previous year : Rs. 362.93 crores)* have been charged to the profit and loss account in respect of cancellable operating leases.

9) **Receivables under sub leases**

Sub lease receivables	**As at March 31, 2010 (Rs. in crores)**	As at March 31, 2009 (Rs. in crores)
Not later than one year	**1.78**	-
Later than one year but not later than five years	**2.03**	-
Later than five years	**-**	-
Total	**3.81**	-

The total amount recognised in the profit and loss account for the year ended March 31, 2010 is Rs. 1.93 crores *(Previous year : Rs. Nil)*.

10) **Finance Lease**

a) Company as lessor

Particulars	**As at March 31, 2010 (Rs. in crores)**	As at March 31, 2009 (Rs. in crores)
i) Total gross investment for the period	**6.65**	*2.39*
• Not later than one year	**2.23**	*0.84*
• Later than one year but not later than five years	**4.42**	*1.55*
• Later than five years	**-**	-
ii) Present value of Minimum Lease Payments receivable	**5.34**	*1.23*
• Not later than one year	**1.47**	*0.25*
• Later than one year but not later than five years	**3.87**	*0.98*
• Later than five years	**-**	-
iii) Unearned Finance Income	**1.31**	*1.16*

b) Company as lessee

Obligations towards finance leases	**As at March 31, 2010 (Rs. in crores)**	As at March 31, 2009 (Rs. in crores)
Assets acquired under finance lease :		
Minimum Lease Payments:		
Less than one year	**8.90**	*11.50*
One to five years	**28.76**	*30.08*
Later than five years	**14.82**	*21.92*
Total	**52.48**	*63.50*
Present value of Minimum Lease Payments:		
Less than one year	**4.01**	*6.31*
One to five years	**14.67**	*13.01*
Later than five years	**12.53**	*17.12*
Total	**31.21**	*36.44*

The finance lease arrangements are renewable at the option of the lessee.

11) Research and development expenditure aggregating Rs. 84.44 crores *(Previous year : Rs. 48.95 crores)* was incurred during the year.

12) Sale of Equipment is net of excise duty of Rs. 0.39 crore *(Previous year : Rs. 2.08 crores)*.

13) **Segment Reporting**

Consequent to the reorganization of its global organisation with the objective of making Industry Practice its focal point for performance evaluation and internal financial reporting and decision making, the Group has reviewed and revised the manner in which it views the business risks and returns and monitors its operations. Accordingly as required under Accounting Standard 17 "Segment Reporting" (AS-17), the format for reporting primary segment information has been changed to business segments (Industry Practice) and secondary segment information has been changed to geography. Industry segments are primarily financial services comprising customers providing banking, finance and insurance services; manufacturing companies; companies in retail industries; companies in telecommunication, media and entertainment and others such as utilities, travel, transportation and hospitality and third party products, etc.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each reporting segment on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

The Group has identified geographical markets as the secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Group are Americas (including Canada and South American countries), Europe, India and Others.

Year ended March 31, 2010

Particulars	Business Segment					(Rs. in crores)
	Banking, Financial Services and Insurance	Manufacturing	Retail and Distribution	Telecom	Others	Total
Revenue	**13488.85**	**2433.80**	**3181.43**	**4365.02**	**6559.82**	**30028.92**
	11928.59	*2721.10*	*2479.13*	*4496.03*	*6188.03*	*27812.88*
Identified operating expenses	**7241.56**	**1250.63**	**1747.20**	**2221.72**	**3627.67**	**16088.78**
	6587.31	*1398.04*	*1452.96*	*2262.36*	*3477.90*	*15178.57*
Allocated expenses	**2057.21**	**371.18**	**485.21**	**665.72**	**1000.45**	**4579.77**
	1979.40	*451.53*	*411.38*	*746.06*	*1026.82*	*4615.19*
Segment result	**4190.08**	**811.99**	**949.02**	**1477.58**	**1931.70**	**9360.37**
	3361.88	*871.53*	*614.79*	*1487.61*	*1683.31*	*8019.12*
Unallocable expenses (net)						**1342.81**
						1442.06
Operating income						**8017.56**
						6577.06
Other income (net)						**272.07**
						(426.99)
Profit before taxes						**8289.63**
						6150.07
Tax expense						**1196.97**
						838.95
Profit before Minority Interest and share of profit of associate						**7092.66**
						5311.12
Minority Interest						**90.99**
						54.00
Share of loss of associates						**1.03**
						0.70
Net profit for the year						**7000.64**
						5256.42
As at March 31, 2010						
Segment Assets	**6486.47**	**669.35**	**800.22**	**1360.29**	**2623.46**	**11939.79**
	6497.44	*792.87*	*941.73*	*1544.29*	*2627.78*	*12404.11*
Unallocable assets						**15454.43**
						10233.23
Total Assets						**27394.22**
						22637.34
Segment Liabilities	**869.73**	**77.40**	**75.89**	**255.45**	**520.25**	**1798.72**
	880.36	*67.75*	*92.72*	*145.48*	*771.34*	*1957.65*
Unallocable Liabilities						**6767.07**
						4702.52
Total Liabilities						**8565.79**
						6660.17

Particulars	Business Segment					(Rs. in crores)
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Distribution**	**Telecom**	**Others**	**Total**
Other information :						
Capital Expenditure (allocable)	**129.11**	**-**	**-**	**-**	**28.19**	**157.30**
	36.41	-	-	-	*21.88*	*58.29*
Capital Expenditure (unallocable)						**892.51**
						1127.50
Depreciation (allocable)	**120.05**	**-**	**-**	**-**	**9.85**	**129.90**
	69.66	-	-	-	*9.34*	*79.00*
Depreciation (unallocable)						**530.99**
						485.08
Other significant non cash expenses (allocable)	**5.15**	**3.98**	**0.02**	**121.53**	**38.99**	**169.67**
	12.79	*(0.82)*	*4.59*	*12.12*	*34.41*	*63.09*
Other significant non cash expenses (unallocable)						**0.59**
						15.24

The following geographic segments individually contribute 10 percent or more of the Group's revenues and segment assets.

Geographic Segment	**Revenues for the year ended March 31, 2010**	**Segment Asset as at March 31, 2010**
	(Rs. in crores)	(Rs. in crores)
Americas	**17272.93**	**4152.54**
	15600.21	*5420.96*
Europe	**8009.57**	**2122.99**
	8212.22	*3234.62*
India	**2597.90**	**2517.31**
	2182.12	*2818.99*

14) **Related Party Disclosures**

A) Related Parties and their Relationship

I) Holding Company

Tata Sons Limited

II) Fellow Subsidiaries with whom the Group has transactions

- Tata Capital Limited
- Tata AIG General Insurance Company Limited
- Tata AIG Life Insurance Company Limited
- Tata Consulting Engineers Limited
- Tata Housing Development Company Limited
- Tata International AG
- Tata Limited

- Panatone Finvest Limited
- Tata Business Support Services Limited
- Tata Sky Limited
- Tata Teleservices Limited
- Tata Teleservices (Maharashtra) Limited
- Tata Internet Services Limited
- Wireless-TT Info Services Limited
- Infiniti Retail Limited
- Computational Research Laboratories Limited
- Tata Realty And Infrastructure Limited
- Tata Securities Limited
- e-Nxt Financials Limited
- Tata Investment Corporation Limited
- Tata Advanced Systems Limited
- TC Travel And Services Limited

III) Associates

- Exegenix Research Inc. (ceased to be an associate and became a subsidiary w.e.f. 05.06.2009)
- Firstech Solution Co. Limited (ceased to be an associate w.e.f. 12.01.2009)
- National Power Exchange Limited

IV) Key Management Personnel

- Mr. S. Ramadorai (ceased to be CEO and Managing Director on 05.10.2009, appointed as Vice Chairman in Non-Executive capacity w.e.f. 06.10.2009)
- Mr. S. Mahalingam
- Mr. N. Chandrasekaran (CEO and Managing Director w.e.f. 06.10.2009)
- Mr. Phiroz Vandrevala

B) Transactions with related parties

Year ended March 31, 2010

(Rs. in crores)

Particulars	**Holding Company**	**Fellow Subsidiaries**	**Associates**	**Key Management Personnel**	**Total**
Issue of bonus shares	**72.17**	**0.04**	**-**	**0.03**	**72.24**
	-	-	-	-	-
Brand equity contribution	**67.07**	**-**	**-**	**-**	**67.07**
	63.83	-	-	-	*63.83*
Purchase of fixed assets	**3.85**	**17.58**	**-**	**-**	**21.43**
	-	*4.06*	-	-	*4.06*

Year ended March 31, 2010

(Rs. in crores)

Particulars	**Holding Company**	**Fellow Subsidiaries**	**Associates**	**Key Management Personnel**	**Total**
Loans and advances	**-**	**-**	**-**	**-**	**-**
	1.35	-	-	-	*1.35*
Inter-corporate deposit (net)	**-**	**130.00**	**-**	**-**	**130.00**
	-	*80.00*	-	-	*80.00*
Purchase of investment	**1000.00**	**200.00**	**-**	**-**	**1200.00**
	-	-	*2.50*	-	*2.50*
Revenues	**0.71**	**334.14**	**-**	**-**	**334.85**
	0.82	*289.75*	-	-	*290.57*
Other income	**-**	**0.38**	**-**	**-**	**0.38**
	-	*0.17*	-	-	*0.17*
Purchase of goods, services and facilities	**0.32**	**97.21**	**-**	**-**	**97.53**
	0.15	*66.76*	*2.79*	-	*69.70*
Rent paid	**0.67**	**1.28**	**-**	**-**	**1.95**
	1.87	*1.32*	-	-	*3.19*
Provision for doubtful debts / advances	**0.20**	**15.90**	**-**	**-**	**16.10**
	0.01	*0.72*	-	-	*0.73*
Dividend paid	**1226.89**	**0.72**	**-**	**0.46**	**1228.07**
	1018.67	*6.75*	-	*0.38*	*1025.80*
Dividend on redeemable preference	**7.00**	**-**	**-**	**-**	**7.00**
shares paid	*0.09*	-	-	-	*0.09*
Remuneration	**-**	**-**	**-**	**10.65**	**10.65**
	-	-	-	*9.13*	*9.13*
Interest income	**16.30**	**19.25**	**-**	**-**	**35.55**
	-	*10.51*	-	-	*10.51*
Excess provision written back	**-**	**7.92**	**-**	**-**	**7.92**
	-	-	-	-	-

C) Balances with related parties

As at March 31, 2010

Debtors, Unbilled revenue,	**19.07**	**344.86**	**-**	**-**	**363.93**
Loans and advances (net)	*2.92*	*247.23*	-	-	*250.15*
Sundry creditors, Advance billings and deferred revenues, Advances from	**71.04**	**27.44**	**-**	**-**	**98.48**
customers	*63.64*	*23.23*	*0.85*	-	*87.72*
Investment in Debentures	**1000.00**	**200.00**	**-**	**-**	**1200.00**
	-	-	-	-	-

D) Disclosure of Material Transactions with Related Parties

(Rs. in crores)

	2010	2009
Purchase of fixed assets		
Tata Sons Limited	**3.85**	-
Tata Consulting Engineers Limited	**6.43**	*4.05*
Tata Realty And Infrastructure Limited	**11.11**	-
Loans given during the year		
Tata Sons Limited	**-**	*1.35*
Inter-corporate deposits		
Tata Sky Limited	**30.00**	-
Tata Realty and Infrastructure Limited	**100.00**	*100.00*
Purchase of investments		
Tata Sons Limited	**1000.00**	-
Panatone Finvest Limited	**200.00**	-
National Power Exchange Limited	**-**	*2.50*
Revenues		
Tata Teleservices Limited	**220.33**	*207.11*
Tata Sky Limited	**32.20**	*23.93*
Tata Teleservices (Maharashtra) Limited	**53.81**	*27.03*
Interest income		
Tata Sons Limited	**16.30**	-
Tata Realty And Infrastructure Limited	**16.15**	*10.16*
Purchase of goods, services and facilities		
Tata Capital Limited	**12.31**	*3.92*
Tata Teleservices Limited	**41.82**	*32.53*
Tata Teleservices (Maharashtra) Limited	**17.78**	*16.68*
TC Travel And Services Limited	**13.66**	*2.26*
Tata AIG General Insurance Company Limited	**6.00**	*9.04*
Rent paid		
Tata Limited	**1.28**	*1.32*
Tata Sons Limited	**0.67**	*1.87*
Provision for doubtful debts / advances (expense)		
Tata Teleservices Limited	**13.67**	*0.10*
Excess provision written back		
Tata Teleservices Limited	**5.38**	-
Tata Capital Limited	**1.68**	-
Remuneration to Key Management Personnel		
Mr. N. Chandrasekaran	**2.98**	*1.92*
Mr. S. Mahalingam	**2.36**	*1.70*
Mr. Phiroz Vandrevala	**1.69**	*1.41*
Mr. S. Ramadorai*	**3.62**	*4.10*

* ceased to be an Executive Director on 05.10.2009 and appointed as Vice Chairman in Non-Executive capacity w.e.f. 06.10.2009

(Rs. in crores)

	2010	2009
Debtors, Loans and advances		
Tata Teleservices Limited	**71.85**	*64.62*
Tata Realty And Infrastructure Limited	**11.14**	*46.15*
Tata Sky Limited	**14.25**	*3.78*
Tata Sons Limited	**19.07**	*2.92*
Sundry creditors, Advance billings and deferred revenues, Advances from customers		
Tata Sons Limited	**71.04**	*63.64*
Tata Teleservices Limited	**13.76**	*11.15*
Investment in Debentures		
Tata Sons Limited	**1000.00**	-
Panatone Finvest Limited	**200.00**	-

15) Current tax is net of the effect of additional provision (net) and refund received of Rs. 39.27 crores for the year ended March 31, 2010 *(Previous year : Rs. 103.11 crores)* in domestic and certain overseas jurisdictions relating to earlier years.

16) **Contingent Liabilities**

Particulars	**As at March 31, 2010 (Rs. in crores)**	As at March 31, 2009 (Rs. in crores)
Claims against the Group not acknowledged as debt (See note (i) below)	**114.33**	*65.17*
Income Taxes (See note (ii) below)	**471.61**	*490.14*
Indirect Taxes	**121.89**	*40.42*
Guarantees given by the Group (See note (iii) below)	**1923.19**	*2019.34*
Unexpired Letters of Credit	**0.15**	*54.63*
Other Contingencies	**-**	*8.88*

Notes:

i) The Group is contesting claims made by lessors for properties leased under tenancy agreements in the courts. In respect of these claims, a provision has been held for Rs. 135.98 crores *(March 31, 2009 : Rs. 86.01 crores)* and Rs. 48.58 crores *(March 31, 2009 : Rs. 35.14 crores)* have been included above under the head "Claims against the Group not acknowledged as debt". The Company is entitled to an indemnification upto Rs. 48.95 crores against one of the above referred claim.

ii) Income tax matters includes Rs. 212.59 crores *(March 31, 2009 : Rs. 220.72 crores)* in respect of TCS e-Serve Limited, a business process outsourcing services provider in the Banking and Financial Services sector in which the Company has 96.26 percent stake.TCS e-Serve Limited has also paid advance taxes aggregating Rs. 162.13 crores *(March 31, 2009 : Rs. 162.13 crores)* against the disputed amounts for the relevant assessment years. The Company is entitled to an indemnification of the above referred contingent claims on TCS e-Serve Limited from the seller and would be required to pay amounts equal to amounts refunded to TCS e-Serve Limited on those claims as an adjustment to the purchase price consideration.

iii) The Group has provided guarantees aggregating to Rs. 1719.32 crores (GBP 252.50 million) (*March 31, 2009 : Rs. 1833.80 crores, GBP 252.50 million)* to third parties on behalf of its subsidiary Diligenta Limited. The Group does not expect any outflow of resources in respect of the above.

iv) The Group has examined the social security and tax aspects of contracts with legal entities which provide services to an overseas subsidiary and, based on legal opinion, concludes that the subsidiary is in compliance with the related statutory requirements.

