

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SOURCES OF FUNDS:</b>			
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	A 295.72	295.72
	(b) Reserves and Surplus	B 24209.09	18171.00
		24504.81	18466.72
2	MINORITY INTEREST	458.17	361.71
3	LOAN FUNDS		
	(a) Secured Loans	C 38.44	31.21
	(b) Unsecured Loans	D 36.36	72.04
		74.80	103.25
4	DEFERRED TAX LIABILITIES (NET)	E 109.49	68.68
5	TOTAL FUNDS EMPLOYED	25147.27	19000.36
<b>APPLICATION OF FUNDS:</b>			
6	FIXED ASSETS	F	
	(a) Gross Block	7792.24	6419.51
	(b) Less :- Accumulated Depreciation	3545.15	2897.47
	(c) Net Block	4247.09	3522.04
	(d) Capital Work-in-Progress	1469.18	1017.37
		5716.27	4539.41
7	GOODWILL (ON CONSOLIDATION)	3232.00	3215.99
8	INVESTMENTS	G 1762.67	3682.08
9	DEFERRED TAX ASSETS (NET)	E 160.18	167.86
10	CURRENT ASSETS, LOANS AND ADVANCES		
	(a) Interest Accrued on Investments	73.97	26.18
	(b) Inventories	H 22.82	17.79
	(c) Unbilled Revenues	1348.85	1201.14
	(d) Sundry Debtors	I 8198.84	5855.41
	(e) Cash and Bank Balances	J 7378.09	4718.59
	(f) Loans and Advances	K 4858.16	3969.77
		21880.73	15788.88
11	CURRENT LIABILITIES AND PROVISIONS		
	(a) Current Liabilities	L 4698.09	4093.79
	(b) Provisions	M 2906.49	4300.07
		7604.58	8393.86
12	NET CURRENT ASSETS [ (10) less (11) ]	14276.15	7395.02
13	TOTAL ASSETS (NET)	25147.27	19000.36
14	NOTES TO ACCOUNTS	Q	

As per our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells  
Chartered AccountantsN. Venkatram  
PartnerRatan N. Tata  
ChairmanS. Ramadorai  
Vice ChairmanN. Chandrasekaran  
CEO and Managing  
DirectorS. Mahalingam  
Chief Financial Officer and  
Executive DirectorPhiroz Vandrevalla  
Head Global Corporate Affairs  
and Executive DirectorAman Mehta  
DirectorLaura M. Cha  
DirectorV. Thyagarajan  
DirectorDr. Ron Sommer  
DirectorIshaat Hussain  
DirectorDr. Vijay Kelkar  
DirectorSuprakash Mukhopadhyay  
Company Secretary

## TATA CONSULTANCY SERVICES LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	2011 ₹ in crores	2010 ₹ in crores
<b>INCOME</b>			
1	Information technology and consultancy services	36046.13	29085.21
2	Sale of equipment and software licences	1278.38	943.71
3	Other income, (net)	604.00	272.07
		<b>37928.51</b>	<b>30300.99</b>
<b>EXPENDITURE</b>			
4	Employee costs	13726.10	10879.57
5	Operation and other expenses	12420.05	10454.80
6	Interest	26.48	16.10
7	Depreciation	735.26	660.89
		<b>26907.89</b>	<b>22011.36</b>
	<b>PROFIT BEFORE TAXES</b>	<b>11020.62</b>	<b>8289.63</b>
8	<b>PROVISION FOR TAXES</b>		
	(a) Current tax (Refer note 12 to Schedule Q)	2065.95	1709.83
	(b) Deferred tax expense / (benefit)	17.15	(187.71)
	(c) Fringe benefit tax	(0.03)	(4.57)
	(d) MAT credit entitlement	(252.24)	(320.58)
		<b>1830.83</b>	<b>1,196.97</b>
	<b>PROFIT FOR THE YEAR BEFORE MINORITY INTEREST AND SHARE OF PROFIT OF ASSOCIATES</b>	<b>9189.79</b>	<b>7092.66</b>
9	Minority interest	121.45	90.99
10	Share of loss of associates	0.30	1.03
	<b>NET PROFIT FOR THE YEAR</b>	<b>9068.04</b>	<b>7000.64</b>
11	Balance brought forward from previous year	13604.84	11835.03
	<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>22672.88</b>	<b>18835.67</b>
12	<b>APPROPRIATIONS</b>		
	(a) Interim dividends on equity shares	1174.32	1174.32
	(b) Proposed final dividend on equity shares	1565.78	2740.11
	(c) Dividend on redeemable preference shares	11.00	17.00
	(d) Tax on dividend	459.15	663.18
	(e) General Reserve	827.58	636.22
	(f) Balance carried to Balance Sheet	18635.05	13604.84
		<b>22672.88</b>	<b>18835.67</b>
13	<b>Earnings per share - Basic and diluted (₹)</b> (Refer note 19 to Schedule Q)	46.27	35.67
14	NOTES TO ACCOUNTS	Q	

As per our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells  
Chartered AccountantsN. Venkatram  
PartnerRatan N. Tata  
ChairmanS. Ramadorai  
Vice ChairmanN. Chandrasekaran  
CEO and Managing DirectorS. Mahalingam  
Chief Financial Officer and  
Executive DirectorPhiroz Vandrevala  
Head Global Corporate Affairs  
and Executive DirectorAman Mehta  
DirectorLaura M. Cha  
DirectorV. Thyagarajan  
DirectorDr. Ron Sommer  
DirectorIshaat Hussain  
DirectorDr. Vijay Kelkar  
DirectorSuprakash Mukhopadhyay  
Company Secretary

