

CONDENSED BALANCE SHEET AS AT JUNE 30, 2011

	Schedule	As at	As at
		June 30, 2011	March 31, 2011
		₹ crores	₹ crores
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	A	295.72	295.72
(b) Reserves and Surplus	B	20676.74	19283.77
		<u>20972.46</u>	<u>19579.49</u>
(2) Non - current liabilities			
(a) Long - term borrowings	C	37.07	36.33
(b) Deferred tax liabilities (net)	D	86.67	69.32
(c) Other Long - term liabilities	E	140.51	129.91
(d) Long - term provisions	F	95.80	76.17
		<u>360.05</u>	<u>311.73</u>
(3) Current liabilities			
(a) Trade payables		2753.13	2560.96
(b) Other current liabilities	G	1165.23	1176.69
(c) Short - term provisions	H	3341.34	2413.94
		<u>7259.70</u>	<u>6151.59</u>
TOTAL		<u>28592.21</u>	<u>26042.81</u>

II. ASSETS**(1) Non - current assets**

(a) Fixed assets	I		
(i) Tangible assets		4634.71	4436.64
(ii) Intangible assets		56.68	58.40
		<u>4691.39</u>	<u>4495.04</u>
(b) Non - current investments	J	5791.24	5791.24
(c) Deferred tax assets (net)	D	80.20	52.03
(d) Long term loans and advances	K	2950.26	2864.09
(e) Other non - current assets		134.27	119.26
		<u>8955.97</u>	<u>8826.62</u>

(2) Current assets

(a) Current investments	L	242.21	4.25
(b) Inventories	M	5.13	5.37
(c) Unbilled revenue		1064.59	836.37
(d) Trade receivables	N	5561.97	4806.67
(e) Cash and cash equivalents	O	5586.08	5604.52
(f) Short - term loans and advances	P	2243.78	1369.05
(g) Other current assets		241.09	94.92
		<u>14944.85</u>	<u>12721.15</u>
TOTAL		<u>28592.21</u>	<u>26042.81</u>

III. NOTES TO ACCOUNTS

As per our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. Ramesh
Partner

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, July 14, 2011

Mumbai, July 14, 2011

TATA CONSULTANCY SERVICES LIMITED
CONDENSED PROFIT AND LOSS STATEMENT

	Schedule	For the quarter ended	For the quarter ended
		June 30, 2011	June 30, 2010
		₹ crores	₹ crores
I. Revenue from operations	Q	8613.56	6410.95
II. Other income	R	257.40	36.43
Total Revenue		8870.96	6447.38
III. Expenses:			
Employee benefits expense	S	3205.87	2259.42
Operation and other expenses	T	2973.63	2290.18
Finance costs		2.36	1.94
Depreciation and amortisation expense		157.26	114.60
Total expenses		6339.12	4666.14
IV Profit before tax		2531.84	1781.24
V. Tax expense:			
(1) Current tax		566.75	245.91
(2) Deferred tax		(10.81)	2.40
(3) MAT credit entitlement		(86.53)	(23.48)
		469.41	224.83
VI. Profit for the period		2062.43	1556.41
VII. Earnings per equity share: - Basic and diluted (₹)		10.52	7.93
VIII. Notes to Accounts	U		

As per our report attached

For Deloitte Haskins & Sells
Chartered Accountants

P. R. Ramesh
Partner

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer
and Executive Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, July 14, 2011