17) **Commitments**

i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 1172.62 crores *(March 31, 2009 : Rs. 664.59 crores)*.

ii) Pearl Group Services Limited ("Pearl") has an equity holding of 24 percent in Diligenta Limited. Under the shareholders agreement dated March 23, 2006, the Company has a call option to purchase all the shares held by Pearl at fixed price of Rs. 205.91 crores (GBP 30.24 million) at the end of fourth year and Pearl has a put option to sell the shares to the Company at the same price at the end of the fifth year. As at March 31, 2010, the Company has not exercised the call option.

iii) The share purchase agreement for acquisition of Comicrom S.A. provides for additional consideration, contingent upon certain conditions being met, including achieving specified earning levels in the acquired business in future years. The additional contingent consideration payable to the seller is subject to maximum amount of Rs. 269.22 crores (USD 59.93 million). A sum of Rs. 83.15 crores (USD 20.53 million) has been paid or accrued to the previous owners of Comicron S.A. upto March 31, 2010 and has been capitalized to goodwill. The balance contingent consideration would be recorded as and when the contingency is resolved and the consideration is paid or becomes payable.

iv) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of Rs. 90,000 per unit against the balance investment of 1000 units aggregating to Rs. 9 crores *(March 31, 2009 : Rs. Nil)*.

18) **Derivative Financial Instruments**

The Company and its subsidiaries, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts and currency option contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Group has following outstanding derivative instruments as on March 31, 2010:

i) The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as on:

	March 31, 2010			March 31, 2009		
Foreign Currency	**No. of Contracts**	**Notional amount of Forward contracts (million)**	**Fair Value (Rs. in crores)**	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (Rs. in crores)
			Gain			(Loss)
U.S.Dollar	**20**	**51.24**	**12.18**	*14*	*153.50*	*(92.00)*

ii) The following are outstanding currency option contracts, which have been designated as Cash Flow Hedges, as on:

	March 31, 2010			March 31, 2009		
Foreign Currency	**No. of Contracts**	**Notional amount of Currency Option contracts (million)**	**Fair Value (Rs. in crores)**	No. of Contracts	Notional amount of Currency Option contracts (million)	Fair Value (Rs. in crores)
			(Loss)			(Loss)
U.S.Dollar	**56**	**639.82**	**(54.39)**	*56*	*1081.70*	*(595.12)*
Sterling Pound	**-**	**-**	**-**	*1*	*4.00*	*(0.85)*
Euro	**-**	**-**	**-**	*1*	*5.00*	*(5.59)*

Net loss on derivative instruments of Rs. 19.95 crores recognised in Hedging Reserve as of March 31, 2010, is expected to be reclassified to the profit and loss account by March 31, 2011.

The movement in Hedging Reserve during the year ended March 31, 2010, for derivatives designated as Cash Flow Hedges is as follows:

	Year ended March 31, 2010	Year ended March 31, 2009
	(Rs. in crores)	(Rs. in crores)
Balance at the beginning of the year	**(729.94)**	*(15.15)*
Gains transferred to income statement on occurrence of forecasted hedge transaction	**470.50**	*21.83*
Changes in the fair value of effective portion of outstanding cash flow derivatives	**254.67**	*(638.81)*
Net derivative gains / (losses) related to a discontinued Cash Flow Hedge	**1.15**	*(97.81)*
Amount transferred to minority interests during the year	**(2.45)**	-
Balance at the end of the year	**(6.07)**	*(729.94)*

In addition to the above Cash Flow Hedges, the Group has outstanding foreign exchange forward contracts and currency option contracts with notional amount aggregating Rs. 3503.12 crores *(March 31, 2009 : Rs. 4222.69 crores)* whose fair value showed a gain of Rs. 7.21 crores as on March 31, 2010 *(March 31, 2009 : Rs. 7.70 crores)*. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting and accordingly these are accounted as derivative instruments at fair value with changes in fair value recorded in the profit and loss account. Exchange gain of Rs. 110.45 crores *(March 31, 2009 : loss of Rs. 406.68 crores)* on foreign exchange forward and currency option contracts for the year ended March 31, 2010 have been recognised in the profit and loss account.

19) Payables in respect of purchase of fixed assets amounting to Rs. 5.02 crores for the year ended March 31, 2010 *(Previous Year : Rs. 38.49 crores)* have been considered as a non cash transactions.

20) **Earning per share**

	2010	2009
	(Rs. in crores)	(Rs. in crores)
Net profit for the year	**7000.64**	*5256.42*
Less: Preference share dividend (including dividend tax)	**19.82**	*8.19*
Amount available for equity shareholder	**6980.82**	*5248.23*
Weighted average number of shares	**195,72,20,996**	*195,72,20,996*
Earning per share basic and diluted (Rs.)	**35.67**	*26.81*
Face value per equity share (Rs.)	**1**	*1*

21) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.

22) Previous year's figures have been recast / restated wherever necessary.

23) *Previous year's figures are in italics.*

AUDITORS' REPORT

TO THE MEMBERS OF

TATA CONSULTANCY SERVICES LIMITED

1. We have audited the attached Balance Sheet of **TATA CONSULTANCY SERVICES LIMITED** ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 ("CARO") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) 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;

   (iii the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, April 19, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business / activities / result for the year, clause (xiii) of paragraph 4 of CARO are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company.

(iii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In respect of unsecured loans granted by the Company to companies covered in the Register under Section 301 of the Companies Act, 1956 and according to the information and explanations given to us:

(a) During the year, the Company has given unsecured interest-free loan aggregating to Rs. 86.12 crores to a wholly owned subsidiary. The Company has also given unsecured loans aggregating to Rs. 1.22 crores to one of its subsidiary. At the year end, the loans granted to two subsidiaries aggregates to Rs. 485.65 crores. The maximum balance outstanding during the year is Rs. 651.45 crores.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.

(c) The receipts of principal amounts and interest have been as per stipulations.

(d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of CARO are not applicable to the Company.

(e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4(iii) of CARO are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4(vi) of CARO are not applicable to the Company.

(viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect to the manufacture of electronic products and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident fund, Investor Education and Protection fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Customs duty, Excise duty and cess were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales tax, Service tax and Income tax which have not been deposited as on March 31, 2010 on account of disputes are given below:

Particulars	**Period to which the amount relates**	**Forum where the dispute is pending**	**Amount (Rs. in crores)**
Sales Tax	2001 – 02, 2003 – 04, 2004 – 05, 2005 – 06, 2006 – 07, 2007 – 08, 2008 – 09, 2009 – 10	High Court	5.36
	2002 – 03, 2003 – 04, 2004 – 05, 2005 – 06, 2006 – 07	Tribunal	7.78
	2004 – 05, 2007 – 08, 2008 – 09	Deputy Commissioner	12.83
	2001 – 02, 2002 – 03	Commissioner of Sales Tax	0.03
	2004 – 05, 2005 – 06, 2006 – 07	Joint Commissioner	3.01
	2001 – 02, 2003 – 04, 2005 – 06	Assistant Commissioner	1.02
Service Tax	2004 – 05, 2005 – 06, 2006 – 07, 2007 – 08	Commissioner of Service Tax	3.23
Income Tax	2004 – 05	Commissioner of Income Tax (Appeals)	3.42

(xi) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.

(xiii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of CARO are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, having regard to the fact that the subsidiary is wholly owned the terms and conditions of the guarantee given by the Company for loan taken by the subsidiary from a bank are not *prima facie* prejudicial to the interest of the Company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any secured debentures.

(xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, April 19, 2010

Balance Sheet as at March 31, 2010

		Schedule	**As at March 31, 2010 Rs. in crores**	As at March 31, 2009 Rs. in crores
	SOURCES OF FUNDS:			
1	SHAREHOLDERS' FUND			
	(a) Share Capital	A	**295.72**	197.86
	(b) Reserves and Surplus	B	**14820.90**	13248.39
			15116.62	13446.25
2	LOAN FUNDS			
	(a) Secured Loans	C	**29.25**	32.63
	(b) Unsecured Loans	D	**6.49**	8.41
			35.74	41.04
3	DEFERRED TAX LIABILITIES (NET)	E	**40.10**	103.05
4	TOTAL FUNDS EMPLOYED		**15192.46**	13590.34
	APPLICATION OF FUNDS:			
5	FIXED ASSETS			
	(a) Gross Block	F	**4871.21**	4359.24
	(b) Less :- Accumulated Depreciation		**2110.69**	1690.16
	(c) Net Block		**2760.52**	2669.08
	(d) Capital Work-in-Progress		**940.72**	685.13
			3701.24	3354.21
6	INVESTMENTS	G	**7893.39**	5936.03
7	DEFERRED TAX ASSETS (NET)	E	**53.13**	3.65
8	CURRENT ASSETS, LOANS AND ADVANCES			
	(a) Interest Accrued on Investments		**16.64**	0.29
	(b) Inventories	H	**6.78**	16.95
	(c) Unbilled Revenues		**646.96**	817.06
	(d) Sundry Debtors	I	**3332.30**	3732.78
	(e) Cash and Bank Balances	J	**3396.16**	1605.26
	(f) Loans and Advances	K	**3385.11**	2966.98
			10783.95	9139.32
9	CURRENT LIABILITIES AND PROVISIONS			
	(a) Current Liabilities	L	**3312.64**	3513.88
	(b) Provisions	M	**3926.61**	1328.99
			7239.25	4842.87
10	NET CURRENT ASSETS [(8) less (9)]		**3544.70**	4296.45
11	TOTAL ASSETS (NET)		**15192.46**	13590.34
12	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 19, 2010

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Aman Mehta
Director

Laura M. Cha
Director

V. Thyagarajan
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 19, 2010

Profit and Loss Account for the year ended March 31, 2010

		Schedule	2010 Rs. in crores	2009 Rs. in crores
	INCOME			
1	Information technology and consultancy services		**22232.93**	21535.75
2	Sale of equipment and software licences		**811.52**	868.25
3	Other income, (net)	N	**177.60**	(456.24)
			23222.05	21947.76
	EXPENDITURE			
4	Employee costs	O	**7882.43**	7370.09
5	Operation and other expenses	P	**8490.35**	9013.08
6	Interest		**9.54**	7.44
7	Depreciation	F	**469.35**	417.46
			16851.67	16808.07
	PROFIT BEFORE TAXES		**6370.38**	5139.69
8	**PROVISION FOR TAXES**			
	(a) Current tax (Refer note 15 to Schedule Q, page 165)		**1128.19**	799.15
	(b) Deferred tax (benefit) / expense		**(112.43)**	44.89
	(c) Fringe benefit tax		**-**	23.00
	(d) MAT credit entitlement		**(263.89)**	(423.56)
			751.87	443.48
	NET PROFIT FOR THE YEAR		**5618.51**	4696.21
9	Balance brought forward from previous period		**9990.41**	7374.89
	AMOUNT AVAILABLE FOR APPROPRIATION		**15608.92**	12071.10
10	**APPROPRIATIONS**			
	(a) Interim dividends on equity shares		**1174.32**	880.74
	(b) Proposed final dividend on equity shares		**2740.11**	489.31
	(c) Dividend on redeemable preference shares		**17.00**	7.00
	(d) Tax on dividend		**657.51**	234.02
	(e) General Reserve		**561.85**	469.62
	(f) Balance carried to Balance Sheet		**10458.13**	9990.41
			15608.92	12071.10
11	**Earnings per share - Basic and diluted (Rs.)** (Refer note 29 to Schedule Q, page 170)		**28.61**	23.95
	Weighted average number of shares		**195,72,20,996**	195,72,20,996
12	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 19, 2010

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Aman Mehta
Director

Laura M. Cha
Director

V. Thyagarajan
Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 19, 2010

Statement of Cash Flows for the year ended March 31, 2010

		Schedule	2010 Rs. in crores	2009 Rs. in crores
1	CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before taxes		**6370.38**	5139.69
	Adjustments for:			
	Depreciation		**469.35**	417.46
	Provision for doubtful advances		**2.52**	6.15
	Provision for doubtful debts		**152.94**	40.33
	Diminution in value of long-term investments		**(4.50)**	-
	Interest expense		**9.54**	7.44
	Loss / (Profit) on sale of fixed assets (net)		**2.81**	(8.27)
	Profit from sale of long term investment		**(1.15)**	-
	Unrealised exchange loss / (gain)		**2.59**	(11.72)
	Exchange difference on translation of foreign currency cash and cash equivalents		**(14.18)**	(18.21)
	Dividend income		**(15.99)**	(127.85)
	Interest income		**(196.69)**	(82.24)
	Profit on sale of mutual funds and other current investments (net)		**(148.41)**	(48.98)
	Operating Profit before working capital changes		**6629.21**	5313.80
	Inventories		**10.17**	0.24
	Unbilled revenues		**164.15**	53.12
	Sundry debtors		**169.79**	68.08
	Loans and advances		**(144.51)**	(198.73)
	Current liabilities and provisions		**608.33**	476.39
	Cash generated from operations		**7437.14**	5712.90
	Taxes paid		**(1172.40)**	(799.42)
	Net cash provided by operating activities		**6264.74**	4913.48
2	CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of fixed assets (Refer note 28 to Schedule Q, page 170)		**(822.15)**	(1001.70)
	Proceeds from sale of fixed assets		**5.88**	45.45
	Adjustment of purchase consideration		**45.67**	-
	Purchase of trade investments		**(1200.00)**	(2451.98)
	Proceeds from sale / transfer of trade investments		**4.80**	-
	Purchase of mutual fund and other investments		**(53197.89)**	(28973.50)
	Sale of mutual funds and other investments		**52633.26**	30047.76
	Loans given to subsidiaries		**(33.88)**	(75.36)
	Loans repaid by subsidiaries		**123.28**	46.08
	Inter-corporate deposits placed		**(224.00)**	(170.00)
	Inter-corporate deposits refunded		**39.00**	90.00
	Fixed deposit with banks (net) having original maturity over three months		**(2037.81)**	(935.00)
	Dividends received from subsidiaries		**11.62**	8.52
	Dividends received from other investments		**4.37**	119.33
	Interest received		**91.21**	65.06
	Net cash used in investing activities		**(4556.64)**	(3185.34)
3	CASH FLOWS FROM FINANCING ACTIVITIES			
	Borrowings (net)		**(5.30)**	5.88
	Dividend paid, including dividend tax		**(1954.57)**	(1602.88)
	Interest paid		**(9.78)**	(7.49)
	Net cash used in financing activities		**(1969.65)**	(1604.49)
	Net (decrease) / increase in cash and cash equivalents		**(261.55)**	123.65
	Cash and cash equivalents at beginning of the year		**540.65**	398.79
	Exchange difference on translation of foreign currency cash and cash equivalents		**14.18**	18.21
	Cash and cash equivalents at end of the year		**293.28**	540.65
	Deposits with original maturity over three months		**3097.97**	1060.16
	Restricted cash		**4.91**	4.45
	Cash and Bank balance at the end of the year as per Schedule J		**3396.16**	1605.26
4	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 19, 2010

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

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CEO and Managing Director

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Director

Dr. Ron Sommer
Director

Ishaat Hussain
Director

Dr. Vijay Kelkar
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 19, 2010

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'A'		
SHARE CAPITAL		
(a) **Authorised**		
(i) 225,00,00,000 equity shares of Re.1 each *(March 31, 2009 : 120,00,00,000 equity shares of Re.1 each)*	**225.00**	120.00
(ii) 100,00,00,000 redeemable preference shares of Re.1 each *(March 31, 2009 : 100,00,00,000 redeemable preference shares of Re.1 each)*	**100.00**	100.00
	325.00	220.00
(b) **Issued, Subscribed and Paid up**		
(i) 195,72,20,996 equity shares of Re.1 each *(March 31, 2009 : 97,86,10,498 equity shares of Re.1 each)*	**195.72**	97.86
(ii) 100,00,00,000 redeemable preference shares of Re.1 each *(March 31, 2009 : 100,00,00,000 redeemable preference shares of Re.1 each)*	**100.00**	100.00
	295.72	197.86