Mumbai, April 21, 2011

Mumbai, April 21, 2011

TATA CONSULTANCY SERVICES LIMITED  
STATEMENT OF CONSOLIDATED CASH FLOWS

Schedule	2011 ₹ in crores	2010 ₹ in crores
<b>1. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxes</b>	11020.62	8289.63
Adjustments for:		
Depreciation	735.26	660.89
Provision for doubtful debts and advances	(98.25)	174.03
Provision for diminution in value of investment	0.58	(3.77)
Write off / Impairment of goodwill	0.71	21.43
Interest expense	26.48	16.10
Loss on sale of fixed assets (net)	1.82	3.90
Dividend income	(16.04)	(13.38)
Profit on sale of mutual fund and other current investments (net)	(81.85)	(157.02)
Interest income	(497.23)	(205.11)
Exchange difference on translation of foreign currency cash and cash equivalents	(30.28)	46.83
Unrealised exchange (gain) / loss	(19.07)	0.49
<b>Operating profit before working capital changes</b>	<b>11042.75</b>	<b>8834.02</b>
Inventories	(5.03)	18.81
Unbilled revenues	(144.36)	280.24
Sundry debtors	(2207.73)	110.58
Loans and advances	(362.77)	(153.17)
Current liabilities and provisions	580.65	579.73
Adjustment of translation differences on working capital	11.58	(356.67)
<b>Cash generated from operations</b>	<b>8915.09</b>	<b>9313.54</b>
Taxes paid	(2277.00)	(1907.31)
<b>Net cash provided by operating activities</b>	<b>6638.09</b>	<b>7406.23</b>
<b>2. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (Refer note 18 to Schedule Q)	(1850.32)	(1044.79)
Commercial papers matured	150.00	-
Proceeds from sale of fixed assets	18.11	13.30
Purchase of trade investments	(19.00)	(1200.00)
Purchase of mutual fund and other investments	(49667.01)	(56018.77)
Proceeds from sale / transfer of long term investments	-	3.50
Inter-corporate deposits placed	(488.50)	(229.00)
Commercial papers purchased	(146.02)	-
Sale of mutual funds and other investments	51687.68	55303.97
Adjustment of purchase consideration	27.33	45.67
Acquisition of subsidiaries net of cash (including additional consideration)	7.16	(12.87)
Purchase of shares from minority shareholders	(6.59)	-
Sale of subsidiaries, net of cash of Nil (Previous year : ₹ 0.09 crore)	-	2.57
Inter-corporate deposits refunded	528.50	39.00
Dividends received	16.04	13.38
Interest received	398.75	92.81
Fixed deposit with banks having original maturity over three months placed	(6155.59)	(3622.05)
Fixed deposit with banks having original maturity over three months matured	3968.21	1200.06
<b>Net cash used in investing activities</b>	<b>(1531.25)</b>	<b>(5413.22)</b>
<b>3. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of other than short term borrowings	-	(449.20)
Borrowings (net)	(24.39)	48.63
Dividend paid, including dividend tax	(4584.39)	(1954.56)
Dividend tax on dividend paid by subsidiary	(8.31)	(3.86)
Dividend paid to minority shareholders of a subsidiary	(15.98)	(11.11)
Proceeds from issue of shares to minority shareholders	0.66	5.39
Interest paid	(26.49)	(16.64)
<b>Net cash used in financing activities</b>	<b>(4658.90)</b>	<b>(2381.35)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>447.94</b>	<b>(388.34)</b>
Cash and cash equivalents at beginning of the year	1024.37	1459.54
Exchange difference on translation of foreign currency cash and cash equivalents	30.28	(46.83)
<b>Cash and cash equivalents at end of the year</b>	<b>1502.59</b>	<b>1024.37</b>
Deposits with original maturity over three months	5849.38	3652.74
Restricted Cash	26.12	41.48
<b>Cash and Bank balance at the end of the year as per Schedule J</b>	<b>7378.09</b>	<b>4718.59</b>

Note:

Receivable from ALMC hf. (formerly Straumur- Burdaras Investment Bank hf.) of ₹ 0.12 crores have been converted into equity and bonds during the year ended March 31, 2011.

4 NOTES TO ACCOUNTS

Q

As per our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells  
Chartered Accountants

N. Venkatram  
Partner

Ratan N. Tata  
Chairman

S. Ramadorai  
Vice Chairman

N. Chandrasekaran  
CEO and Managing Director

S. Mahalingam  
Chief Financial Officer and  
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Laura M. Cha  
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V. Thyagarajan  
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Dr. Ron Sommer  
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Ishaat Hussain  
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Dr. Vijay Kelkar  
Director

Suprakash Mukhopadhyay  
Company Secretary

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>(a) Authorised</b>		
(i) 225,00,00,000 equity shares of ₹ 1 each <i>(March 31, 2010 : 225,00,00,000 equity shares of ₹ 1 each)</i>	225.00	225.00
(ii) 100,00,00,000 redeemable preference shares of ₹ 1 each <i>(March 31, 2010 : 100,00,00,000 redeemable preference shares of ₹ 1 each)</i>	100.00	100.00
	325.00	325.00
<b>(b) Issued, Subscribed and Paid up</b>		
(i) 195,72,20,996 equity shares of ₹ 1 each <i>(March 31, 2010 : 195,72,20,996 equity shares of ₹ 1 each)</i>	195.72	195.72
(ii) 100,00,00,000 redeemable preference shares of ₹ 1 each <i>(March 31, 2010 : 100,00,00,000 redeemable preference shares of ₹ 1 each)</i>	100.00	100.00
	295.72	295.72

Notes :

1. Equity shares of ₹ 10 each have been sub-divided into ten equity shares of ₹ 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 Equity Share Capital was increased to 120,00,00,000 equity shares of ₹ 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 ₹ 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 Equity Share Capital was increased to ₹ 220 crores by creation of 100,00,00,000 redeemable preference shares of face value of ₹ 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 ₹ 197.86 crores by allotment of 100,00,00,000 redeemable preference shares of face value of ₹ 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 ₹ 1 each pursuant a shareholders' resolution passed 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, 2010 : 144,34,04,398 equity shares)* and 100,00,00,000 redeemable preference shares *(March 31, 2010 : 100,00,00,000 redeemable preference shares)* are held by Tata Sons Limited, the holding company.

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
(a) Capital Reserve (on consolidation)	24.50	5.02
(b) Capital Redemption Reserve	0.40	0.40
(c) Securities Premium Account		
(i) Opening balance	1918.47	2016.33
(ii) Transferred to Share Capital Account consequent to issue of bonus shares	-	(97.86)
	1918.47	1918.47
(d) General Reserve		
(i) Opening balance	2539.59	1903.37
(ii) Transferred from Profit and Loss Account	827.58	636.22
	3367.17	2539.59
(e) Balance in Profit and Loss Account	18635.05	13604.84
(f) Foreign currency translation reserve		
(i) Opening balance	108.75	471.94
(ii) Adjustment during the year (net)	92.02	(363.19)
	200.77	108.75
(g) Hedging reserve account (Refer note 17 to Schedule Q)		
(i) Opening balance	(6.07)	(729.94)
(ii) Adjustment during the year (net)	68.80	723.87
	62.73	(6.07)
	24209.09	18171.00

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
(a) <u>From Banks</u> Overdrafts	0.46	-
(b) <u>From Others (i.e. entities other than banks and financial institutions)</u> Obligations under finance lease	37.98	31.21
	38.44	31.21

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.

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
(a) <u>Short-term loans</u> From Banks	31.11	58.31
(b) <u>Others</u> From entities other than banks	5.25	13.73
	36.36	72.04

Note:

Loans (other than short-term) repayable within one year  
₹ 1.25 crores (March 31, 2010: ₹ 1.25 crores)

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'E'</b>		
<b>DEFERRED TAX BALANCES</b>		
(a) Deferred Tax Liabilities (net)		
(i) Foreign branch profit tax	60.15	43.97
(ii) Depreciation	1.38	2.43
(iii) Employee benefits	-	(0.04)
(iv) Provision for doubtful debts	-	(0.01)
(v) Others	47.96	22.33
	109.49	68.68
(b) Deferred Tax Assets (net)		
(i) Foreign branch profit tax	-	0.62
(ii) Depreciation	(22.45)	(61.56)
(iii) Employee benefits	70.40	77.94
(iv) Provision for doubtful debts	49.34	77.81
(v) Others	62.89	73.05
	160.18	167.86