Notes:

1. Equity shares of Rs.10 each have been sub-divided into ten equity shares of Re. 1 each pursuant to the resolution passed by the shareholders at the Annual General Meeting on May 5, 2004.
2. The Company allotted 9,11,00,009 equity shares as fully paid up bonus shares by capitalisation of profits transferred from General Reserve, pursuant to a shareholders' resolution passed at the Annual General Meeting on May 5, 2004.
3. The Authorised Share Capital was increased to 120,00,00,000 equity shares of Re.1 each pursuant to a shareholders' resolution passed at the Annual General Meeting on June 29, 2006.
4. The Company allotted 48,93,05,249 equity shares as fully paid up bonus shares on July 31, 2006 by utilisation of Securities Premium Account.
5. 91,90,440 equity shares of Re. 1 each, had been allotted in 2005-06 as fully paid up to the shareholders of erstwhile Tata Infotech Limited pursuant to the Scheme of Amalgamation.
6. The Authorised Share Capital was increased to Rs. 220 crores by creation of 100,00,00,000 redeemable preference shares of face value of Re.1 each pursuant to a shareholders' resolution passed by postal ballot on March 17, 2008.
7. Effective March 28, 2008, the Issued, Subscribed and Paid up capital increased to Rs. 197.86 crores by allotment of 100,00,00,000 redeemable preference shares of face value of Re.1 each. These shares would be redeemable at par at the end of six years from the date of allotment but may be redeemed at any time after 3 years from the date of allotment at the option of shareholder. These shares would carry a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the redeemable preference shares.
8. The Authorised Equity Share Capital was increased to 225,00,00,000 equity shares of Re.1 each pursuant to the resolutions passed by the shareholders by postal ballot on June 12, 2009.
9. The Company allotted 97,86,10,498 equity shares as fully paid up bonus shares on June 18, 2009 by utilisation of Securities Premium Account pursuant to a resolution passed by the shareholders by postal ballot on June 12, 2009.
10. 144,34,04,398 equity shares *(March 31, 2009 : 72,17,02,199 equity shares)* and 100,00,00,000 redeemable preference shares *(March 31, 2009 : 100,00,00,000 redeemable preference shares)* are held by Tata Sons Limited, the holding company.

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'B'		
RESERVES AND SURPLUS		
(a) Securities Premium Account		
(i) Opening balance	**2016.33**	2016.33
(ii) Transferred to Share Capital Account consequent to issue of bonus shares	**(97.86)**	-
	1918.47	2016.33
(b) General Reserve		
(i) Opening balance	**1864.29**	1394.67
(ii) Transferred from Profit and Loss Account	**561.85**	469.62
	2426.14	1864.29
(c) Balance in Profit and Loss Account	**10458.13**	9990.41
(d) Foreign currency translation reserve		
(i) Opening balance	**99.22**	36.21
(ii) Addition during the year (net)	**(4.24)**	63.01
	94.98	99.22
(e) Hedging reserve account (Refer note 26 to Schedule Q, page 168)		
(i) Opening balance	**(721.86)**	(15.15)
(ii) Additions during the year (net)	**645.04**	(706.71)
	(76.82)	(721.86)
	14820.90	13248.39

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'C'		
SECURED LOANS		
(a) From Banks		
Overdrafts	**-**	1.45
(b) From Others (i.e entities other than banks and financial institutions)		
Obligation under finance lease (Refer note 8 to Schedule Q, page 156)	**29.25**	31.18
	29.25	32.63

Notes:
1. Bank overdrafts are secured against domestic book debts.
2. Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'D'		
UNSECURED LOANS		
(a) Short Term Loans		
From banks	**-**	0.67
(b) Others	**6.49**	7.74
From entities other than banks		
	6.49	8.41

Loans repayable within one year Rs. 1.25 crores *(March 31, 2009 : Rs. 1.91 crores)*

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'E'		
DEFERRED TAX BALANCES		
(a) Deferred Tax Liabilities (net)		
(i) Foreign branch profit tax	**43.97**	108.86
(ii) Depreciation	**2.24**	61.54
(iii) Employee benefits	**-**	(31.13)
(iv) Provision for doubtful debts	**-**	(19.46)
(v) Others	**(6.11)**	(16.76)
	40.10	103.05
(b) Deferred Tax Assets (net)		
(i) Depreciation	**(64.82)**	0.86
(ii) Employee benefits	**36.00**	-
(iii) Provision for doubtful debts	**63.34**	-
(iv) Others	**18.61**	2.79
	53.13	3.65

Schedules forming part of the Balance Sheet

SCHEDULE 'F'
FIXED ASSETS

Rs. in crores

Description	Gross Block as at April 1, 2009	Additions	Deletions / Adjustments	**Gross Block as at March 31, 2010**	Accumulated Depreciation as at April 1, 2009	Depreciation for the year	Deletions / Adjustments	**Accumulated Depreciation as at March 31, 2010**	**Net book value as at March 31, 2010**	Net book value as at March 31, 2009
(a) **TANGIBLE FIXED ASSETS**										
FREEHOLD LAND	315.95	-	-	**315.95**	-	-	-	**-**	**315.95**	315.95
LEASEHOLD LAND	64.46	-	-	**64.46**	(8.02)	(1.38)	-	**(9.40)**	**55.06**	56.44
FREEHOLD BUILDINGS	1197.27	161.18	(0.23)	**1358.22**	(157.45)	(61.02)	0.13	**(218.34)**	**1139.88**	1039.82
FACTORY BUILDINGS	0.74	0.47	-	**1.21**	(0.74)	(0.03)	-	**(0.77)**	**0.44**	-
LEASEHOLD BUILDINGS	9.81	-	-	**9.81**	(4.91)	(0.97)	-	**(5.88)**	**3.93**	4.90
LEASEHOLD IMPROVEMENTS	353.30	49.45	(9.01)	**393.74**	(161.87)	(50.57)	10.09	**(202.35)**	**191.39**	191.43
PLANT AND MACHINERY	11.75	-	(0.87)	**10.88**	(10.66)	(0.92)	0.87	**(10.71)**	**0.17**	1.09
COMPUTER EQUIPMENT	1372.58	179.37	(25.50)	**1526.45**	(888.42)	(197.95)	24.23	**(1062.14)**	**464.31**	484.16
MOTOR CARS	23.94	2.95	(8.23)	**18.66**	(14.25)	(2.37)	6.01	**(10.61)**	**8.05**	9.69
OFFICE EQUIPMENT	459.74	75.45	(2.55)	**532.64**	(143.29)	(51.22)	0.99	**(193.52)**	**339.12**	316.45
ELECTRICAL INSTALLATIONS	323.71	55.62	(7.85)	**371.48**	(98.58)	(39.53)	2.04	**(136.07)**	**235.41**	225.13
FURNITURE AND FIXTURES	213.28	46.93	(5.21)	**255.00**	(189.26)	(63.39)	4.46	**(248.19)**	**6.81**	24.02
(b) **INTANGIBLE ASSETS**										
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.71	-	-	**12.71**	(12.71)	-	-	**(12.71)**	**-**	-
Total	**4359.24**	**571.42**	**(59.45)**	**4871.21**	**(1690.16)**	**(469.35)**	**48.82**	**(2110.69)**	**2760.52**	**2669.08**
Previous year	3240.64	1183.19	(64.59)	4359.24	(1300.11)	(417.46)	27.41	(1690.16)	2669.08	1940.53
Capital Work-in-Progress (including Capital Advances Rs. 219.73 crores. *(March 31, 2009 : Rs. 181.52 crores)*)									**940.72**	685.13
Grand Total									**3701.24**	3354.21

Notes:

1. Freehold buildings include Rs. 2.67 crores *(March 31, 2009 : Rs. 2.67 crores)* being value of investment in shares of Co-operative Housing Societies and Limited Companies.
2. Net book value of leasehold improvements of Rs. 25.72 crores *(March 31, 2009 : Rs. 29.35 crores)* is under finance lease.
3. Legal formalities relating to conveyance of freehold building having net book value Rs. 0.25 crore *(March 31, 2009 : Rs. 0.26 crore)* are pending completion.

Schedules forming part of the Balance Sheet

In Numbers	Currency	Face Value Per share		Description	As at March 31, 2010 Rs. in crores	As at 31, March 31, 2009 Rs. in crores
SCHEDULE 'G'						
INVESTMENTS						
			(A)	**TRADE INVESTMENTS (at cost)**		
			(i)	**Subsidiary Companies**		
			(a)	**Fully Paid Equity Shares (Quoted)**		
77,44,961	INR	10		CMC Limited	**379.89**	379.89
			(b)	**Fully Paid Equity Shares (Unquoted)**		
88,41,33,400	Peso	1		TCS Iberoamerica SA	**165.23**	165.23
15,75,300	INR	10		APOnline Limited	**-**	-
1,300	Euro	325		Tata Consultancy Services Belgium SA	**1.06**	1.06
66,400	NLG	1000		Tata Consultancy Services Netherlands BV	**402.87**	402.87
1,000	SEK	100		Tata Consultancy Services Sverige AB	**18.89**	18.89
-	Euro	-		Tata Consultancy Services Deutschland GmbH	**1.72**	1.72
20,000	USD	10		Tata America International Corporation	**452.92**	452.92
75,82,820	SGD	1		Tata Consultancy Services Asia Pacific Pte Ltd.	**18.69**	18.69
10,48,500	INR	10		WTI Advanced Technology Limited	**38.52**	38.52
10,00,000	AUD	1	*	TCS FNS Pty Limited	**3.38**	3.38
7,60,001	GBP	1		Diligenta Limited	**199.89**	199.89
1,100	USD	0.25		Tata Consultancy Services Canada Inc. (100 shares subscribed during the year) (formerly Exegenix Canada Inc.)	**31.25**	-
-	SGD	-		Tata Infotech (Singapore) Pte. Limited (55,001 shares cancelled during the year on liquidation)	**-**	0.15
51,00,000	INR	10		C-Edge Technologies Limited	**5.10**	5.10
8,90,000	INR	10	*	MP Online Limited	**0.89**	0.89
14,76,000	Dirhams	10		Tata Consultancy Services Morocco SARL AU (14,75,000 shares subscribed during the year)	**8.17**	-
84,00,000	RAND	1		Tata Consultancy Services (Africa) (PTY) Ltd.	**4.92**	4.92
119,36,313	INR	10		TCS e-Serve Limited (formerly Citigroup Global Services Limited)	**2453.53**	2449.48
			(c)	**Fully Paid Preference Shares (Unquoted)**		
4,20,00,000	GBP	1		Diligenta Limited 10% Cumulative redeemable preference shares	**363.04**	363.04
1,99,960	USD	6.25		Tata Consultancy Services Canada Inc. (formerly Exegenix Canada Inc.) 16% Cumulative redeemable preference shares	**6.02**	6.02
28,00,000	INR	10		APOnline Limited 6% Redeemable preference shares	**2.80**	2.80

Schedules forming part of the Balance Sheet

In Numbers	Currency	Face Value Per share		Description	As at March 31, 2010 Rs. in crores	As at 31, March 31, 2009 Rs. in crores
SCHEDULE 'G' (Contd.)						
			(ii)	**Others**		
			(a)	**Fully Paid Equity Shares (Unquoted)**		
4,63,865	USD	0.001		Yodlee, Inc.	**-**	-
25,00,000	INR	10		National Power Exchange Limited	**2.50**	2.50
			(b)	**Fully Paid Preference Shares (Unquoted)**		
-	INR	-		Rallis India Limited 7.5% Cumulative redeemable preference shares (35,00,000 shares redeemed during the year)	**-**	3.50
50,00,000	INR	10		Tata AutoComp Systems Limited 8% Cumulative redeemable preference shares	**5.00**	5.00
			(B)	**OTHERS**		
			(i)	**Bonds (Quoted)**		
15	INR	1000000		10% Housing Urban Development Corporation Limited Bonds (2014)	**1.50**	1.50
180	INR	100000		8% IDBI Bonds (2013)	**1.80**	1.80
10	INR	100000		8% IDBI Bonds (2018)	**0.10**	0.10
5	INR	500000		10% Housing Urban Development Corporation Limited Bonds (2012)	**0.25**	0.25
			(ii)	**Debentures (Unquoted)**		
10,000	INR	1000000	**	Tata Sons Limited 4.50% Non-convertiable debentures (2014) (10,000 debentures subscribed during the year)	**1000.00**	-
2,000	INR	1000000	**	Panatone Finvest Limited 4.75% Non-convertiable debentures (2013) (2,000 debentures subscribed during the year)	**200.00**	-
			(iii)	**Investment in Mutual and other Funds (Unquoted)**	**2123.46**	1410.42
					7893.39	5940.53
				Provision for diminution in value of investment	**-**	(4.50)
					7893.39	5936.03

Notes:

	1. Market value of quoted investments	1041.76	251.41
	Book value of quoted investments	383.54	383.54
	Book value of unquoted investments (net of provision)	7509.85	5552.49
	2. Investments, other than in mutual funds are long-term.		
*	3. Equity investments in these companies are subject to certain restrictions on transfer, as per the terms of individual contractual agreements (Refer note 3 to Schedule Q, page 154).		
**	4. Yield to maturity :		
	Tata Sons Limited	8.50%	
	Panatone Finvest Limited	8.75%	

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2009		Purchases during the year		Sold during the year		Balance As at 31.03.2010	
	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores
Birla Cash Plus Institutional Plan - Daily Dividend - Reinvestment	-	-	89989083	90.16	89989083	90.16	**-**	**-**
Birla Sun Life Savings Fund - Instl. - Daily Dividend - Reinvestment	-	-	149935492	150.04	50003446	50.04	**99932046**	**100.00**
Birla Fixed Term Plan Institutional Series AN - Growth	60000000	60.00	-	-	60000000	60.00	**-**	**-**
Birla Sun Life Short Term Fund - Institutional Daily Dividend	-	-	306815055	306.98	-	-	**306815055**	**306.98**
Birla Sun Life Cash Plus - Institutional Premium - Growth	71105044	99.91	2620568476	3787.57	2691673520	3887.48	**-**	**-**
BSL Interval Income Fund - INSTL - Quarterly - Series 2-Dividend	-	-	30000058	30.19	30000058	30.19	**-**	**-**
BSL Interval Income Fund - INSTL - Quarterly - Series 1-Dividend	-	-	25000000	25.13	25000000	25.13	**-**	**-**
Birla Sun Life Savings Fund Instl. - Growth	-	-	1191027796	2043.77	1191027796	2043.77	**-**	**-**
BSL Interval Income Fund - INSTL - Quarterly - Series 1-Growth	-	-	50000000	50.14	25000000	25.00	**25000000**	**25.14**
Birla Sun Life Cash Manager - Institutional Plan - Growth	-	-	725441382	1094.34	725441382	1094.34	**-**	**-**
BSL Interval Income Fund - INSTL - Quarterly - Series 2-Growth	-	-	51700385	60.20	25850258	30.00	**25850127**	**30.20**
Birla Sun Life Short Term Fund -Institutional Growth	-	-	323975845	347.96	323975845	347.96	**-**	**-**
DBS Chola Fixed Maturity Plan - Series 9(13 Months Plan) - Institutional - Cumulative	10000000	10.00	-	-	10000000	10.00	**-**	**-**
DSP Blackrock Cash Manager Fund - Institutional Plan - Daily Dividend	400076	40.02	300526	30.05	700602	70.07	**-**	**-**
DSP Blackrock Fixed Maturity Plan 12 1/2M Series 1 - Institutional Growth	35000000	35.00	-	-	35000000	35.00	**-**	**-**
DSP Blackrock Fixed Maturity Plan 13M Series 1 - Institutional Growth	30000000	30.00	-	-	30000000	30.00	**-**	**-**
DSP BlackRock Money Manager Fund - Institutional Plan - Daily Dividend	-	-	717849	71.85	717849	71.85	**-**	**-**
DSP BlackRock Floating Rate Fund - Institutional Plan - Growth	-	-	231966	30.01	231966	30.01	**-**	**-**
HDFC Liquid Fund - Premium Plan - Growth	56742418	99.80	1693072630	3053.14	1749815048	3152.94	**-**	**-**
HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest * , Option : Reinvest	-	-	81604110	100.05	81604110	100.05	**-**	**-**