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

**SCHEDULE 'F'**

**FIXED ASSETS**

₹ in crores

Description	Gross Block as at April 1, 2010	Additions	Deletions/ Adjustments	Translation Exchange Difference	Gross Block as at March 31, 2011	Accumulated Depreciation as at April 1, 2010	Depreciation for the year	Deletions/ Adjustments	Translation Exchange Difference	Accumulated Depreciation as at March 31, 2011	Net book value as at March 31, 2011	Net book value as at March 31, 2010
<b>(a) TANGIBLE FIXED ASSETS</b>												
FREEHOLD LANDS	329.65	-	-	(0.10)	329.55	-	-	-	-	-	329.55	329.65
LEASEHOLD LANDS	69.68	28.04	-	-	97.72	(9.85)	(1.70)	-	-	(11.55)	86.17	59.83
FREEHOLD BUILDINGS	1469.79	252.35	(0.49)	(0.27)	1721.38	(225.04)	(66.40)	0.66	(0.01)	(290.79)	1430.59	1244.75
FACTORY BUILDINGS	1.21	0.30	-	-	1.51	(0.77)	(0.06)	-	-	(0.83)	0.68	0.44
LEASEHOLD BUILDINGS	55.26	18.42	14.05	3.35	91.08	(21.33)	(10.51)	(8.02)	(1.64)	(41.50)	49.58	33.93
LEASEHOLD IMPROVEMENTS	475.92	140.88	(7.41)	1.11	610.50	(236.01)	(66.61)	(1.05)	(0.35)	(304.02)	306.48	239.91
PLANT AND MACHINERY	10.87	21.57	-	(0.20)	32.24	(10.75)	(1.60)	(15.18)	0.16	(27.37)	4.87	0.12
COMPUTER EQUIPMENT	1907.83	587.16	(60.60)	6.56	2440.95	(1291.52)	(345.63)	48.76	(4.25)	(1592.64)	848.31	616.31
MOTOR CARS	30.85	3.83	(6.71)	0.09	28.06	(15.73)	(4.51)	4.67	(0.07)	(15.64)	12.42	15.12
OFFICE EQUIPMENT	636.26	151.02	(11.42)	1.33	777.19	(266.10)	(74.09)	3.72	(1.04)	(337.51)	439.68	370.16
ELECTRICAL INSTALLATIONS	534.49	115.63	(71.58)	5.99	584.53	(261.51)	(54.67)	56.94	(4.58)	(263.82)	320.71	272.98
FURNITURE AND FIXTURES	406.69	99.58	(27.15)	4.92	484.04	(336.50)	(60.43)	21.80	(2.62)	(377.75)	106.29	70.19
<b>(b) INTANGIBLE ASSETS</b>												
GOODWILL ON ACQUISITION	223.44	-	-	12.12	235.56	(74.86)	(19.36)	-	(4.32)	(98.54)	137.02	148.58
ACQUIRED CONTRACT RIGHTS	172.17	-	-	9.34	181.51	(57.71)	(14.92)	-	(3.33)	(75.96)	105.55	114.46
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.71	1.92	(1.71)	-	12.92	(12.71)	(0.32)	1.97	-	(11.06)	1.86	-
SOFTWARE LICENSES	82.69	14.09	5.04	2.68	104.50	(77.08)	(12.28)	(3.32)	(1.32)	(94.00)	10.50	5.61
RIGHTS UNDER LICENSING AGREEMENT	-	59.00	-	-	59.00	-	(2.17)	-	-	(2.17)	56.83	-
<b>Total</b>	<b>6419.51</b>	<b>1493.79</b>	<b>(167.98)</b>	<b>46.92</b>	<b>7792.24</b>	<b>(2897.47)</b>	<b>(735.26)</b>	<b>110.95</b>	<b>(23.37)</b>	<b>(3545.15)</b>	<b>4247.09</b>	<b>3522.04</b>
Previous year	5843.86	737.93	(112.32)	(49.96)	6419.51	(2359.72)	(660.89)	95.13	28.01	(2897.47)	3522.04	3484.14
Capital Work-in-Progress (including Capital Advances ₹ 275.29 crores (March 31, 2010 : ₹ 219.73 crores))											1469.18	1017.37
<b>Grand Total</b>											<b>5716.27</b>	<b>4539.41</b>

Notes:

- Freehold buildings include ₹ 2.67 crores (March 31, 2010 : ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- Net book value of computer equipment of ₹ 1.82 crores (March 31, 2010 : ₹ 14.45 crores), furnitures and fixtures of ₹ 3.00 crores (March 31, 2010 : ₹ 5.15 crores) and leasehold improvements of ₹ 30.39 crores (March 31, 2010 : ₹ 25.72 crores) is under finance lease.
- Legal formalities relating to conveyance of freehold building having net book value ₹ 0.23 crore (March 31, 2010 : ₹ 0.25 crore) are pending completion.
- Additions to fixed assets includes ₹ 66.15 crores being the gross block of subsidiaries acquired during the year. The corresponding accumulated depreciation ₹ 37.11 crores has been included in the column entitled "Deletions / Adjustments" to Accumulated Depreciation.



TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

<b>SCHEDULE 'G'</b>	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>INVESTMENTS</b>		
<b><u>LONG-TERM INVESTMENTS</u></b>		
<b>(i) <u>Fully Paid Equity Shares (Unquoted)</u></b>		
National Power Exchange Limited	1.40	1.70
Philippine Dealing System Holdings Corporation	4.01	4.04
Firstech Solutions Co. Limited	0.92	0.93
Taj Air Limited	19.00	-
Yodlee, Inc.	-	-
ALMC HF (formerly Straumur - Burdardas Investment Bank hf.)	-	-
<b>(ii) <u>Fully Paid Preference Shares (Unquoted)</u></b>		
8% cumulative redeemable preference shares of Tata AutoComp Systems Limited	5.00	5.00
<b>(iii) <u>Others</u></b>		
Investment in Bonds (Quoted)	190.02	10.97
Investment in Bonds (Unquoted)	0.12	-
Investment in Debentures (Unquoted)	1200.00	1200.00
<b><u>CURRENT INVESTMENTS</u></b>		
Investment in Mutual Funds (Unquoted)	343.24	2459.44
	1763.71	3682.08
Less: Provision for diminution in value of investments	(1.04)	-
	1762.67	3682.08

Notes:

1. Market value of quoted investments	185.65	11.37
2. Book value of quoted investments	190.02	10.97
3. Book value of unquoted investments (net of provision)	1572.65	3671.11

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'H'</b>		
<b>INVENTORIES</b> (at lower of cost and net realisable value)		
(a) Stores and spares	4.60	3.63
(b) Raw Materials, sub-assemblies and components	4.86	5.15
(c) Goods-in-transit	0.29	0.30
(d) Finished goods and Work-in-progress	13.07	8.71
	22.82	17.79

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'I'</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
(a) Over six months		
(i) Considered good	787.61	526.32
(ii) Considered doubtful	230.01	320.06
(b) Others		
(i) Considered good	7407.36	5323.75
(ii) Considered doubtful	3.69	16.78
	8428.67	6186.91
Less: Provision for doubtful debts	(233.70)	(336.84)
	8194.97	5850.07
(c) Future finance lease receivables	4.43	6.65
Less: Unearned finance income	(0.56)	(1.31)
	3.87	5.34
	8198.84	5855.41