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2009		Purchases during the year		Sold during the year		Balance As at 31.03.2010	
	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend*, Option : Reinvest	-	-	124686186	125.08	49876861	50.03	**74809325**	**75.05**
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	-	-	768219513	1515.70	768219513	1515.70	**-**	**-**
HSBC Fixed Term Series-44 Institutional Growth	10000000	10.00	-	-	10000000	10.00	**-**	**-**
ICICI Prudential Ultra Short Term Plan Super Premium Daily Dividend	-	-	567869072	569.06	261810199	262.36	**306058873**	**306.70**
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	-	-	28126900	297.40	6336596	67.00	**21790304**	**230.40**
ICICI Prudential Floating Rate Plan D - Growth	-	-	139184726	183.04	139184726	183.04	**-**	**-**
ICICI Prudential Flexible Income Plan Premium - Growth	-	-	345671392	577.10	345671392	577.10	**-**	**-**
ICICI Prudential Flexible Income Plan Premium - Growth	-	-	59954663	1017.96	59954663	1017.96	**-**	**-**
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	-	-	183108364	2471.35	183108364	2471.35	**-**	**-**
ICICI Prudential Ultra Short Term Plan Super Premium Growth	-	-	697750944	713.59	697750944	713.59	**-**	**-**
ICICI Prudential Fixed Maturity Plan Series 43 - Thirteen Months Plan D Retail Growth	10000000	10.00	-	-	10000000	10.00	**-**	**-**
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	115501894	149.75	1704185802	2249.86	1819687696	2399.61	**-**	**-**
IDFC Cash Fund - Super Inst Plan C - Growth	-	-	2387170477	2645.48	2387170477	2645.48	**-**	**-**
IDFC Money Manager Fund - Investment Plan - Inst Plan B-Growth	-	-	212210127	302.70	212210127	302.70	**-**	**-**
IDFC Money Manager Fund - Investment Plan - Inst Plan B - Weekly Div.	-	-	100735224	100.96	100735224	100.96	**-**	**-**
IDFC Money Manager Fund - Investment Plan - Inst Plan B-Daily Div.	-	-	202363989	202.67	-	-	**202363989**	**202.67**
IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Div	-	-	130906238	130.93	-	-	**130906238**	**130.93**
IDFC Money Manager Fund - Treasury Plan- Super Inst Plan C - Growth	-	-	1843710972	1989.09	1843710972	1989.09	**-**	**-**
IDFC Fixed Maturity Plan - Yearly Series 17 - Plan B - Dividend	15000000	15.00	1295656	1.30	16295656	16.30	**-**	**-**

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2009		Purchases during the year		Sold during the year		Balance As at 31.03.2010	
	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores
IDFC Fixed Maturity Plan - Yearly Series 19 - Plan B - Growth	20000000	20.00	-	-	20000000	20.00	-	-
IDFC Fixed Maturity Plan - Yearly Series 20 - Plan B - Growth	20000000	20.00	-	-	20000000	20.00	-	-
IDFC Liquid Plus Fund - TP - Super Inst Plan C - Daily Div	-	-	60431408	60.44	60431408	60.44	-	-
India Innovation Fund	-	-	1000	1.00	-	-	**1000**	**1.00**
JM Fixed Maturity Fund - Series VII - 15 Months Plan 1 - Institutional Dividend	10870988	10.87	55569	0.06	10926557	10.93	-	-
JM Fixed Maturity Fund - Series XI - 13 Months Plan 1 - Institutional Growth Plan	10000000	10.00	-	-	10000000	10.00	-	-
JM Money Manager Fund - Super Plus Plan - Daily Dividend(171)	-	-	10928753	10.93	10928753	10.93	-	-
Kotak Flexi Debt Scheme Institutional - Daily Dividend	-	-	354047863	355.73	124409057	125.00	**229638806**	**230.73**
Kotak Fixed Maturity Plan 13M Series 3 Institutional - Growth	20000000	20.00	-	-	20000000	20.00	-	-
Kotak Fixed Maturity Plan 14M Series 4 Institutional - Growth	12000000	12.00	-	-	12000000	12.00	-	-
Kotak Quarterly Interval Plan Series 6 - Dividend	-	-	25169346	25.18	25169346	25.18	-	-
Kotak Fixed Maturity Plan 16M Series 2 Institutional - Dividend	16218575	16.22	290299	0.29	16508874	16.51	-	-
Kotak Floater Long Term - Growth	-	-	1438213196	2060.24	1438213196	2060.24	-	-
Kotak Quarterly Interval Plan Series 6 - Growth	-	-	43624337	50.18	21812154	25.00	**21812183**	**25.18**
Kotak Flexi Debt Scheme Institutional - Growth	-	-	2071580732	2297.92	2071580732	2297.92	-	-
Kotak Floater Long Term - Weekly Dividend	49890512	50.28	51483	0.05	49941995	50.33	-	-
Kotak Liquid (Institutional Premium) - Growth	56093115	99.97	3147507278	5759.85	3203600393	5859.82	-	-
Principal Cash Mgt Fund - Liquid Option Institutional Premium Plan Daily Dividend	-	-	22158490	22.16	22158490	22.16	-	-
Principal PNB Fixed Maturity Plan (FMP-42) 460 Days - Series IV - Feb 08	10000000	10.00	-	-	10000000	10.00	-	-
Principal PNB Fixed Maturity Plan (FMP-44) 540 Days - Series II - Mar 08	20000000	20.00	-	-	20000000	20.00	-	-
Religare Fixed Maturity Plan 375 Days Series VII Institutional Growth	10000000	10.00	-	-	10000000	10.00	-	-

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2009		Purchases during the year		Sold during the year		Balance As at 31.03.2010	
	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores	No. of units	Rs. in crores
SBI Premier Liquid Fund - Super Institutional - Growth	-	-	304722388	436.83	304722388	436.83	-	-
SBI-SHF - Ultra Short Term Fund - Institutional PLAN - Growth	-	-	325485118	386.89	283265910	336.25	**42219208**	**50.64**
Sundaram BNP Paribas Fixed Term Plan E Institutional - Growth	10000000	10.00	-	-	10000000	10.00	-	-
Tata Floater Fund - Daily Dividend	-	-	270789228	271.75	10864785	10.90	**259924443**	**260.85**
TATA Treasury Manager SHIP Daily Dividend	-	-	499985	50.51	98979	10.00	**401006**	**40.51**
TATA Floater Fund - Growth	-	-	2102450575	2830.15	2102450575	2830.15	-	-
TATA Fixed Income Portfolio Fund Scheme C3 Inst Growth	-	-	19942681	20.00	9942681	9.97	**10000000**	**10.03**
TATA Fixed Income Portfolio Fund Scheme C3 Inst Half Yearly	-	-	9941742	10.00	9941742	10.00	-	-
TATA Treasury Manager SHIP Growth	-	-	3690594	380.23	3690594	380.23	-	-
TATA Fixed Investment Plan - 1 Scheme A - Institutional Plan - Periodic Dividend	10057511	10.06	840305	0.84	10897816	10.90	-	-
TATA Liquid Super High Inv. Fund - Appreciation	2041008	331.54	28837133	4804.91	30840339	5130.03	**37802**	**6.42**
UTI - Fixed Income Interval Fund - Monthly Interval Plan Series - I - Institutional Dividend Plan - Re-investment	-	-	40000016	40.03	40000016	40.03	-	-
UTI - Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Re-investment	-	-	2319639	232.01	1819675	182.01	**499964**	**50.00**
UTI - Money Market Fund - Growth Plan	-	-	364801097	1114.99	364801097	1114.99	-	-
UTI Fixed Income Interval Fund - Monthly Interval Plan Series - I - Institutional Growth Plan	-	-	16169415	1959.43	16169415	1959.43	-	-
UTI - Money Market Mutual Fund - Institutional Growth Plan	-	-	363150894	2479.33	363150894	2479.33	-	-
UTI Fixed Income Interval Fund - Monthly Interval Plan Series - I - Institutional Growth Plan	-	-	66534772	80.03	33267353	40.00	**33267419**	**40.03**
UTI Liquid Cash Plan Institutional - Growth Option	1383420	200.00	7405769	1091.08	8789189	1291.08	-	-
Total		**1410.42**		**53197.89**		**52484.85**		**2123.46**

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'H'		
INVENTORIES		
(at lower of cost and net realisable value)		
(a) Raw materials, sub-assemblies and components	**4.81**	13.75
(b) Goods-in-transit	**0.30**	0.15
(c) Finished goods and Work-in-progress	**1.67**	3.05
	6.78	16.95

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'I'		
SUNDRY DEBTORS (Unsecured)		
(a) Over six months		
(i) Considered good	**693.66**	696.57
(ii) Considered doubtful	**254.78**	91.65
(b) Others		
(i) Considered good	**2638.64**	3036.21
(ii) Considered doubtful	**3.26**	18.43
	3590.34	3842.86
Less : Provision for doubtful debts	**(258.04)**	(110.08)
	3332.30	3732.78
Due from companies under same management		
Tata Teleservices Limited	**52.66**	77.58
Tata Elxsi Limited	**0.98**	0.21
Tata AIG Life Insurance Company Limited	**1.85**	5.54
Tata Sky Limited	**13.34**	6.60
Tata Internet Services Limited	**0.03**	0.03
Tata AIG General Insurance Company Limited	**0.60**	1.37
Tata Teleservices (Maharashtra) Limited	**6.55**	12.26
Wireless - TT Info Services Limited	**1.02**	0.89
Infiniti Retail Limited	**1.43**	0.67
Computational Research Laboratories Limited	**0.03**	0.17
Tata Securities Limited	**0.25**	0.06
Tata Capital Limited	**7.10**	13.02
Tata Advanced Systems Limited	**1.60**	0.25

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'J'		
CASH AND BANK BALANCES		
(a) Cash on hand	**0.72**	1.13
(b) Cheques on hand	**81.30**	23.66
(c) Remittances in transit	**2.47**	0.51
(d) Bank Balances		
(i) with Scheduled Banks		
(1) In current accounts (including Equity share application monies of Rs. 0.03 crore, *(March 31, 2009 : Rs. 0.05 crore)*)	**32.18**	56.08
(2) In deposit accounts	**3098.10**	1125.33
(ii) with Foreign Banks		
(1) In current accounts		
The Royal Bank of Scotland, Malaysia *	**-**	0.01
Bank of America N.A. Australia	**19.34**	29.00
Credit Suisse, Switzerland	**0.58**	0.61
Nordea Bank, Denmark	**1.33**	12.08
HSBC Bank plc, UK	**5.47**	21.13
K & H Bank, Hungary	**1.37**	1.70
Bank of America N.A, Canada	**0.20**	16.18
HSBC Bank plc, Ireland	**0.04**	2.71
Nedbank, South Africa	**4.11**	116.60
ASB Bank, New Zealand	**0.49**	0.35
Bank of America N.A, USA	**10.10**	10.76
Nordea Bank, Finland	**4.65**	2.56
Bank of America, Taiwan	**0.58**	0.14
Standard Chartered Bank, Bahrain	**0.30**	4.81
Standard Chartered Bank, South Africa	**1.16**	24.12
Bank of America, Hongkong	**0.51**	0.41
Citibank N.A., Israel	**3.90**	1.12
Standard Chartered Bank, Dubai	**0.60**	2.36
Standard Chartered Bank, Botswana	**1.77**	4.31
Saudi British Bank, Saudi Arabia	**6.81**	65.48
DNB Bank, Norway	**1.80**	4.68
The Royal Bank of Scotland, Poland *	**0.36**	0.29
Kaupthing Bank, Iceland	**0.23**	0.80
Citibank N.A., USA	**0.07**	0.08
Citibank N.A., UK	**28.82**	-
Citibank N.A., Finland	**0.88**	-
Citibank International plc, Ireland	**0.17**	-
National Bank of Kuwait, Kuwait	**-**	-
(2) In deposit accounts		
HSBC Bank plc, UK	**-**	76.26
Nedbank, South Africa	**85.75**	-
	3396.16	1605.26

* formerly ABN AMRO Bank

Schedules forming part of the Balance Sheet

	As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'J' (Contd.)		
CASH AND BANK BALANCES		
(e) Maximum balance outstanding - Foreign Banks		
(i) In current accounts		
The Royal Bank of Scotland , Malaysia *	**0.16**	1.19
Bank of America N.A. Australia	**55.78**	40.06
Credit Suisse, Switzerland	**0.60**	0.61
Nordea Bank, Denmark	**20.51**	31.62
HSBC Bank plc, UK	**112.92**	186.13
K & H Bank, Hungary	**7.85**	10.83
Bank of America N.A, Canada	**50.99**	40.53
The Royal Bank of Scotland, Taiwan *	**-**	0.18
Standard Chartered Bank, Singapore	**-**	15.96
HSBC Bank plc, Ireland	**9.67**	30.35
Nedbank, South Africa	**171.83**	133.46
ASB Bank, New Zealand	**1.10**	1.76
Bank of America N.A, USA	**362.25**	123.57
Nordea Bank, Finland	**26.68**	121.45
Bank of America, Taiwan	**5.29**	1.82
Bank Sinopac, Taiwan	**-**	0.04
Standard Chartered Bank, Bahrain	**4.79**	6.31
Standard Chartered Bank, South Africa	**26.63**	99.00
Bank of America, Hongkong	**3.30**	4.87
Citibank N.A., Israel	**6.86**	11.12
Standard Chartered Bank, Dubai	**6.61**	4.80
Standard Chartered Bank, Botswana	**7.34**	7.48
National City Bank, Ohio	**-**	0.03
Saudi British Bank, Saudi Arabia	**75.06**	72.50
DNB Bank, Norway	**7.76**	9.93
The Royal Bank of Scotland, Poland *	**1.28**	0.71
Kaupthing Bank ,Iceland	**0.88**	3.98
Citibank N.A., USA	**0.07**	68.70
Citibank N.A., UK	**177.05**	-
Citibank N.A., Finland	**5.82**	-
Citibank International plc, Ireland	**5.02**	-
National Bank of Kuwait, Kuwait	**-**	-
(ii) In deposit accounts		
HSBC Bank plc, UK	**85.06**	84.36
Nedbank, South Africa	**85.75**	-

* formerly ABN AMRO Bank

Schedules forming part of the Balance Sheet

	As at March 31 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'K'		
LOANS AND ADVANCES (Unsecured)		
(a) Considered good		
(i) Loans and advances to employees	**133.08**	123.52
(ii) Loans and advances to subsidiary companies	**490.88**	536.79
(iii) Advances recoverable in cash or kind or for value to be received	**1538.62**	1314.90
(iv) Advance tax (including refunds receivable) (net)	**183.50**	216.63
(v) MAT credit entitlement	**1039.03**	775.14
	3385.11	2966.98
(b) Considered doubtful		
(i) Loans and advances to employees	**21.80**	19.32
(ii) Advances recoverable in cash or kind or for value to be received	**5.32**	5.28
	27.12	24.60
Less: Provision for doubtful loans and advances	**(27.12)**	(24.60)
	3385.11	2966.98
Notes:		
1. Due from companies under same management:		
Tata Teleservices Limited	**1.12**	0.02
Tata AIG General Insurance Company Limited	**0.03**	0.05
Maximum balance outstanding during the year:		
Tata Teleservices Limited	**1.12**	0.02
Tata AIG General Insurance Company Limited	**0.05**	0.08
2. Loans and advances to subsidiary companies:		
TCS FNS Pty Limited	**219.99**	187.97
CMC Limited	**-**	35.02
MP Online Limited	**-**	1.70
TCS Iberoamerica SA	**265.66**	300.05
Tata Consultancy Services Morocco SARL AU	**5.23**	12.05
3. Advances recoverable in cash or kind or for value to be received include fair values of foreign exchange forward and currency option contracts.	**10.89**	17.47
4. Advances recoverable in cash or kind or for value to be received include balances with Customs and Excise Authorities.	**-**	0.33
5. Advances recoverable in cash or kind or for value to be received include Inter-corporate deposits.	**285.00**	100.00

Schedules forming part of the Balance Sheet

		As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'L'			
CURRENT LIABILITIES			
(a)	Sundry Creditors		
	(i) Dues of micro and small enterprises (Refer note 18 to Schedule Q, page 165)	**0.26**	1.01
	(ii) Dues of other creditors	**2028.01**	1497.18
(b)	Subsidiary companies	**398.05**	381.41
(c)	Advances from customers	**110.31**	26.14
(d)	Advance billings and deferred revenues	**492.15**	521.74
(e)	Equity share application monies refundable	**0.03**	0.05
(f)	Investor Education and Protection Fund - Unpaid dividends (not due)	**4.88**	4.40
(g)	Other liabilities	**278.75**	1081.67
(h)	Interest accrued but not due	**0.20**	0.28
		3312.64	3513.88
Note:			
Other liabilities include fair values of foreign exchange forward and currency option contracts.		**115.92**	683.18

		As at March 31, 2010 Rs. in crores	As at March 31, 2009 Rs. in crores
SCHEDULE 'M'			
PROVISIONS			
(a)	Current income taxes (net)	**262.39**	339.73
(b)	Fringe benefit tax (net)	**1.06**	1.06
(c)	Employee benefits	**448.00**	407.29
(d)	Proposed final dividend on equity shares	**2740.11**	489.31
(e)	Proposed dividend on redeemable preference shares	**17.00**	7.00
(f)	Tax on dividend	**457.92**	84.35
(g)	Provision for warranties	**0.13**	0.25
		3926.61	1328.99

Schedules forming part of the Profit and Loss Account

		2010 Rs. in crores	2009 Rs. in crores
SCHEDULE 'N'			
OTHER INCOME (NET)			
(a)	Interest	**196.69**	82.24
	(Tax deducted at source Rs.14.12 crores, *Previous year : Rs. 8.53 crores*)		
(b)	Dividend income	**15.99**	127.85
(c)	Profit on redemption / sale of mutual funds and other current investments (net)	**148.41**	48.98
(d)	Rent	**2.44**	1.82
(e)	(Loss) / profit on sale of fixed assets (net)	**(2.81)**	8.27
(f)	Profit on sale of long-tem investment	**1.15**	-
(g)	Exchange (loss) (net)	**(205.42)**	(746.11)
(h)	Miscellaneous income	**21.15**	20.71
		177.60	(456.24)
Notes:			
1.	Dividend Income includes:		
	Dividend from subsidiaries (trade investments)	**11.62**	8.52
	Dividends from other long-term investments (trade investments)	**0.35**	0.61
	Dividends from mutual funds (other investments)	**4.02**	118.72
2.	Exchange (loss) (net) includes:		
	Loss on foreign exchange forward contracts and currency option contracts which have been designated as Cash Flow Hedges. (Refer note 26 to Schedule Q, page 168)	**(211.48)**	(582.38)

		2010 Rs. in crores	2009 Rs. in crores
SCHEDULE 'O'			
EMPLOYEE COSTS			
(a)	Salaries and incentives	**6852.50**	6418.26
(b)	Contributions to -		
	(i) Provident Fund	**232.02**	217.63
	(ii) Superannuation scheme	**52.62**	46.78
(c)	Gratuity fund contributions	**58.15**	63.36
(d)	Social security and other plans for overseas employees	**126.58**	129.97
(e)	Staff welfare expenses	**560.56**	494.09
		7882.43	7370.09

Schedules forming part of the Profit and Loss Account

		2010 Rs. in crores	2009 Rs. in crores
SCHEDULE 'P'			
OPERATION AND OTHER EXPENSES			
(a)	Overseas business expenses	**4225.30**	4727.88
(b)	Services rendered by business associates and others	**992.02**	1019.67
(c)	Software, hardware and material costs	**888.78**	918.17
(d)	Cost of software licences	**366.02**	337.28
(e)	Communication expenses	**284.22**	292.77
(f)	Travelling and conveyance expenses	**186.00**	265.35
(g)	Rent	**503.90**	492.94
(h)	Legal and professional fees	**93.76**	103.82
(i)	Repairs and maintenance	**141.41**	122.16
(j)	Electricity expenses	**183.62**	164.34
(k)	Bad debts	**7.33**	21.01
(l)	Provision for doubtful debts	**152.94**	40.33
(m)	Provision for doubtful advances	**2.52**	6.15
(n)	Advances written-off	**0.31**	0.75
(o)	Recruitment and training expenses	**78.79**	98.89
(p)	Diminution in value of long-term investments	**(4.50)**	-
(q)	Commission and brokerage	**7.27**	21.35
(r)	Printing and stationery	**33.04**	39.01
(s)	Insurance	**16.25**	15.70
(t)	Rates and taxes	**40.45**	45.35
(u)	Entertainment	**9.19**	8.94
(v)	Other expenses	**281.73**	271.22
		8490.35	9013.08
Notes:			
1.	Overseas business expenses includes:		
	Travel expenses	**194.75**	280.38
	Employee allowances	**3900.76**	4306.25
2.	Repairs and maintenance pertains to:		
	Buildings	**61.70**	51.56
	Office and computer equipment	**79.71**	70.60
3.	Software, hardware and material costs includes:		
	Material Costs		
	(a) Raw Materials, sub-assemblies and components consumed	**23.73**	52.67
	(b) Opening Stock:		
	Finished goods and work-in-progress	**3.05**	1.32
	(c) Less: Closing Stock:		
	Finished goods and work-in-progress	**1.67**	3.05
		1.38	(1.73)
		25.11	50.94
4.	Other expenses includes:		
	Stores and spare parts consumed	**0.02**	1.00

SCHEDULE 'Q' - NOTES TO ACCOUNTS

1) **Significant Accounting Policies**

a) Basis of Preparation

The financial statements are prepared under the historical cost convention and the requirements of the Companies Act, 1956.

b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred to complete software development, the useful lives of depreciable fixed assets and provisions for impairment.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude computers and other assets individually costing Rs. 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

d) Depreciation

Depreciation other than on freehold land and capital work-in-progress is charged so as to write-off the cost of assets, on the following basis:

Leasehold Land and Buildings	Straight line	Lease period
Freehold Buildings	Written down value	5%
Factory Buildings	Straight line	10%
Leasehold Improvements	Straight line	Lease period
Plant and Machinery	Straight line	33.33%
Computer Equipment	Straight line	25%
Motor Cars	Written down value	25.89%
Office Equipment	Written down value	13.91%
Electrical Installations	Written down value	13.91%
Furniture and Fixtures	Straight line	100%
Intellectual Property / Distribution Rights	Straight line	24 – 36 months

Fixed assets purchased for specific projects are depreciated over the period of the project.

e) Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of the lease at lower of the fair value or 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 profit and loss account on a straight-line basis.

f) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

g) Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.

h) Employee benefits (Refer note 5, page 154)

i) Post-employment benefit plans

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

For defined benefit schemes, 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 full in the profit and loss account for 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, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

iii) 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 services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

i) Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenues from sale of software licences are recognised upon delivery where there is no customisation required. In case of customisation the same is recognised over the life of the contract using the proportionate completion method.

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

Revenues from Business Process Outsourcing (BPO) services are recognised on time and material, fixed price and unit priced contracts. Revenue on time and material and unit priced contracts is recognised as the related services are rendered. Revenue from fixed price contracts is recognised as per the proportionate completion method with contract cost determining the degree of completion.

Dividends are recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

j) Research and Development

Expenditure on research and developement activities is recognised as an expense in the period in which it is incurred. Development costs of marketable computer software are capitalised when a product's technological feasibility has been established until the time the product is available for general release to customers. In most instances, the Company's products are released soon after technological feasibility has been established. Therefore, costs incurred subsequent to achievement of technological feasibility are usually not significant, and generally most software development costs have been expensed.

Fixed assets utilised for research and development are capitalised and depreciated in accordance with depreciation rates set out in note 1(d).

k) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

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

l) Foreign currency transactions

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on forward exchange contracts and currency option contracts are amortised and recognized in the profit and loss account over the period of the contract. Forward exchange contracts and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the profit and loss account.

m) Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS–30).

The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the profit and loss account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the profit and loss account for the period.

n) Inventories

Raw materials, sub-assemblies and components are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods in transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at cost, less provision for obsolescence. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on 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 not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

p) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

2) **Acquisitions / Divestments**

a) On April 14, 2009, TCS Financial Management, LLC (subsidiary of Tata America International Corporation) has been voluntarily liquidated.

b) On June 5, 2009, the Company, through its wholly owned subsidiary, Tata Consultancy Services Canada Inc., acquired 100% equity interest in ERI Holdings Corp. Consequently, the Company's interest in Exegenix Research Inc. has increased to 100%.

c) On June 16, 2009, Financial Network Services Malaysia Sdn Bhd (subsidiary of TCS Financial Solutions Australia Pty Limited) has been voluntarily liquidated.

d) On October 1, 2009, the Company transferred certain net assets at book value in its Canadian branch to Tata Consultancy Services Canada Inc., for a total consideration of Rs. 87.66 crores (CAD 19.82 million), discharged by the issue of fresh equity shares of Rs. 31.25 crores (CAD 7.07 million) and an interest bearing unsecured loan of Rs. 56.41 crores (CAD 12.75 million). As no cash transactions were involved, the above has not been included in the statement of cash flows.

e) On January 1, 2010, the Company, through its wholly owned subsidiary, TCS Iberoamerica SA, subscribed to 100 percent share capital of TCS Uruguay S. A.

f) On January 1, 2010, the Company, purchased 100 percent share in MGDC S.C., Mexico through its wholly owned subsidiary, TCS Uruguay S.A. (99%) and Tata Consultancy Services Argentina S.A. (1%).

g) On March 5, 2010, Financial Network Services (Africa) (Pty) Ltd. (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited) has been voluntarily liquidated.

h) On March 11, 2010, the Company subscribed to additional 14,75,000 equity shares amounting to Rs. 8.16 crores (USD 1.8 million) in its subsidiary Tata Consultancy Services Morocco SARL AU. The additional investment was made upon conversion of a loan of equivalent amount. As no cash transactions were involved, the above has not been included in the statement of cash flows.

i) On March 24, 2010, Tata Infotech (Singapore) Pte. Limited has been voluntarily liquidated.

3) The Company has given undertakings to (a) Bank of China Co. Limited, not to transfer its controlling interest in TCS Financial Solutions Australia Pty Limited, a wholly owned subsidiary of TCS FNS Pty Limited, (b) The Government of Madhya Pradesh not to divest its shareholding in MP Online Limited except to an affiliate.

4) The shareholders approved the issue of Bonus Shares in the proportion of one new equity share for every one existing equity share, by postal ballot on June 12, 2009. Accordingly, a sum of Rs. 97.86 crores has been transferred to Share Capital Account on allotment of fully paid bonus shares to the holders of the equity shares based on the record date of June 17, 2009 by utilisation of Securities Premium Account. Consequently, the earnings per share have been adjusted for all the periods presented.

5) **Retirement benefit plans**

a) Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall has been provided for as at the Balance Sheet date.

The Company recognised Rs. 232.02 crores *(March 31, 2009 : Rs. 217.63 crores)* for provident fund contributions and Rs. 52.62 crores *(March 31, 2009 : Rs. 46.78 crores)* for superannuation contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company has contributed Rs. 48.40 crores *(March 31, 2009 : Rs. 46.75 crores)* towards foreign defined contribution plans.

b) Defined benefit plan

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying 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 for service less than 15 years, three-fourth month's salary for service of 15 years to 19 years and one month salary for service of 20 years and more, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five 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.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2010.

		As at March 31, 2010 (Rs. in crores)	As at March 31, 2009 (Rs. in crores)
i)	**Change in benefit obligations:**		
	Projected benefit obligation, beginning of the year	**385.23**	*315.26*
	Service cost	**70.62**	*59.39*
	Interest cost	**29.84**	*27.23*
	Actuarial (gain) / loss	**(7.34)**	*6.95*
	Benefits paid	**(25.86)**	*(23.60)*
	Projected benefit obligation, end of the year	**452.49**	*385.23*

		As at March 31, 2010 (Rs. in crores)	As at March 31, 2009 (Rs. in crores)
ii)	**Change in plan assets:**		
	Fair value of plan assets, beginning of the year	**344.16**	*264.87*
	Expected return on plan assets	**31.07**	*24.09*
	Employer's contributions	**66.86**	*72.68*
	Benefit paid	**(25.86)**	*(23.60)*
	Actuarial gain	**3.91**	*6.12*
	Fair value of plan assets at the end of the year	**420.14**	*344.16*
	Excess of (obligation over plan assets)	**(32.35)**	*(41.07)*
	Accrued liability	**(32.35)**	*(41.07)*

		2010 (Rs. in crores)	2009 (Rs. in crores)
iii)	**Net gratuity and other cost:**		
	Service cost	**70.62**	*59.39*
	Interest on defined benefit obligation	**29.84**	*27.23*
	Expected return on plan assets	**(31.07)**	*(24.09)*
	Net actuarial (loss) / gain recognised in the year	**(11.24)**	*0.83*
	Net gratuity cost and other cost	**58.15**	*63.36*
	Actual Return on Plan Assets	**34.98**	*30.21*

		As at March 31, 2010 (Rs. in crores)	As at March 31, 2009 (Rs. in crores)
iv)	**Category of Assets :**		
	Special Deposits Scheme	**1.76**	*1.76*
	Insurer Managed Funds	**418.32**	*342.38*
	Others	**0.06**	*0.02*
	Total	**420.14**	*344.16*

		As at March 31, 2010 (Rs. in crores)	As at March 31, 2009 (Rs. in crores)
v)	**Assumptions used in accounting for the gratuity plan:**		
		%	%
	Discount rate	**7.50**	*7.50*
	Salary escalation rate	**6.00**	*6.00*
	Expected rate of return on plan assets	**8.00**	*8.00*

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

	2010	2009	2008
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
Experience adjustment			
On plan liabilities	**4.93**	*(16.54)*	*(26.62)*
On plan assets	**3.91**	*6.12*	*4.13*
Present value of benefit obligation	**452.49**	*385.23*	*315.26*
Fair value of plan assets	**420.14**	*344.16*	*264.87*
Excess of (obligation over plan assets)	**(32.35)**	*(41.07)*	*(50.39)*

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2010. The Company is expected to contribute Rs. 40.82 crores to gratuity funds for the year ended March 31, 2011.

6) Unbilled revenue as at March 31, 2010 amounting to Rs. 646.96 crores *(March 31, 2009 : Rs. 817.06 crores)* primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis of Rs. 609.30 crores *(March 31, 2009 : Rs. 760.14 crores)*.