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'J'</b>		
<b>CASH AND BANK BALANCES</b>		
(a) Cash on hand	2.40	1.75
(b) Cheques on hand	54.33	84.55
(c) Remittances in transit	7.44	28.34
(d) Bank Balances		
(i) with Scheduled Banks		
(1) In current accounts (including Equity share application monies of ₹ 0.03 crore (March 31, 2010 : ₹ 0.03 crore))	82.41	102.67
(2) In cash credit accounts	26.32	13.67
(3) In deposit accounts	6061.70	3531.31
(ii) with Foreign Banks		
(1) In current accounts	616.27	417.69
(2) In deposit accounts	527.22	538.61
	7378.09	4718.59

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'K'</b>		
<b>LOANS AND ADVANCES (Unsecured)</b>		
(a) Considered good		
(i) Loans and advances to employees	199.67	164.33
(ii) Advances recoverable in cash or kind or for value to be received	2377.06	1938.44
(iii) Advance tax (including refunds receivable) (net)	1249.72	771.12
(iv) MAT credit entitlement	1031.71	1095.88
	4858.16	3969.77
(b) Considered doubtful		
(i) Loans and advances to employees	27.54	22.18
(ii) Advances recoverable in cash or kind or for value to be received	10.97	12.29
	38.51	34.47
Less: Provision for doubtful loans and advances	(38.51)	(34.47)
	4858.16	3969.77
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.	114.19	90.23
2. Advances recoverable in cash or kind or for value to be received include Inter-corporate deposits.	250.00	290.00

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'L'</b>		
<b>CURRENT LIABILITIES</b>		
(a) Sundry Creditors		
(i) Dues of micro and small enterprises	7.42	0.28
(ii) Dues of other creditors	3347.07	2977.45
(b) Advances from customers	76.29	35.30
(c) Advance billings and deferred revenues	736.26	702.89
(d) Equity share application monies refundable	0.03	0.03
(e) Investor Education and Protection Fund - Unpaid dividends (not due)	8.41	5.81
(f) Other liabilities	522.42	371.82
(g) Interest accrued but not due	0.19	0.21
	4698.09	4093.79
Note:		
Other liabilities include fair values of foreign exchange forward and currency option contracts.	57.70	115.92

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ in crores	As at March 31, 2010 ₹ in crores
<b>SCHEDULE 'M'</b>		
<b>PROVISIONS</b>		
(a) Current income taxes (net)	405.38	460.99
(b) Fringe benefit tax (net)	-	7.85
(c) Contingencies	7.94	7.91
(d) Employee benefits	649.07	599.85
(e) Proposed final dividend on equity shares	1565.78	2740.11
(f) Proposed dividend on redeemable preference shares	11.00	17.00
(g) Tax on dividend	266.74	466.23
(h) Provision for warranties	0.58	0.13
	2906.49	4300.07

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Profit and Loss Account

	2011 ₹ in crores	2010 ₹ in crores
<b>SCHEDULE 'N'</b>		
<b>OTHER INCOME (NET)</b>		
(a) Interest (Tax deducted at source ₹ 44.18 crores, <i>Previous year : ₹ 16.36 crores</i> )	497.23	205.11
(b) Dividend income	16.04	13.38
(c) Profit on redemption / sale of mutual funds and other current investments (net)	81.85	157.02
(d) Rent	4.54	7.26
(e) Loss on sale of fixed assets (net)	(1.82)	(3.90)
(f) Exchange loss (net)	(36.23)	(190.88)
(g) Miscellaneous income	42.39	84.08
	<b>604.00</b>	<b>272.07</b>
Notes:		
1. Dividend income pertains to:		
Dividends from other long-term investments	0.77	0.35
Dividend from mutual funds (other investments)	15.27	13.03
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 17 to Schedule Q).	(24.50)	(187.56)
<hr/>		
	2011 ₹ in crores	2010 ₹ in crores
<b>SCHEDULE 'O'</b>		
<b>EMPLOYEE COSTS</b>		
(a) Salaries and incentives	12030.22	9558.61
(b) Contributions to -		
(i) Provident fund	320.01	264.68
(ii) Superannuation scheme	99.82	77.21
(c) Gratuity fund contributions	94.93	65.48
(d) Social security and other benefit plans for overseas employees	261.33	213.76
(e) Staff welfare expenses	919.79	699.83
	<b>13726.10</b>	<b>10879.57</b>

TATA CONSULTANCY SERVICES LIMITED  
Schedules forming part of the Consolidated Profit and Loss Account

	2011 ₹ in crores	2010 ₹ in crores
<b>SCHEDULE 'P'</b>		
<b>OPERATION AND OTHER EXPENSES</b>		
(a) Overseas business expenses	5529.21	4570.07
(b) Services rendered by business associates and others	1836.55	1261.97
(c) Software, hardware and material costs	1100.99	987.79
(d) Cost of software licenses	524.10	464.24
(e) Communication expenses	542.34	422.87
(f) Travelling and conveyance expenses	473.73	341.90
(g) Rent	734.77	720.53
(h) Legal and professional fees	222.43	206.00
(i) Repairs and maintenance	256.69	212.77
(j) Electricity expenses	302.08	250.59
(k) Bad Debts and advances written off	25.35	24.65
(l) (Write back of provision) / Provision for doubtful debts	(102.30)	169.67
(m) Provision for doubtful advances	4.05	4.36
(n) Recruitment and training expenses	210.68	112.21
(o) Diminution in value of long-term investments	1.08	-
(p) Commission and brokerage	20.37	6.59
(q) Printing and stationery	45.87	34.62
(r) Insurance	30.98	45.31
(s) Rates and taxes	79.98	64.95
(t) Entertainment	25.14	16.78
(u) Impairment of goodwill in subsidiaries	-	21.43
(v) Other expenses	555.96	515.50
	12420.05	10454.80
Notes :		
1. Overseas business expenses includes:		
Travel expenses	319.20	225.32
Employee allowances	4986.69	4186.18
2. Repairs and maintenance includes:		
Buildings	126.12	109.85
Office and computer equipment	118.10	90.95

## 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.

#### 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.
- vi) 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.

#### 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 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.

#### 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 ₹ 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	Straight-Line	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	25% - 33.33%
Office Equipment	Written down value	13.91%
	Straight-Line	10% - 20%
Electrical Installations	Written down value	13% - 15%
	Straight-Line	18% - 20%
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 - 60 months
Software Licenses	Straight-Line	License Period
	Straight-Line	20% - 50%
Rights under Licensing Agreement	Straight-Line	License Period

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. Reversal of impairment loss on goodwill because of a change in estimates is not permitted.

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 and commercial paper are stated at the lower of cost and fair value, determined on a portfolio basis.

i) Employee benefits (Refer note 6)

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 offsetting 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 its 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 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.