7) **Obligations towards operating leases**

Non-cancellable operating lease obligation	**2010**	2009
	(Rs. in crores)	(Rs. in crores)
Not later than one year	**245.31**	*224.95*
Later than one year but not later than five years	**741.61**	*543.59*
Later than five years	**818.93**	*205.23*
Total	**1805.85**	*973.77*

Rental expenses of Rs. 313.15 crores *(Previous year : Rs. 212.50 crores)* in respect of obligation under non-cancellable operating leases has been recognised in the profit and loss account. Further a sum of Rs. 190.75 crores (*Previous year : Rs. 280.44 crores)* has been charged to profit and loss account in respect of cancellable operating leases.

8) **Obligations towards finance leases**

Assets acquired under finance lease	**2010**	2009
	(Rs. in crores)	(Rs. in crores)
Minimum Lease Payments:		
Less than one year	**7.11**	*7.11*
One to five years	**28.45**	*28.45*
Later than five years	**14.81**	*21.92*
Total	**50.37**	*57.48*
Present Value of minimum lease payments:		
Less than one year	**2.30**	*1.93*
One to five years	**14.42**	*12.13*
Later than five years	**12.53**	*17.12*
Total	**29.25**	*31.18*

9) Research and development expenditure aggregating Rs. 77.19 crores *(Previous year : Rs. 42.31 crores*) was incurred during the year.

10) Sale of Equipment is net of excise duty of Rs. 0.39 crore *(Previous year : Rs. 2.08 crores)*.

11) **Segment Reporting**

Consequent to the reorganisation of its global operations with the objective of making Industry Practice its focal point for performance evaluation and internal financial reporting and decision making, the Company has reviewed and revised the manner in which it views the business risks and returns and monitors its operations. Accordingly as required under Accounting Standard 17 "Segment Reporting" (AS-17), the format for reporting primary segment information has been changed to business segments (Industry Practice) and secondary segment information has been changed to geography. Industry segments are primarily financial services comprising customers providing banking, finance and insurance services; manufacturing companies; companies in retail industries and others such as utilities, travel, transportation and hospitality; companies in telecommunication, media and entertainment and third party products, etc.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each reporting segment on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

The Company has identified geographical markets as the secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada and South American countries), Europe, India and Others.

Year ended March 31, 2010

Particulars			**Business Segment**			(Rs. in crores)
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Distribution**	**Telecom**	**Others**	**Total**
Revenue	**9225.71**	**1986.63**	**2705.51**	**3762.94**	**5363.66**	**23044.45**
	8886.82	*2245.38*	*2121.31*	*3966.41*	*5184.08*	*22404.00*
Identified operating expenses	**4570.51**	**1033.09**	**1518.87**	**1905.10**	**2799.99**	**11827.56**
	4664.40	*1184.18*	*1268.45*	*1971.12*	*2676.56*	*11764.71*
Allocated expenses	**1522.66**	**327.88**	**446.53**	**621.06**	**885.25**	**3803.38**
	1482.31	*374.53*	*353.83*	*661.59*	*864.69*	*3736.95*
Segment result	**3132.54**	**625.66**	**740.11**	**1236.78**	**1678.42**	**7413.51**
	2740.11	*686.67*	*499.03*	*1333.70*	*1642.83*	*6902.34*
Unallocable expenses (net)						**1220.73**
						1306.41
Operating income						**6192.78**
						5595.93
Other income, (net)						**177.60**
						(456.24)
Profit before taxes						**6370.38**
						5139.69
Tax expense						**751.87**
						443.48
Net profit for the year						**5618.51**
						4696.21

As at March 31, 2010

Particulars	Business Segment					(Rs. in crores)
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Distribution**	**Telecom**	**Others**	**Total**
Segment assets	**1314.03**	**273.36**	**462.67**	**1074.47**	**1333.76**	**4458.29**
	1414.84	*361.02*	*512.53*	*1192.63*	*1466.95*	*4947.97*
Unallocable assets						**17973.42**
						13485.24
Total assets						**22431.71**
						18433.21
Segment liabilities	**355.89**	**26.15**	**64.90**	**184.81**	**278.85**	**910.60**
	386.16	*34.63*	*81.43*	*109.88*	*296.81*	*908.91*
Unallocable liabilities						**6404.49**
						4078.05
Total liabilities						**7315.09**
						4986.96
Other Information :						
Capital Expenditure (unallocable)						**827.01**
						978.58
Depreciation (unallocable)						**469.35**
						417.46
Other significant non cash expenses (allocable)	**7.67**	**3.47**	**(0.25)**	**113.32**	**28.73**	**152.94**
	6.46	*(0.80)*	*4.43*	*19.84*	*10.40*	*40.33*
Other significant non cash expenses (unallocable)						**(1.98)**
						6.15

The following Geographic segments individually contribute 10 percent or more of the Company's revenues and segment assets:

Geographic Segment	**Revenues for the year ended March 31, 2010**	**Segment Assets as at March 31, 2010**
	(Rs. in crores)	(Rs. in crores)
Americas	**13391.10**	**926.10**
	12717.81	*940.11*
Europe	**6060.03**	**1379.78**
	6487.58	*1997.99*
India	**1920.78**	**1587.65**
	1710.98	*1692.45*

12) **Related Party Disclosures**

A) <u>Related Parties and their Relationship</u>

I) Holding Company

Tata Sons Limited

II) (A) Subsidiaries (Direct Holding)		**II. (B) Subsidiaries (Indirect Holding)**	
1.	CMC Limited	i)	CMC Americas Inc.
2.	Tata Consultancy Services Sverige AB		
3.	Tata Consultancy Services Asia Pacific Pte Ltd.	i)	Tata Information Technology (Shanghai) Company Limited
		ii)	Tata Consultancy Services Japan Ltd.
		iii)	Tata Consultancy Services Malaysia Sdn Bhd
		iv)	Tata Consultancy Services (China) Co., Ltd.
		v)	PT Tata Consultancy Services Indonesia
		vi)	Tata Consultancy Services (Thailand) Limited
		vii)	Tata Consultancy Services (Philippines) Inc.
4.	TCS Iberoamerica SA	i)	TCS Solution Center S.A.
		ii)	Tata Consultancy Services Argentina S.A.
		iii)	Tata Consultancy Services De Mexico S.A., De C.V.
		iv)	TCS Inversiones Chile Limitada
		v)	Tata Consultancy Services De Espana S.A.
		vi)	Tata Consultancy Services Do Brasil Ltda
		vii)	Tata Consultancy Services Chile S.A.
		viii)	Tata Consultancy Services BPO Chile SA
		ix)	Syscrom S.A.
		x)	Custodia De Documentos Interes Limitada
		xi)	TATASOLUTION CENTER S.A
		xii)	Tata Consultancy Services Portugal Unipessoal Limitada
		xiii)	TCS Uruguay S.A. (w.e.f. 01.01.2010)
		xiv)	MGDC S.C. (w.e.f. 01.01.2010)
5.	Tata Consultancy Services Netherlands BV	i)	Tata Consultancy Services Luxembourg S.A.
		ii)	Tata Consultancy Services Switzerland Ltd.
		iii)	Tata Consultancy Services France SAS
		iv)	TCS Italia SRL
6.	TCS FNS Pty Limited	i)	TCS Financial Solutions Australia Holdings Pty Limited
		ii)	TCS Financial Solutions Australia Pty Limited
		iii)	Financial Network Services (Europe) Plc (ceased to be a subsidiary w.e.f. 02.12.2008)
		iv)	PT Financial Network Services
		v)	Financial Network Services (Africa) (Pty) Ltd. (ceased to be a subsidiary w.e.f. 05.03.2010)
		vi)	Financial Network Services (H.K.) Limited
		vii)	Financial Network Services Malaysia Sdn Bhd (ceased to be a subsidiary w.e.f. 16.06.2009)
		viii)	TCS Management Pty Ltd.
		ix)	Financial Network Services (Beijing) Co. Ltd.

7.	APOnline Limited		
8.	Tata America International Corporation	i)	TCS Financial Management, LLC (ceased to be a subsidiary w.e.f. 14.04.2009)
9.	Tata Consultancy Services Belgium SA		
10.	Tata Consultancy Services Deutschland GmbH		
11.	WTI Advanced Technology Limited		
12.	Tata Infotech Deutschland GmbH (ceased to be a subsidiary w.e.f. 22.10.2008)		
13.	Tata Infotech (Singapore) Pte. Limited (ceased to be a subsidiary w.e.f. 24.03.2010)		
14.	Tata Consultancy Services Canada Inc.	i)	ERI Holdings Corp. (w.e.f. 05.06.2009)
		ii)	Exegenix Research Inc. (w.e.f. 05.06.2009)
15.	Diligenta Limited		
16.	C-Edge Technologies Limited		
17.	MP Online Limited		
18.	Tata Consultancy Services Morocco SARL AU		
19.	Tata Consultancy Services (Africa) (PTY) Ltd.	i)	Tata Consultancy Services (South Africa) (PTY) Ltd.
20.	TCS e-Serve Limited	i)	TCS e-Serve International Limited
		ii)	TCS e-Serve America, Inc

III) Fellow Subsidiaries with whom the Company has transactions.

- Tata Capital Limited
- Tata AIG General Insurance Company Limited
- Tata AIG Life Insurance Company Limited
- Tata Consulting Engineers Limited
- Tata Housing Development Company Limited
- Tata Business Support Services Limited
- Tata Sky Limited
- Tata Teleservices Limited
- Tata Teleservices (Maharashtra) Limited
- Tata Internet Services Limited
- Tata Limited
- Tata International AG
- Wireless-TT Info Services Limited
- Infiniti Retail Limited
- Computational Research Laboratories Limited
- Tata Realty And Infrastructure Limited
- Tata Securities Limited
- Tata Investment Corporation Limited
- Tata Advanced Systems Limited
- TC Travel And Services Limited
- Panatone Finvest Limited

IV) Associates

- Exegenix Research Inc. (ceased to be an associate and became a subsidiary w.e.f. 05.06.2009)
- Firstech Solution Co. Limited (ceased to be an associate w.e.f. 12.01.2009)
- National Power Exchange Limited

V) Key Management Personnel

- Mr. S. Ramadorai (ceased to be CEO and Managing Director on 05.10.2009, appointed as Vice Chairman in Non-Executive capacity w.e.f. 06.10.2009)
- Mr. S. Mahalingam
- Mr. N. Chandrasekaran (CEO and Managing Director w.e.f. 06.10.2009)
- Mr. Phiroz Vandrevala

B) Transactions with Related Parties

Year ended March 31, 2010 (Rs. in crores)

	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Issue of bonus shares	**72.17**	**-**	**0.04**	**-**	**0.03**	**72.24**
	-	-	-	-	-	-
Brand equity contribution	**61.47**	**-**	**-**	-	**-**	**61.47**
	62.37	-	-	-	-	*62.37*
Purchase of fixed assets	**3.85**	**20.47**	**17.58**	**-**	**-**	**41.90**
	-	*14.13*	*4.06*	**-**	-	*18.19*
Loans and advances	**-**	**90.21**	**-**	**-**	**-**	**90.21**
	1.35	*75.91*	-	-	-	*77.26*
Inter-corporate deposit (net)	**-**	**-**	**125.00**	**-**	**-**	**125.00**
	-	-	*80.00*	-	-	*80.00*
Purchase of investment	**1000.00**	**43.46**	**200.00**	**-**	**-**	**1243.46**
	-	-	-	*2.50*	-	*2.50*
Revenues	**0.71**	**13555.88**	**331.66**	**-**	**-**	**13888.25**
	0.82	*12505.97*	*258.36*	-	-	*12765.15*
Interest income	**16.30**	**25.76**	**19.04**	**-**	**-**	**61.10**
	-	*3.67*	*10.51*	-	-	*14.18*
Dividend income	**-**	**11.62**	**-**	**-**	**-**	**11.62**
	-	*8.52*	-	-	-	*8.52*
Rent income	**-**	**0.57**	**-**	**-**	**-**	**0.57**
	-	*0.43*	-	-	-	*0.43*
Other income	**-**	**0.55**	**0.38**	**-**	**-**	**0.93**
	-	-	*0.16*	-	-	*0.16*
Purchase of goods, services and facilities	**0.18**	**519.57**	**90.73**	**-**	**-**	**610.48**
	0.10	*504.46*	*65.12*	*2.79*	-	*572.47*
Rent paid	**0.67**	**42.52**	**1.29**	**-**	**-**	**44.48**
	1.87	*37.99*	*1.32*	-	-	*41.18*
Provision for doubtful debts / advances	**0.20**	**-**	**15.90**	**-**	**-**	**16.10**
	0.01	*0.04*	*0.72*	-	-	*0.77*
Bad debts written-off	**-**	**0.04**	**-**	**-**	**-**	**0.04**
	-	-	-	-	-	-
Excess provision written back	**-**	-	**7.92**	**-**	**-**	**7.92**
	-	-	-	-	-	-
Dividend paid	**1226.89**	**-**	**0.72**	**-**	**0.46**	**1228.07**
	1018.67	-	*6.75*	-	*0.38*	*1025.80*
Dividend on redeemable preference shares	**7.00**	**-**	**-**	**-**	**-**	**7.00**
	0.09	-	-	-	-	*0.09*
Guarantees	**-**	**2.92**	**-**	**-**	**-**	**2.92**
	-	*2.52*	-	-	-	*2.52*
Remuneration	**-**	**-**	**-**	**-**	**10.65**	**10.65**
	-	-	-	-	*9.13*	*9.13*

C) Balances with Related Parties

(Rs. in crores)

As at March 31, 2010	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Debtors, Unbilled revenue, Loans and advances	**19.07**	**1770.18**	**339.42**	**-**	**-**	**2128.67**
	2.92	*1944.92*	*244.54*	*-*	*-*	*2192.38*
Sundry creditors, Advance billings and deferred revenues, Advances from customers	**70.00**	**932.04**	**27.31**	**-**	**-**	**1029.35**
	62.46	*831.94*	*22.69*	*0.85*	*-*	*917.94*
Guarantees	**-**	**1851.93**	**-**	**-**	**-**	**1851.93**
	-	*1938.84*	*-*	*-*	*-*	*1938.84*
Investment in Debentures	**1000.00**	**-**	**200.00**	**-**	**-**	**1200.00**
	-	*-*	*-*	*-*	*-*	*-*

D) Disclosure of Material Transactions with Related Parties

(Rs. in crores)

	2010	2009
Purchase of fixed assets		
CMC Limited	**19.77**	*14.13*
Tata Consulting Engineers Limited	**6.43**	*4.05*
Tata Realty And Infrastructure Limited	**11.11**	*-*
Loans given during the year		
TCS Financial Solutions Australia Pty Limited	**-**	*10.42*
TCS Iberoamerica SA	**-**	*53.23*
CMC Limited	**1.22**	*6.09*
Tata Consultancy Services Canada Inc. (formerly Exegenix Canada Inc.)	**86.12**	*-*
Inter-corporate deposits		
Tata Realty And Infrastructure Limited	**100.00**	*100.00*
Tata Sky Limited	**25.00**	*-*
Purchase of investments		
National Power Exchange Services Limited	**-**	*2.50*
Tata Sons Limited	**1000.00**	*-*
Panatone Finvest Limited	**200.00**	*-*
Revenues		
Tata America International Corporation	**11563.67**	*10801.03*
Interest income		
Tata Realty And Infrastructure Limited	**16.15**	*10.16*
CMC Limited	**2.20**	*3.11*
Tata Sons Limited	**16.30**	*-*
TCS Financial Solutions Australia Pty Limited	**11.10**	*-*
Dividend income		
CMC Limited	**11.62**	*8.52*
Purchase of goods, services and facilities		
CMC Limited	**125.21**	*255.46*
CMC Americas Inc.	**232.03**	*156.53*
Rent paid		
CMC Limited	**11.12**	*8.40*
Diligenta Limited	**30.64**	*29.57*

(Rs. in crores)