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 attached 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

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>Percentage of voting power as at March 31, 2011</b>	<i>Percentage of voting power as at March 31, 2010</i>
<b>Subsidiaries (held directly)</b>			
APOne Limited	India	<b>89.00</b>	89.00
C-Edge Technologies Limited	India	<b>51.00</b>	51.00
CMC Limited	India	<b>51.12</b>	51.12
Diligenta Limited	UK	<b>76.00</b>	76.00
MP Online Limited	India	<b>89.00</b>	89.00
Tata Consultancy Services Canada Inc.	Canada	<b>100.00</b>	100.00
Tata America International Corporation	USA	<b>100.00</b>	100.00
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	<b>100.00</b>	100.00
Tata Consultancy Services Belgium SA	Belgium	<b>100.00</b>	100.00
Tata Consultancy Services Deutschland GmbH	Germany	<b>100.00</b>	100.00
Tata Consultancy Services Netherlands BV	Netherlands	<b>100.00</b>	100.00
Tata Consultancy Services Sverige AB	Sweden	<b>100.00</b>	100.00
TCS FNS Pty Limited	Australia	<b>100.00</b>	100.00
TCS Iberoamerica SA	Uruguay	<b>100.00</b>	100.00
WTI Advanced Technology Limited	India	<b>100.00</b>	100.00
Tata Consultancy Services Morocco SARL AU	Morocco	<b>100.00</b>	100.00
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	<b>60.00</b>	60.00

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>Percentage of voting power as at March 31, 2011</b>	<i>Percentage of voting power as at March 31, 2010</i>
TCS e-Serve Limited	India	<b>96.26</b>	96.26
MahaOnline Limited (w.e.f. 23.09.2010)	India	<b>74.00</b>	-
Retail FullServe Limited (w.e.f. 08.10.2010) (formerly SUPERVALU Services India Private Limited)	India	<b>100.00</b>	-
<b>Subsidiaries (held indirectly)</b>			
CMC Americas Inc.	USA	<b>100.00</b>	100.00
Financial Network Services (Beijing) Co. Ltd.	China	<b>100.00</b>	100.00
Tata Information Technology (Shanghai) Company Limited	China	<b>100.00</b>	100.00
Tata Consultancy Services (China) Co., Ltd.	China	<b>74.63</b>	65.94
TCS Solution Center S.A.	Uruguay	<b>100.00</b>	100.00
Tata Consultancy Services Argentina S.A.	Argentina	<b>99.00</b>	99.00
Tata Consultancy Services Do Brasil Ltda	Brazil	<b>100.00</b>	100.00
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	<b>100.00</b>	100.00
Tata Consultancy Services De Espana S.A.	Spain	<b>100.00</b>	100.00
TCS Italia SRL	Italy	<b>100.00</b>	100.00
Tata Consultancy Services Japan Ltd.	Japan	<b>100.00</b>	100.00
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	<b>100.00</b>	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	<b>100.00</b>	100.00
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	<b>100.00</b>	100.00
Tata Consultancy Services Chile S.A. (ceased to be a subsidiary w.e.f. 31.07.2010)	Chile	-	100.00
TCS Inversiones Chile Limitada	Chile	<b>99.99</b>	99.99
Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.)	Chile	<b>100.00</b>	100.00
Syscrom S.A. (ceased to be a subsidiary w.e.f. 30.06.2010)	Chile	-	100.00
Custodia De Documentos Interes Limitada (ceased to be a subsidiary w.e.f. 30.06.2010)	Chile	-	100.00
TATASOLUTION CENTER S.A	Ecuador	<b>100.00</b>	100.00
TCS Financial Solutions Australia Holdings Pty Limited	Australia	<b>100.00</b>	100.00
TCS Financial Solutions Australia Pty Limited	Australia	<b>100.00</b>	100.00
TCS Management Pty Ltd.	Australia	<b>100.00</b>	100.00
PT Financial Network Services	Indonesia	<b>100.00</b>	100.00
PT Tata Consultancy Services Indonesia	Indonesia	<b>100.00</b>	100.00
Financial Network Services (H.K.) Limited (ceased to be a subsidiary w.e.f. 15.10.2010)	Hong Kong	-	100.00

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>Percentage of voting power as at March 31, 2011</b>	<i>Percentage of voting power as at March 31, 2010</i>
Tata Consultancy Services Switzerland Ltd.	Switzerland	<b>100.00</b>	100.00
Tata Consultancy Services France SAS	France	<b>100.00</b>	100.00
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	<b>75.00</b>	75.00
Tata Consultancy Services (Thailand) Limited	Thailand	<b>100.00</b>	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	<b>100.00</b>	100.00
TCS e-Serve International Limited	India	<b>100.00</b>	100.00
TCS e-Serve America, Inc.	USA	<b>100.00</b>	100.00
Exegenix Research Inc. (ceased to be a subsidiary w.e.f. 01.12.2010)	Canada	-	100.00
ERI Holdings Corp. (ceased to be a subsidiary w.e.f. 01.12.2010)	Canada	-	100.00
TCS Uruguay S. A.	Uruguay	<b>100.00</b>	100.00
MGDC S.C.	Uruguay	<b>100.00</b>	100.00
Diligenta 2 Limited (w.e.f. 31.08.2010) (formerly Unisys Insurance Services Limited)	UK	<b>100.00</b>	-
MS CJV Investments Corporation (w.e.f. 04.10.2010)	USA	<b>100.00</b>	-
CMC eBiz Inc (w.e.f. 27.01.2011)	USA	<b>100.00</b>	-

#### **Associates**

National Power Exchange Limited (ceased to be an associate w.e.f. 04.09.2010)	India	<b>19.04</b>	50.00
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- b) The contribution of the subsidiaries formed or acquired during the year is as under:

(₹ in crores)

<b>Name of Subsidiary</b>	<b>Revenue (post acquisition)</b>	<b>Net Profit/(Loss) (post acquisition)</b>	<b>Net Assets</b>
Diligenta 2 Limited	188.30	0.52	118.30
MahaOnline Limited	-	(0.20)	2.35
MS CJV Investments Corporation	-	-	6.26
Retail FullServe Limited	44.06	5.81	44.16
CMC eBiz Inc	2.93	0.77	0.40

### **3) Acquisitions / Divestments**

- a) On June 30, 2010, Syscrom S.A. Chile has merged with Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.) The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.
- b) On June 30, 2010, Custodia De Documentos Interes Limitada has merged with Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.) The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.

- c) On July 31, 2010, Tata Consultancy Services Chile S.A. has merged with Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.) The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.
  - d) On August 31, 2010, the Company, through its subsidiary, Diligenta Limited, acquired 100% equity interest in Diligenta 2 Limited (formerly Unisys Insurance Services Limited).
  - e) National Power Exchange Limited ceased to be an associate of the Company w.e.f. September 4, 2010.
  - f) On September 23, 2010, the Company subscribed to 74% of the equity share capital of MahaOnline Limited.
  - g) On October 4, 2010, the Company, through its subsidiary, Tata America International Corporation, acquired 100% equity share capital of MS CJV Investments Corporation. Consequently, the group holding in Tata Consultancy Services (China) Co., Ltd. has increased from 65.94% to 74.63%.
  - h) On October 8, 2010, the Company has acquired 100% equity share capital of Retail FullServe Limited (formerly SUPERVALU Services India Private Limited).
  - i) On October 15, 2010, Financial Network Services (H.K.) Limited (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited) has been voluntarily liquidated.
  - j) On December 1, 2010, Exegenix Research Inc. and ERI Holding Corp. have merged with Tata Consultancy Services Canada Inc. The merged entity is a wholly owned subsidiary of Tata Consultancy Services Limited.
  - k) On January 27, 2011, the Company, through its subsidiary, CMC America Inc, subscribed to 100 percent share capital of CMC eBiz Inc.
- 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 and (b) the Government of Maharashtra not to divest its shareholding in MahaOnline Limited except to an affiliate.
- 5) Unbilled revenue as at March 31, 2011, amounting to ₹ 1348.85 crores (*March 31, 2010 : ₹ 1201.14 crores*) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

## 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 ₹ 319.53 crores (*Previous year: ₹ 264.68 crores*) for provident fund contributions and ₹ 99.65 crores (*Previous year : ₹ 77.21 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 ₹ 68.60 crores (*Previous year: ₹ 53.01 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:

	(₹ in crores)		
<b>Funded retirement benefits</b>	<b>Indian As at March 31, 2011</b>	<b>Foreign As at March 31, 2011</b>	<b>Consolidated As at March 31, 2011</b>
<b>i) Change in benefit obligations:</b>			
Project benefit obligation, beginning of the year	<b>497.21</b>	<b>172.80</b>	<b>670.01</b>
	425.38	159.71	585.09
Service cost	<b>90.95</b>	<b>16.94</b>	<b>107.89</b>
	76.88	16.99	93.87
Interest cost	<b>40.98</b>	<b>7.17</b>	<b>48.15</b>
	33.19	6.27	39.46
Acquisitions	<b>0.72</b>	-	<b>0.72</b>
	-	-	-
Actuarial (gain) / loss	<b>5.56</b>	<b>(6.06)</b>	<b>(0.50)</b>
	(8.76)	11.19	2.43
Plan Participant's contributions	-	<b>6.33</b>	<b>6.33</b>
	-	5.79	5.79
Exchange (gain) / loss	-	<b>19.46</b>	<b>19.46</b>
	-	(11.94)	(11.94)
Past service cost	<b>4.13</b>	<b>0.37</b>	<b>4.50</b>
	-	3.17	3.17
Benefit paid	<b>(36.90)</b>	<b>(9.26)</b>	<b>(46.16)</b>
	(29.48)	(18.38)	(47.86)
<b>Projected benefit obligation, end of the year</b>	<b>602.65</b>	<b>207.75</b>	<b>810.40</b>
	497.21	172.80	670.01
<b>ii) Change in plan assets:</b>			
	(₹ in crores)		
	<b>Indian As at March 31, 2011</b>	<b>Foreign As at March 31, 2011</b>	<b>Consolidated As at March 31, 2011</b>
Fair value of plan assets, beginning of the year	<b>436.83</b>	<b>155.31</b>	<b>592.14</b>
	359.63	137.62	497.25
Expected return on plan assets	<b>37.60</b>	<b>8.17</b>	<b>45.77</b>
	32.35	6.90	39.25
Plan Participant's contributions	-	<b>6.33</b>	<b>6.33</b>
	-	5.79	5.79
Employer's contributions	<b>72.11</b>	<b>18.89</b>	<b>91.00</b>
	70.85	19.41	90.26
Exchange (loss) / gain	-	<b>16.75</b>	<b>16.75</b>
	-	(9.10)	(9.10)
Benefit paid	<b>(36.90)</b>	<b>(9.26)</b>	<b>(46.16)</b>
	(29.48)	(18.38)	(47.86)
Actuarial gain / (loss)	<b>9.27</b>	<b>4.52</b>	<b>13.79</b>
	3.48	13.07	16.55
<b>Fair value of plan assets, end of the year</b>	<b>518.91</b>	<b>200.71</b>	<b>719.62</b>
	436.83	155.31	592.14
Shortfall of plan assets over obligation	<b>(83.75)</b>	<b>(7.04)</b>	<b>(90.79)</b>
	(60.38)	(17.49)	(77.87)



<b>Funded retirement benefits</b>	<b>Indian As at March 31, 2011</b>	<b>Foreign As at March 31, 2011</b>	<b>Consolidated As at March 31, 2011</b>
<b>iii) Accrued liability</b>	<b>(83.75)</b>	<b>(7.04)</b>	<b>(90.79)</b>
	<i>(60.38)</i>	<i>(17.49)</i>	<i>(77.87)</i>

(₹ in crores)

**iv) Net gratuity and other cost for the year ended  
March 31, 2011**

	<b>Indian As at March 31, 2011</b>	<b>Foreign As at March 31, 2011</b>	<b>Consolidated As at March 31, 2011</b>
Service cost	<b>90.95</b>	<b>16.94</b>	<b>107.89</b>
	<i>76.88</i>	<i>16.99</i>	<i>93.87</i>
Interest on Defined Benefit Obligation	<b>40.98</b>	<b>7.17</b>	<b>48.15</b>
	<i>33.19</i>	<i>6.27</i>	<i>39.46</i>
Expected return on plan assets	<b>(37.60)</b>	<b>(8.17)</b>	<b>(45.77)</b>
	<i>(32.35)</i>	<i>(6.90)</i>	<i>(39.25)</i>
Past service cost	<b>4.13</b>	<b>0.37</b>	<b>4.50</b>
	<i>-</i>	<i>3.17</i>	<i>3.17</i>
Net Actuarial (gains) / losses recognised in the year	<b>(3.71)</b>	<b>(10.58)</b>	<b>(14.29)</b>
	<i>(12.24)</i>	<i>(1.88)</i>	<i>(14.12)</i>
<b>Net gratuity and other cost</b>	<b>94.75</b>	<b>5.73</b>	<b>100.48</b>
	<i>65.48</i>	<i>17.65</i>	<i>83.13</i>
<b>Actual return on Plan Assets</b>	<b>46.87</b>	<b>12.69</b>	<b>59.56</b>
	<i>35.82</i>	<i>19.97</i>	<i>55.79</i>

(₹ in crores)

**v) Category of Assets as at March 31, 2011**

	<b>Indian As at March 31, 2011</b>	<b>Foreign As at March 31, 2011</b>	<b>Consolidated As at March 31, 2011</b>
Corporate Bonds	<b>-</b>	<b>92.15</b>	<b>92.15</b>
	<i>-</i>	<i>74.49</i>	<i>74.49</i>
Equity Shares	<b>-</b>	<b>42.09</b>	<b>42.09</b>
	<i>-</i>	<i>31.00</i>	<i>31.00</i>
Special Deposit Scheme	<b>-</b>	<b>-</b>	<b>-</b>
	<i>1.76</i>	<i>-</i>	<i>1.76</i>
Index linked gilt	<b>-</b>	<b>38.15</b>	<b>38.15</b>
	<i>-</i>	<i>29.82</i>	<i>29.82</i>
Insurer Managed Funds	<b>517.59</b>	<b>-</b>	<b>517.59</b>
	<i>435.01</i>	<i>-</i>	<i>435.01</i>
Cash and Bank Balances	<b>-</b>	<b>1.07</b>	<b>1.07</b>
	<i>-</i>	<i>1.16</i>	<i>1.16</i>
Others	<b>1.33</b>	<b>27.25</b>	<b>28.58</b>
	<i>0.06</i>	<i>18.84</i>	<i>18.90</i>
<b>Total</b>	<b>518.92</b>	<b>200.71</b>	<b>719.63</b>
	<i>436.83</i>	<i>155.31</i>	<i>592.14</i>

vi) Assumptions used in accounting for the gratuity plan:

	Indian	Foreign
Discount rate	8% 7.50%	3% -5.5% 3.00% - 6.30%
Salary escalation rate	4% -12% 4.00 % - 12.00%	1.5% -3.60% 1.50% - 3.25%
Expected rate of return on plan assets	8% 8.00%	4% -5.45% 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.