	2010	2009
Provision for doubtful debts / advances		
Tata Teleservices Limited	**13.67**	*0.10*
Bad debts written-off		
TCS e-Serve Limited	**0.04**	-
Excess provision written back		
Tata Teleservices Limited	**5.38**	-
Tata Capital Limited	**1.68**	-
Guarantees given during the year		
TCS Iberoamerica SA	**-**	*1.22*
TCS Financial Solutions Australia Pty Limited	**2.92**	-
TCS FNS Pty Limited	**-**	*0.40*
Tata Consultancy Services Morocco SARL AU	**-**	*0.90*
Remuneration to Key Management Personnel		
Mr. N. Chandrasekaran	**2.98**	*1.92*
Mr. S. Mahalingam	**2.36**	*1.70*
Mr. Phiroz Vandrevala	**1.69**	*1.41*
Mr. S. Ramadorai *	**3.62**	*4.10*
Debtors, Unbilled revenue, Loans and advances		
Tata America International Corporation	**475.11**	*311.68*
Tata Consultancy Services Asia Pacific Pte Ltd.	**6.18**	*221.13*
TCS Iberoamerica SA	**270.97**	*312.25*
TCS Financial Solutions Australia Pty Limited	**316.73**	*279.97*
Sundry creditors, Advance billings and deferred revenues, Advances from customers		
Tata America International Corporation	**252.99**	*380.80*
CMC Limited	**65.57**	*67.20*
Tata Consultancy Services Netherlands BV	**186.03**	*15.09*
Guarantees outstanding		
Diligenta Limited	**1719.32**	*1833.80*
Investment in Debentures		
Tata Sons Limited	**1000.00**	-
Panatone Finvest Limited	**200.00**	-

* ceased to be an Executive Director on 05.10.2009 and appointed as Vice Chairman in Non-Executive capacity w.e.f. 06.10.2009

13) **Managerial Remuneration**

	2010 (Rs. in crores)	2009 (Rs. in crores)
1. Managing Director and other Whole-time Directors		
(a) Salaries (including Company contribution to Provident and Superannuation funds)	**1.75**	*1.66*
(b) Commission	**6.95**	*5.75*
(c) Estimated value of perquisites and allowances	**1.95**	*1.72*
	10.65	*9.13*
2. Non Whole-time Directors		
(a) Commission	**4.50**	*3.60*
(b) Sitting fees	**0.08**	*0.07*
	4.58	*3.67*
Total Remuneration	**15.23**	*12.80*

Notes:

1) The above figures do not include (a) provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation / premium paid are not available for the Whole-time Directors and (b) retirement benefits of Rs. 14.08 crores to the former Managing Director.

2) Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956.

	2010 (Rs. in crores)	2009 (Rs. in crores)
Profit before taxes and exceptional items	**6370.38**	*5139.69*
Add:		
(a) Managerial Remuneration	**15.23**	*12.80*
(b) Provision for bad and doubtful debts and advances	**155.46**	*46.48*
	170.69	*59.28*
Less:		
(a) Profit on sale of mutual funds and other current investments (net)	**148.41**	*48.98*
(b) Profit on sale of long-term investments	**1.15**	-
(c) Capital profits on sale of fixed assets	**0.62**	*9.71*
	150.18	*58.69*
Net Profit as per Section 309 (5) of the Companies Act, 1956	**6390.89**	*5140.28*
Commission:		
(a) Whole-time Directors	**6.95**	*5.75*
(b) Non Whole-time Directors	**4.50**	*3.60*

The remuneration payable to the Whole-time directors is subject to approval of the shareholders.

14) **Auditor's remuneration**

	2010 (Rs. in crores)	2009 (Rs. in crores)
For services as auditors, including quarterly audits	**2.10**	*1.60*
For Tax Audit	**0.35**	*0.25*
For Other services	**2.58**	*1.74*
Reimbursement of out-of-pocket expenses	**0.10**	*0.03*
For service tax *	**0.53**	*0.41*

The remuneration disclosed above excludes fees of Rs. 0.89 crore *(Previous year : Rs. 1.14 crores)* for attest and other professional services rendered by a firm of accountants in which some partners of the firm of statutory auditors are partners.

* Service tax credit has been / will be availed.

15) Current tax is net of the write-back of provisions (net) and refunds received of Rs. 13.98 crores for the year ended March 31, 2010 *(March 31, 2009 : Rs. 103.11 crores)* in domestic and certain overseas jurisdictions relating to earlier years.

16) **Contingent Liabilities**

	As at March 31, 2010 (Rs. in crores)	As at March 31, 2009 (Rs. in crores)
Claims against the Company not acknowledged as debt (See note (i) below)	**18.98**	*43.82*
Income Tax demands	**259.02**	*269.04*
Indirect Tax demands	**47.55**	*35.56*
Guarantees given by the Company on behalf of subsidiaries (See note (iii) below)	**1851.93**	*1938.84*

Notes:

i) The Company is contesting claims made by lessors for properties leased under tenancy agreements in the courts. In respect of these claims, a provision has been held for Rs. 106.59 crores *(March 31, 2009 : Rs. 67.58 crores)* and Rs. 0.99 crore *(March 31, 2009 : Rs. 32.90 crores)* has been included above under the head "Claims against the Company not acknowledged as debt".

ii) TCS e-Serve Limited has a contingent liability of Rs. 212.59 crores *(March 31, 2009 : Rs. 220.72 crores)* in respect of Income Tax matters in dispute. TCS e-Serve Limited has also paid advance taxes aggregating to Rs. 162.13 crores *(March 31, 2009 : Rs. 162.13 crores)* against the disputed amounts for the relevant assessment years. The Company is entitled to an indemnification of the above referred contingent claims on TCS e-Serve Limited from the seller and would be required to pay amounts equal to amounts refunded to TCS e-Serve Limited on those claims as an adjustment to the purchase price consideration.

iii) The Company has provided guarantees aggregating to Rs. 1719.32 crores (GBP 252.50 million) *(March 31, 2009 : Rs. 1833.80 crores) (GBP 252.50 million)* to third parties on behalf of its subsidiary Diligenta Limited. The Company does not expect any outflow of resources in respect of the above.

17) **Commitments**

i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 1115.02 crores *(March 31, 2009 : Rs. 637.87 crores)*.

ii) Pearl Group Services Limited ("Pearl") has an equity holding of 24 percent in Diligenta Limited. Under the shareholders agreement dated March 23, 2006, the Company has a call option to purchase all the shares held by Pearl at fixed price of Rs. 205.91 crores (GBP 30.24 million) at the end of fourth year and Pearl has a put option to sell the shares to the Company at the same price at the end of the fifth year. As at March 31, 2010, the Company has not exercised the call option.

iii) The Company has undertaken to provide continued financial support to its subsidiary APOnline Limited and Tata Consultancy Services Morocco SARL AU.

iv) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance Rs. 90,000 per unit against the investment of 1000 units aggregating to Rs. 9 crores *(March 31, 2009 : Rs. Nil)*.

18) **Micro and Small Enterprises**

(Rs. in crores)

	As at March 31, 2010		As at March 31, 2009	
	Principal	**Interest**	Principal	Interest
Amount due to vendor	**0.22**	**-**	*0.81*	-
Principal amount paid (includes unpaid) beyond the appointed date	**7.86**	**-**	*24.10*	-
Interest accrued and remaining unpaid (includes interest disallowable)	**-**	**0.04**	-	*0.20*

19) **Income In Foreign Currency**

		2010 (Rs. in crores)	2009 (Rs. in crores)
(a)	FOB value of exports	**128.92**	*202.68*
(b)	Consultancy services	**21115.28**	*20600.26*
(c)	Interest income	**36.16**	*23.37*
(d)	Other income	**9.21**	*10.34*

20) **Expenditure in Foreign Currency**
(subject to deduction of tax where applicable)

		2010 (Rs. in crores)	2009 (Rs. in crores)
(a)	Royalty	**2.80**	*1.50*
(b)	Professional fees	**69.98**	*77.17*
(c)	Interest	**4.01**	*1.87*
(d)	Business associate expenses	**819.66**	*804.70*
(e)	Communication expenses	**146.52**	*150.48*
(f)	Foreign taxes	**319.78**	*321.87*
(g)	Overseas business expenses	**4056.93**	*4496.19*
(h)	Overseas employee costs	**1131.00**	*1116.45*
(i)	Travelling and conveyance	**69.87**	*100.12*
(j)	Software expenses	**373.43**	*381.24*
(k)	Others	**345.18**	*415.93*

21) **Value of Imports calculated on C.I.F. basis**

	2010 (Rs. in crores)	2009 (Rs. in crores)
Raw materials, sub-assemblies and components	**11.11**	*42.28*
Capital goods	**101.84**	*260.52*
Stores and spare parts	**0.02**	*0.07*

22) **Licensed and installed capacities and production**

(Installed capacity certified by the management and accepted by the auditors without verification, this being a technical matter)

	Installed Capacity (units)	Actual Production (units)
Document processing systems	**45000**	**9004**
	45000	*30897*

Licensed capacity for document processing systems is not applicable.

23) **Information in regard to finished goods**

	Opening Stock		Purchase		Turnover		Closing Stock	
	Qty	Value (Rs. in crores)	Qty	Value (Rs. in crores)	Qty	Value (Rs. in crores)	Qty	Value (Rs. in crores)
Document processing systems	**5291**	**2.87**	**-**	**-**	**12024**	**19.01**	**2271**	**1.40**
	92	*0.47*	-	-	*25698*	*36.33*	*5291*	*2.87*
Others (including software license)	**-**	**-**	**-**	**-**	**-**	**792.51**	**-**	**-**
	-	-	-	-	-	*831.92*	-	-
Total		**2.87**		**-**		**811.52**		**1.40**
	-	*0.47*	-	-	-	*868.25*	-	*2.87*

24) **Value of imported and indigenous raw materials, sub-assemblies and components, stores and spare parts consumed**

	Raw materials, sub-assemblies and components		Stores and Spare Parts	
	(Rs. in crores)	%	(Rs. in crores)	%
Imported	**18.67**	**78.66**	**0.01**	**57.01**
	42.00	*79.74*	*0.07*	*70.88*
Indigenous	**5.06**	**21.34**	**0.01**	**42.99**
	10.67	*20.26*	*0.03*	*29.12*
Total	**23.73**	**100.00**	**0.02**	**100.00**
	52.67	*100.00*	*0.10*	*100.00*

Consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

25) **Remittance in foreign currencies for dividends**

The Company has remitted Rs. Nil *(March 31, 2009 : Rs. 6.19 crores)* in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year 2008-09 and interim dividends for the year 2009-10, are as under:

	Number of Non-Resident Shareholders	Number of Equity Shares Held	Gross Amount of dividend (Rs. in crores)	
			2010	2009
Final dividend for 2007-08 declared in June 2008	8289	11,15,49,408	**-**	*55.78*
Interim dividend declared in July 2008	8395	11,20,08,775	**-**	*33.60*
Interim dividend declared in October 2008	8716	11,15,59,826	**-**	*33.47*
Interim dividend declared in January 2009	8775	11,26,77,140	**-**	*33.80*
Final dividend for 2008-09 declared in June 2009	8739	11,08,03,238	**55.40**	-
Interim dividend declared in July 2009	9136	21,88,45,873	**43.77**	
Interim dividend declared in October 2009	9368	23,55,64,230	**47.11**	-
Interim dividend declared in January 2010	9515	24,59,40,797	**49.19**	-

26) **Derivative Financial Instruments**

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts and currency option contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Company has following outstanding derivative instruments as on March 31, 2010:

(i) The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as on:

	March 31, 2010			March 31, 2009		
Foreign Currency	**No. of Contracts**	**Notional amount of Forward contracts (million)**	**Fair Value (Rs. in crores)**	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (Rs. in crores)
			(Loss)			(Loss)
U.S.Dollar	**-**	**-**	**-**	*14*	*153.50*	*(92.00)*

ii) The following are outstanding currency option contracts, which have been designated as Cash Flow Hedges, as on:

	March 31, 2010			March 31, 2009		
Foreign Currency	**No. of Contracts**	**Notional amount of Currency Option contracts (million)**	**Fair Value (Rs. in crores)**	No. of Contracts	Notional amount of Currency Option contracts (million)	Fair Value (Rs. in crores)
			(Loss)			(Loss)
U.S.Dollar	**10**	**357.00**	**(115.68)**	*26*	*907.60*	*(587.03)*
Sterling Pound	**-**	**-**	**-**	*1*	*4.00*	*(0.85)*
Euro	**-**	**-**	**-**	*1*	*5.00*	*(5.59)*

Net loss on derivative instruments of Rs. 82.23 crores recognised in Hedging Reserve as of March 31, 2010, is expected to be reclassified to the profit and loss account by March 31, 2011.

The movement in Hedging Reserve during the year ended March 31, 2010, for derivatives designated as Cash Flow Hedges is as follows:

	Year ended March 31, 2010	Year ended March 31, 2009
	(Rs. in crores)	(Rs. in crores)
Balance at the beginning of the year	**(721.86)**	*(15.15)*
Gains transferred to income statement on occurrence of forecasted hedge transaction	**462.69**	*21.83*
Changes in the fair value of effective portion of outstanding cash flow derivatives	**181.20**	*(630.73)*
Net derivative gain / (losses) related to discontinued Cash Flow Hedges	**1.15**	*(97.81)*
Balance at the end of the year	**(76.82)**	*(721.86)*

In addition to the above Cash Flow Hedges, the Company has outstanding foreign exchange forward contracts and currency option contracts with notional amount aggregating Rs. 3316.41 crores *(March 31, 2009 : Rs. 4058.50 crores)* whose fair value showed a gain of Rs. 4.67 crores as on March 31, 2010 *(March 31, 2009 : Rs. 7.26 crores)*. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting and accordingly these are accounted as derivatives instruments at fair value with changes in fair value recorded in the profit and loss account. Exchange gain of Rs. 91.46 crores *(March 31, 2009 : exchange loss Rs. 400.49 crores)* on foreign exchange forward contracts and currency option contracts have been recognised in the year ended March 31, 2010.

As of balance sheet date, the Company has net foreign currency exposures that are not hedged by a derivative instrument or otherwise amounting to Rs. 790.75 crores. *(March 31, 2009 : Rs. 1209.54 crores)*

27) **Disclosure required by Clause 32 of the Listing Agreement**

Amount of loans and advances in nature of loans outstanding from subsidiaries for the year ended March 31, 2010:

Subsidiary Company	**Outstanding as at March 31, 2010**	**Maximum amount outstanding during the year**
	(Rs. in crores)	(Rs. in crores)
MP Online Limited	**-**	**1.70**
	1.70	*1.70*
Tata Consultancy Services Asia Pacific Pte Ltd.*	**-**	**-**
	-	*45.75*
TCS FNS Pty Limited **	**219.99**	**229.56**
	187.97	*216.99*
TCS Iberoamerica SA ***	**265.66**	**300.05**
	300.05	*301.25*
CMC Limited ****	**-**	**35.72**
	34.49	*34.49*
Tata Consultancy Services Morocco SARL AU	**5.23**	**14.46**
	12.05	*12.10*
Tata Consultancy Services Canada Inc.*****	**-**	**85.76**
	-	-

		No. of Shares
* Tata Consultancy Services Asia Pacific Pte Ltd. has made the following investments in its subsidiaries:		
(a)	Tata Consultancy Services Malaysia Sdn Bhd	20,00,000
(b)	Tata Consultancy Services Japan Ltd.	1,200
(c)	Tata Consultancy Services (China) Co., Ltd.	7,27,97,760
(d)	PT Tata Consultancy Services Indonesia	99
(e)	Tata Information Technology (Shanghai) Company Limited	# -
(f)	Tata Consultancy Services (Thailand) Limited	7,99,998
(g)	Tata Consultancy Services (Philippines) Inc.	85,995

Tata Consultancy Services Asia Pacific Pte Ltd. has made an investment of USD 50,00,000 in Tata Information Technology (Shanghai) Company Limited

** TCS FNS Pty Limited has made the following investments in its subsidiaries:

(a)	TCS Financial Solutions Australia Holdings Pty Limited	65,58,424
(b)	TCS Management Pty Ltd.	4,91,712

		No. of Shares
*** TCS Iberoamerica SA has made the following investments in its subsidiaries:		
(a)	TCS Solution Centre S.A.	50,00,000
(b)	Tata Consultancy Services Argentina S.A.	37,72,681
(c)	Tata Consultancy Services Do Brasil Ltda	8,67,31,803
(d)	Tata Consultancy Services De Mexico S.A., De C.V.	49,500
(e)	Tata Consultancy Services De Espana S.A.	59,598
(f)	TCS Inversiones Chile Limitada	3,10,10,000
(g)	TCS Uruguay S.A.	540,000
**** CMC Limited has made the following investments in its subsidiaries:		
(a)	CMC Americas Inc.	16,00,01,000
***** Tata Consultancy Services Canada Inc. has made the following investments in its subsidiaries:		
1.	In Equity Shares	
	(a) Exegenix Research Inc.	499
	(b) ERI Holdings Corp.	501
2.	In Preference Shares	
	(a) Exegenix Research Inc.	20,000
	(b) ERI Holdings Corp.	1

28) Payables in respect of purchase of fixed assets amounting to Rs. 5.02 crores for the year ended March 31, 2010. *(Previous year : Rs. 23.12 crores)* have been considered as non cash transactions.