(₹ in crores)

Particulars	Domestic			Foreign		
	2011	2010	2009	2011	2010	2009
Experience adjustment						
On plan liabilities	31.05	4.55	(19.01)	(3.72)	(10.86)	4.46
On plan assets	9.27	3.47	5.08	0.33	(12.02)	(6.17)
Present value of benefit obligation	602.66	497.21	425.38	207.75	172.80	159.71
Fair value of plan assets	518.91	436.83	359.63	200.71	155.31	137.62
Excess of (obligation over plan assets) / plan assets over obligation	(83.75)	(60.38)	(65.75)	(7.04)	(17.49)	(22.09)

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at March 31, 2011. Group is expected to contribute ₹ 81.41 crores to gratuity funds for the year ended March 31, 2012, comprising domestic component of ₹ 63.31 crores and foreign component of ₹ 18.10 crores.

(₹ in crores)

**Unfunded post retirement medical benefits**

**As at March 31, 2011**

**i) Change in benefit obligations:**

Project benefit obligation, beginning of the year	4.66
	4.46
Service cost	0.04
	0.04
Interest cost	0.35
	0.33
Curtailment	(0.80)
	-
Actuarial loss / (gain)	(0.01)
	0.26
Benefit paid	(0.41)
	(0.43)
<b>Projected benefit obligation, end of the year</b>	<b>3.83</b>
	4.66

**ii) Accrued liability**

**(3.83)**  
**(4.66)**

**iii) Net medical and other cost for the year ended  
March 31, 2011**

Service cost	<b>0.04</b> 0.04
Interest on Defined Benefit Obligation	<b>0.35</b> 0.33
Curtailment	<b>(0.80)</b>
Net Actuarial loss / (gain) recognised in the year	<b>(0.01)</b> 0.26
<b>Net medical and other cost</b>	<b>(0.42)</b> <u>0.63</u>

**iv) Assumptions used in accounting for the medical plan:**

	<b>Rate</b>
Discount rate	<b>8.00%</b> 7.50%

**7) Obligation towards operating leases**

(₹ in crores)

<b>Non-cancellable operating lease obligation</b>	<b>As at March 31, 2011</b>	<i>As at March 31, 2010</i>
Not later than one year	<b>488.69</b>	406.50
Later than one year but not later than five years	<b>1395.99</b>	1274.79
Later than five years	<b>1012.22</b>	1172.36
<b>Total</b>	<b>2896.90</b>	2853.65

Rental expenses of ₹ 432.04 crores (*Previous year: ₹ 424.63 crores*) in respect of obligation under non-cancellable operating leases have been recognised in the profit and loss account. Further, a sum of ₹ 302.73 crores (*Previous year: ₹ 295.90 crores*) have been charged to the profit and loss account in respect of cancellable operating leases.

**8) Receivables under sub leases**

(₹ in crores)

<b>Sub lease receivables</b>	<b>As at March 31, 2011</b>	<i>As at March 31, 2010</i>
Not later than one year	<b>1.30</b>	1.78
Later than one year but not later than five years	<b>0.90</b>	2.03
Later than five years	-	-
<b>Total</b>	<b>2.20</b>	3.81

The total amount recognised in the profit and loss account for the year ended March 31, 2011 is ₹ 2.86 crores (*Previous year : ₹ 1.93 crores*).

9) **Finance Lease**

a) Company as lessor

(₹ in crores)

<b>Particulars</b>	<b>As at March 31, 2011</b>	<i>As at March 31, 2010</i>
i) Total gross investment for the period	<b>4.43</b>	6.65
• Not later than one year	<b>2.09</b>	2.23
• Later than one year but not later than five years	<b>2.34</b>	4.42
• Later than five years	-	-
ii) Present value of Minimum Lease Payments receivable	<b>3.87</b>	5.34
• Not later than one year	<b>1.70</b>	1.47
• Later than one year but not later than five years	<b>2.16</b>	3.87
• Later than five years	-	-
iii) Unearned Finance Income	<b>0.56</b>	1.31

b) Company as lessee

(₹ in crores)

<b>Obligations towards finance leases</b>	<b>As at March 31, 2011</b>	<i>As at March 31, 2010</i>
<u>Assets acquired under finance lease :</u>		
i) Minimum Lease Payments:		
• Not later than one year	<b>10.13</b>	8.90
• Later than one year but not later than five years	<b>38.90</b>	28.76
• Later than five years	<b>10.92</b>	14.82
<b>Total</b>	<b>59.95</b>	52.48
ii) Present Value of Minimum Lease Payments:		
• Not later than one year	<b>4.28</b>	4.01
• Later than one year but not later than five years	<b>23.61</b>	14.67
• Later than five years	<b>10.09</b>	12.53
<b>Total</b>	<b>37.98</b>	31.21

The finance lease arrangements are renewable at the option of the lessee.

- 10) Research and development expenditure aggregating ₹ 106.13 crores (*Previous year : ₹ 84.44 crores*) was incurred during the year.
- 11) Sale of Equipment is net of excise duty of ₹ 0.27 crore (*Previous year : ₹ 0.39 crore*).
- 12) Current tax is net of the effect of additional provision (net) of ₹ 132.76 crores for the year ended March 31, 2011 (*Previous year : Current tax is net of the write back of provision (net) and refunds received of ₹ 39.27 crores*) in domestic and certain overseas jurisdictions relating to earlier years.



Particulars	Business Segments					(₹ in crores)
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom	Others	Total
<b>As at March 31, 2011</b>						
Segment Assets	<b>7449.23</b>	<b>768.37</b>	<b>1074.60</b>	<b>1890.32</b>	<b>3805.07</b>	<b>14987.59</b>
	6486.47	669.35	800.22	1360.29	2623.46	11939.79
Unallocable assets						<b>17764.26</b>
						15454.43
Total Assets						<b>32751.85</b>
						27394.22
Segment Liabilities	<b>751.88</b>	<b>59.42</b>	<b>107.02</b>	<b>210.31</b>	<b>592.63</b>	<b>1721.26</b>
	869.73	77.40	75.89	255.45	520.25	1798.72
Unallocable Liabilities						<b>6067.61</b>
						6767.07
Total Liabilities						<b>7788.87</b>
						8565.79
<b>Other information :</b>						
Capital Expenditure (allocable)	<b>40.14</b>	-	<b>0.39</b>	-	<b>100.26</b>	<b>140.79</b>
	129.11	-	-	-	28.19	157.30
Capital Expenditure (unallocable)						<b>1738.67</b>
						892.51
Depreciation (allocable)	<b>99.15</b>	-	<b>4.56</b>	-	<b>10.56</b>	<b>114.27</b>
	120.05	-	-	-	9.85	129.90
Depreciation (unallocable)						<b>620.99</b>
						530.99
Other significant non cash expenses (allocable)	<b>11.57</b>	<b>1.66</b>	<b>(0.89)</b>	<b>(119.50)</b>	<b>9.62</b>	<b>(97.54)</b>
	7.11	4.33	0.48	122.16	39.95	174.03
Other significant non cash expenses (unallocable)						<b>(48.77)</b>
						64.98

The following geographic segments individually contribute 10 percent or more of the Group's revenues and segment assets.

Geographic Segment	(₹ in crores)	
	Revenues for the year ended March 31, 2011	Segment Assets as at March 31, 2011
Americas	<b>21457.51</b>	<b>6293.40</b>
	17272.93	5364.71
Europe	<b>9250.67</b>	<b>3683.74</b>
	8009.57	2568.44
India	<b>3435.06</b>	<b>4874.57</b>
	2597.90	3223.73

#### 14) Contingent Liabilities

(₹ in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
Claims against the Group not acknowledged as debt	82.83	114.33
Income Taxes (See note (i) below)	938.80	471.61
Indirect Taxes	144.68	121.89
Guarantees given by the Group (See note (ii) below)	2259.48	1923.19
Unexpired Letters of Credit	1.57	0.15
Other Contingencies	0.94	-

#### Notes:

- i) Income tax matters includes ₹ 236.41 crores (*March 31, 2010 : ₹ 212.59 crores*) in respect of TCS e-Serve Limited, in which the Company has 96.26 percent stake. As on the acquisition date, i.e. December 31, 2008, TCS e-Serve Limited had net advance taxes aggregating to ₹ 185.13 crores against the disputed amounts for the various 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 refund to the seller, amounts equal to monies received by TCS e-Serve Limited, on all such claims, as an adjustment to the purchase price consideration.
  - ii) The Group has provided guarantees aggregating to ₹ 1978.41 crores (GBP 275.60 million) (*March 31, 2010 : ₹ 1719.32 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.
  - iii) 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.
- 15) During the year ended March 31, 2011, the Company has received ₹ 27.33 crores (USD 6 million) from the seller of an investment against the release of an indemnification obligation, which has been adjusted against the goodwill arising on consolidation.

#### 16) Commitments

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1205.18 crores (*March 31, 2010: ₹ 1172.62 crores*).
- ii) Phoenix Group Services Limited ("Phoenix") (formerly known as Pearl Group Services Limited ) 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 Phoenix at fixed price of ₹ 217.08 crores (GBP 30.24 million) at the end of fourth year and Phoenix has a put option to sell the shares to the Company at the same price at the end of the fifth year. The Company has further call option commencing from the sixth year till the end of the eightieth year. As at March 31, 2011, neither of the option has been exercised.
- iii) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of ₹ 90,000/- per unit against the balance investment of 1000 units aggregating to ₹ 9.00 crores (*March 31, 2010: ₹ 9.00 crores*).
- iv) The share purchase agreement for acquisition of Comicro S.A. (merged with Tata Consultancy Services Chile S.A.) provided for additional contingent consideration payable to the previous owners. A sum of ₹ 4.55 crores (USD 1 million) has been paid by the Company during the year ended March 31, 2011, towards full and final settlement of its dues under the agreement.

## 17) 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, 2011:

- i) The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as on:

Foreign Currency	March 31, 2011			March 31, 2010		
	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (₹ in crores)	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (₹ in crores)
			Gain / (Loss)			Gain / (Loss)
U.S.Dollar	52	207.82	34.70	20	51.24	12.18
Sterling Pound	38	27.70	1.71	-	-	-
Australian Dollar	19	9.50	(2.27)	-	-	-

- ii) The following are outstanding Currency Option contracts, which have been designated as Cash Flow Hedges, as on:

Foreign Currency	March 31, 2011			March 31, 2010		
	No. of Contracts	Notional amount of Currency Option contracts (million)	Fair Value (₹ in crores)	No. of Contracts	Notional amount of Currency Option contracts (million)	Fair Value (₹ in crores)
			Gain / (Loss)			Gain / (Loss)
U.S.Dollar	58	349.38	(16.79)	56	639.82	(54.39)
Australian Dollar	9	54.00	8.64	-	-	-
Euro	21	149.00	1.06	-	-	-

Net gain on derivative instruments of ₹ 63.67 crores recognised in Hedging Reserve as of March 31, 2011, is expected to be reclassified to the profit and loss account by March 31, 2012.

The movement in Hedging Reserve during the year ended March 31, 2011, for derivatives designated as Cash Flow Hedges is as follows:

	(₹ in crores)	
	Year ended March 31, 2011	Year ended March 31, 2010
Balance at the beginning of the year	(6.07)	(729.94)
(Loss) / gain transferred to profit and loss account on occurrence of forecasted hedge transaction	(57.38)	74.12
Net changes in the fair value of effective portion of outstanding cash flow derivatives	125.61	651.05
Net derivative gains related to a discontinued cash flow hedge	0.12	1.15
Amount transferred to minority interests during the year	0.45	(2.45)
Balance at the end of the year	62.73	(6.07)



In addition to the above Cash Flow Hedges, the Group has outstanding foreign exchange forward contracts and currency option contracts with notional amount aggregating ₹ 4649.67 crores (*March 31, 2010: ₹ 3503.12 crores*) whose fair value showed a gain of ₹ 29.44 crores as on March 31, 2011 (*March 31, 2010 : ₹ 7.21 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 ₹ 1.86 crores (*March 31, 2010 : ₹ 110.45 crores*) on the outstanding foreign exchange forward contracts and currency option contracts for the year ended March 31, 2011 have been recognised in the profit and loss account.

18) Payables in respect of purchase of fixed assets amounting to ₹ 29.13 crores for the year ended March 31, 2011 (*Previous year : ₹ 5.02 crores*) have been considered as a non cash transaction.

19) **Earning per share**

	(₹ in crores)	
	2011	2010
Net profit for the year	<b>9068.04</b>	<i>7000.64</i>
Less: Preference share dividend (including dividend tax)	<b>12.78</b>	<i>19.82</i>
Amount available for equity shareholder	<b>9055.26</b>	<i>6980.82</i>
Weighted average number of shares	<b>195,72,20,996</b>	<i>195,72,20,996</i>
Earning per share basic and diluted (₹)	<b>46.27</b>	<i>35.67</i>
Face value per equity share (₹)	<b>1</b>	<i>1</i>

20) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.

21) Previous year's figures have been recast / restated wherever necessary.

22) *Previous year's figures are in italics.*