29) **Earning per share :**

(Rs. in crores)

	2010	2009
Net profit for the year	**5618.51**	*4696.21*
Less: Preference share dividend (including dividend tax)	**19.82**	*8.19*
Amount available for equity shareholders	**5598.69**	*4688.02*
Weighted average number of Shares	**195,72,20,996**	*195,72,20,996*
Earning per share basic and diluted (Rs.)	**28.61**	*23.95*
Face value per equity share (Rs.)	**1**	*1*

30) Previous year's figures have been recast / restated wherever necessary.

31) *Previous year's figures are in italics.*

TATA

Balance Sheet Abstract and Company's General Business Profile

I) Registration Details

Registration No.	84781	State Code	11
Balance Sheet Date	31st March, 2010		

II) Capital Raised during the year (Amount Rs. in Thousands)

	Public Issue	Rights Issue
	Nil	Nil
	Bonus Issue	Private Placement
	978610	Nil

III) Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

	Total Liabilities	Total Assets
	151924639	151924639
Sources of Funds	Paid-up Capital	Reserves and Surplus
	2957221	148208989
	Secured Loans	Unsecured Loans
	292487	64920
	Other Liabilities	
	401022	
Application of Funds	Net Fixed Assets	Investment
	37012383	78933795
	Net Current Assets	Other Assets
	35447112	531349

IV) Performance of the Company (Amount Rs. in Thousands)

Income	Total Expenditure
232220544	168516728
Profit / (Loss) Before Tax	Profit / (Loss) After Tax
63703816	56185163
Earnings per Share in Rs. (Weighted Average)	Dividend Rate % #
28.61	2000

\# (i) includes interim dividend of Rs.6 per share paid during the year.
(ii) the Board of Directors have recommended a special dividend of Rs.10 per share for fiscal 2010.

V) Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	85249009
Product Description	Computer Software

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

(Rs. in crores)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1	APOnline Limited	INR	1.000000	4.57	(2.39)	10.86	8.68	-	7.58	2.03	0.35	1.68	-	India
2	MP Online Limited	INR	1.000000	1.00	1.41	59.51	57.10	-	10.71	4.50	0.77	3.73	-	India
3	C-Edge Technologies Limited	INR	1.000000	10.00	5.49	25.76	10.27	3.10	28.09	5.99	1.88	4.11	-	India
4	CMC Limited	INR	1.000000	15.15	461.44	827.29	350.70	195.32	702.83	146.83	17.25	129.58	30.30	India
5	Diligenta Limited	GBP	68.091970	292.80	34.21	493.16	166.15	-	456.21	(78.93)	(23.34)	(55.59)	-	U.K.
6	Tata Consultancy Services Canada Inc.	CAD	44.247439	39.82	38.65	247.91	169.44	-	362.97	63.98	18.12	45.86	-	Canada
7	Tata America International Corporation	USD	44.920000	0.90	2010.15	2820.00	808.95	-	12518.51	711.90	271.75	440.15	-	U.S.A.
8	Tata Consultancy Services Asia Pacific Pte Ltd.	USD	44.920000	19.76	139.91	200.87	41.20	5.26	389.30	40.01	5.47	34.54	-	Singapore
9	Tata Consultancy Services Belgium SA	EUR	60.565612	1.13	80.41	117.58	36.04	-	278.00	54.25	18.52	35.73	-	Belgium
10	Tata Consultancy Services Deutschland GmbH	EUR	60.565612	0.91	61.02	139.45	77.52	-	446.38	24.82	7.66	17.16	-	Germany
11	Tata Consultancy Services Netherlands BV	EUR	60.565612	399.73	215.11	674.55	59.71	-	576.12	88.28	22.18	66.10	-	Netherlands
12	Tata Consultancy Services Sverige AB	SEK	6.235070	0.06	46.35	187.73	141.32	-	372.21	13.20	8.74	4.46	-	Sweden
13	TCS FNS Pty Limited	AUD	41.153907	4.12	(2.89)	152.52	151.29	-	-	(0.34)	-	(0.34)	-	Australia
14	TCS Iberoamerica SA	USD	44.920000	63.17	308.94	645.85	273.74	-	(0.03)	(13.23)	-	(13.23)	-	Uruguay
15	WTI Advanced Technology Limited	INR	1.000000	1.05	60.52	64.35	2.78	41.69	21.50	11.17	2.05	9.12	-	India
16	Tata Consultancy Services Morocco SARL AU	MAD	5.408966	7.98	(13.19)	4.14	9.35	-	0.31	(5.67)	-	(5.67)	-	Morocco
17	Tata Consultancy Services (Africa) (Pty) Ltd.	ZAR	6.124898	8.57	(0.17)	8.43	0.03	-	0.01	(0.03)	-	(0.03)	-	South Africa
18	CMC Americas Inc.	USD	44.920000	7.19	34.73	123.83	81.91	-	312.98	21.62	8.57	13.05	-	U.S.A.
19	Financial Network Services (Beijing) Co. Ltd.	CNY	6.580865	1.27	(11.06)	31.82	41.61	-	23.89	(4.36)	(0.38)	(3.98)	-	China
20	Tata Information Technology (Shanghai) Company Limited	CNY	6.580865	26.64	19.85	55.50	9.01	-	72.62	(10.00)	0.49	(10.49)	-	China
21	Tata Consultancy Services (China) Co., Ltd.	CNY	6.580865	72.65	5.93	85.75	7.17	-	67.49	4.49	1.13	3.36	-	China
22	TCS Solution Center S.A.	USD	44.920000	0.93	(5.36)	67.92	72.35	-	178.36	1.57	0.99	0.58	-	Uruguay
23	Tata Consultancy Services Argentina S.A.	USD	44.920000	8.87	(13.67)	37.73	42.53	-	48.10	0.36	-	0.36	-	Argentina
24	Tata Consultancy Services Do Brasil Ltda	USD	44.920000	169.78	14.67	280.92	96.47	-	380.21	8.71	11.50	(2.79)	-	Brazil
25	Tata Consultancy Services De Mexico S.A., De C.V.	USD	44.920000	1.04	103.72	168.42	63.66	-	379.43	45.20	19.16	26.04	-	Mexico
26	Tata Consultancy Services De Espana S.A.	USD	44.920000	0.40	(7.32)	18.69	25.61	-	29.84	(4.54)	-	(4.54)	-	Spain
27	TCS Italia SRL	EUR	60.565612	9.69	(8.91)	39.24	38.46	-	85.73	1.60	2.90	(1.30)	-	Italy
28	Tata Consultancy Services Japan Ltd.	JPY	0.481120	2.89	16.85	45.14	25.40	-	168.38	(16.41)	(1.15)	(15.26)	-	Japan
29	Tata Consultancy Services Malaysia Sdn Bhd	MYR	13.763309	2.75	5.16	19.38	11.47	-	27.10	0.36	0.29	0.07	4.83	Malaysia
30	Tata Consultancy Services Luxembourg S.A.	EUR	60.565612	9.08	2.27	33.90	22.55	-	60.77	1.00	0.01	0.99	-	Luxembourg
31	Tata Consultancy Services Portugal Unipesoal Limitada	USD	44.920000	0.03	9.76	19.29	9.50	-	20.01	3.26	0.89	2.37	-	Portugal
32	Tata Consultancy Services Chile S.A.	USD	44.920000	2.24	7.13	16.86	7.49	-	47.07	0.06	(0.16)	0.22	-	Chile

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
33	TCS Inversiones Chile Limitada	USD	44.920000	116.79	156.53	277.77	4.45	-	0.04	0.01	-	0.01	-	Chile
34	Tata Consultancy Services BPO Chile SA	USD	44.920000	116.91	138.21	332.87	77.75	4.67	150.11	(15.15)	(2.06)	(13.09)	-	Chile
35	Syscrom S.A.	CLP	0.085472	0.66	17.43	18.46	0.37	-	0.89	0.27	0.06	0.21	-	Chile
36	Custodia De Documentos Intres Limitada	CLP	0.085472	0.03	6.94	7.11	0.14	-	1.18	0.27	0.04	0.23	-	Chile
37	TATASOLUTION CENTER S.A	USD	44.920000	4.50	56.87	126.01	64.64	-	206.46	39.56	17.46	22.10	-	Ecuador
38	TCS Financial Solutions Australia Holdings Pty Limited	AUD	41.153907	57.33	(15.36)	41.97	-	-	-	-	-	-	-	Australia
39	TCS Financial Solutions Australia Pty Limited	AUD	41.153907	0.01	(79.90)	170.84	250.73	-	129.65	52.90	18.55	34.35	-	Australia
40	TCS Management Pty Ltd.	AUD	41.153907	1.29	(16.37)	9.85	24.93	-	32.32	5.92	0.18	5.74	-	Australia
41	PT Financial Network Services	USD	44.920000	0.27	(0.01)	2.00	1.74	-	2.05	0.42	-	0.42	-	Indonesia
42	PT Tata Consultancy Services Indonesia	IDR	0.004936	0.50	0.08	3.25	2.67	-	4.82	0.78	0.26	0.52	-	Indonesia
43	Financial Network Services (H.K.) Limited	HKD	5.785677	0.01	(0.40)	0.02	0.41	-	-	-	-	-	-	Hong Kong
44	Tata Consultancy Services Switzerland Ltd.	CHF	42.413370	6.36	128.14	231.20	96.70	7.32	383.60	17.00	3.05	13.95	-	Switzerland
45	Tata Consultancy Services France SAS	EUR	60.565612	6.06	(15.60)	78.96	88.50	-	105.39	(9.02)	-	(9.02)	-	France
46	Tata Consultancy Services (South Africa) (PTY) Ltd.	ZAR	6.124898	11.02	14.03	240.18	215.13	-	160.76	10.04	2.81	7.23	-	South Africa
47	Tata Consultancy Services (Philippines) Inc.	PHP	0.994465	0.86	3.34	8.72	4.52	-	11.19	4.64	1.38	3.26	-	Philippines
48	Tata Consultancy Services (Thailand) Limited	THB	1.385992	1.11	1.46	4.43	1.86	-	8.94	1.74	-	1.74	-	Thailand
49	TCS e-Serve Limited	INR	1.000000	12.40	1271.36	1569.11	285.35	66.11	1439.78	592.67	(21.39)	614.06	18.60	India
50	TCS e-Serve International Limited	INR	1.000000	10.00	29.04	135.58	96.54	25.09	148.79	45.17	0.21	44.96	-	India
51	TCS e-Serve America, Inc.	USD	44.920000	1.24	0.35	7.68	6.09	-	8.88	0.58	0.22	0.36	-	U.S.A.
52	ERI Holdings Corp. (w.e.f. 05.06.2009)	CAD	44.247439	0.01	1.38	1.45	0.06	-	-	(0.06)	-	(0.06)	-	Canada
53	Exegenix Research Inc. (w.e.f. 05.06.2009)	CAD	44.247439	0.89	2.91	4.59	0.79	-	1.66	1.47	(0.69)	2.16	-	Canada
54	TCS Uruguay S. A. (w.e.f. 01.01.2010)	USD	44.920000	0.12	4.27	9.23	4.84	-	38.10	1.71	0.05	1.66	-	Uruguay
55	MGDC S.C. (w.e.f. 01.01.2010)	USD	44.920000	0.02	18.74	33.61	14.85	-	204.59	36.08	8.58	27.50	-	Mexico
56	TCS Financial Management, LLC *	USD	44.920000	-	-	-	-	-	-	-	-	-	-	U.S.A.
57	Financial Network Services Malaysia Sdn Bhd @**	MYR	13.763309	-	-	-	-	-	-	-	-	-	-	Malaysia
58	Financial Network Services (Africa) (Pty) Ltd.@ ***	ZAR	6.124898	-	-	-	-	-	-	-	-	-	-	South Africa
59	Tata Infotech (Singapore) Pte. Limited ****	USD	44.920000	-	-	-	-	-	-	0.04	-	0.04	-	Singapore

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2010.
2. @ The financial year of these companies ends on June 30. However, the results given are as of March 31, 2010.
3. *Liquidated on April 14, 2009.
4. **Liquidated on June 16, 2009.
5. *** Liquidated on March 05, 2010.
6. **** Liquidated on March 24, 2010.

Notes

TATA CONSULTANCY SERVICES LIMITED

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

ATTENDANCE SLIP

(To be presented at the entrance)

15TH ANNUAL GENERAL MEETING ON FRIDAY, JULY 2, 2010 AT 3.30 P.M.

at Birla Matushri Sabhagar,19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020.

Folio No. .... DP ID No. .... Client ID No. ....

Name of the Member: .... Signature: ....

Name of the Proxyholder: .... Signature: ....

1. Only Member/Proxyholder can attend the meeting
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

TATA CONSULTANCY SERVICES LIMITED

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

PROXY FORM

I/We .... of .... in the district of ....
being a member(s) of the above named Company, hereby appoint ....
of .... in the district of .... or failing him/her .... of
.... in the district of .... as my/our
proxy to attend and vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on Friday, July 2, 2010 at 3.30 p.m. at Birla Matushri Sabhagar,19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 and at any adjourment thereof.

Folio No. .... DP ID No. .... Client ID No. ....

No. of shares held ....

Signed this .... day of .... 2010.

Signature

Affix 15 Paise Revenue Stamp

This form is to be used ** In favour of / ** against the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

** Strike out whichever is not desired.

NOTES:
1. This Proxy must be lodged with the Company at its Registered Office at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.

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1. **Hassle-free direct credit of Dividend — Make use of NECS facility for speedy credit of Dividend**

   Shares held in Electronic Form

   - Register your latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) with your Depository Participant (DP).

   Shares held in Physical Form

   - Provide your latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) along with your folio number to our Registrars and Transfer Agents, TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

   In case you do not provide your new account number details as mentioned above, electronic credit of Dividend to your account is liable to be rejected.

2. **Dematerialise your Physical Shares to Electronic Form**

   - Eliminate all risks associated with Physical Shares.
   - Ease in Portfolio Management.

   Contact us (Tel. no.: 022-6778 9595)/our Registrars and Transfer Agents (Tel no.: 022-6656 8484) for assistance.

   Procedure for Dematerialisation of Shares

   - Open Beneficiary Account with a Depository Participant (DP) registered with SEBI.
   - Submit Dematerialisation Request Form (DRF) as given by the DP, duly signed by all the holders with the names and signatures in the same order as appearing in the concerned certificates(s).

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