Mumbai, July 14, 2011

TATA CONSULTANCY SERVICES LIMITED

STATEMENT OF CONDENSED CASH FLOWS

	Schedule	For the quarter ended	For the quarter ended
		June 30,2011	June 30,2010
		₹ crores	₹ crores
1 NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES		1350.72	880.50
2 CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(356.91)	(280.95)
Proceeds from sale of fixed assets		0.31	1.09
Purchase of equity shares		-	(19.00)
Purchase of mutual fund and other investments		(3549.74)	(18017.74)
Sale of mutual funds and other investments		3315.07	16386.09
Inter-corporate deposits placed		(831.80)	-
Inter-corporate deposits refunded		25.00	60.00
Fixed deposit with banks having original maturity over three months placed		(94.00)	-
Fixed deposit with banks having original maturity over three months matured		200.00	985.87
Dividends received from subsidiaries		15.49	-
Dividends received from other investments		-	2.67
Interest received		11.93	86.66
Net cash used in investing activities		(1264.65)	(795.31)
3 CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings (net)		-	8.90
Interest paid		(2.32)	(1.89)
Net cash (used in) / provided by financing activities		(2.32)	7.01
Net increase in cash and cash equivalents		83.75	92.20
Cash and cash equivalents at beginning of the year		577.18	293.28
Exchange difference on translation of foreign currency cash and cash equivalents		4.22	(0.05)
Cash and cash equivalents at end of the period		665.15	385.43
Deposits with original maturity over three months		4914.00	2112.10
Restricted cash		6.93	4.54
Cash and Bank balance at the end of the period as per Schedule O		5586.08	2502.07

4 NOTES TO ACCOUNTS

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As per our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. Ramesh
Partner

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
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Suprakash Mukhopadhyay
Company Secretary

Mumbai, July 14, 2011

Mumbai, July 14, 2011

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'A'		
SHARE CAPITAL		
(a) Authorised		
(i) 225,00,00,000 equity shares of Re.1 each <i>(March 31, 2011 : 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, 2011 : 100,00,00,000 redeemable preference shares of ₹ 1 each)</i>	100.00	100.00
	325.00	325.00
(b) Issued, Subscribed and Paid up		
(i) 195,72,20,996 equity shares of ₹ 1 each <i>(March 31, 2011 : 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, 2011 : 100,00,00,000 redeemable preference shares of ₹ 1 each)</i>	100.00	100.00
	295.72	295.72

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'B'		
RESERVES AND SURPLUS		
(a) Securities Premium Account	1918.47	1918.47
	<u>1918.47</u>	<u>1918.47</u>
(b) Foreign currency translation reserve		
(i) Opening balance	101.61	94.98
(ii) Addition during the period (net)	7.09	6.63
	<u>108.70</u>	<u>101.61</u>
(c) Hedging reserve account		
(i) Opening balance	11.35	(76.82)
(ii) Additions during the period (net)	5.87	88.17
	<u>17.22</u>	<u>11.35</u>
(d) General Reserve		
(i) Opening balance	3183.14	2426.14
(ii) Transferred from Profit and Loss Account	-	757.00
	<u>3183.14</u>	<u>3183.14</u>
(e) Balance in Profit and Loss Account		
(i) Opening balance	14069.20	10458.13
Add : Profit for the period	2062.43	7569.99
	<u>16131.63</u>	<u>18028.12</u>
Less : Appropriations		
(a) Interim dividends on equity shares	587.17	1174.32
(b) Proposed final dividend on equity shares	-	1565.78
(c) Dividend on redeemable preference shares	-	11.00
(d) Tax on dividend	95.25	450.82
(e) General Reserve	-	757.00
	<u>15449.21</u>	<u>14069.20</u>
	<u>20676.74</u>	<u>19283.77</u>

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'C'		
LONG TERM BORROWINGS		
(a) Secured Loans		
Long term maturities of finance lease obligation	33.07	32.33
(b) Unsecured Loans		
Other loans & advances	4.00	4.00
	<u>37.07</u>	<u>36.33</u>

Note:
Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'D'		
DEFERRED TAX BALANCES		
(a) Deferred Tax Liabilities (net)		
(i) Foreign branch profit tax	77.85	60.15
(ii) Depreciation and amortisation	1.43	1.32
(iii) Others	7.39	7.85
	<u>86.67</u>	<u>69.32</u>
(b) Deferred Tax Assets (net)		
(i) Depreciation and amortisation	(21.55)	(31.78)
(ii) Employee benefits	45.43	34.06
(iii) Provision for doubtful debts	33.55	31.25
(iv) Others	22.77	18.50
	<u>80.20</u>	<u>52.03</u>

TATA CONSULTANCY SERVICES LTD
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'E'		
OTHER LONG TERM LIABILITIES		
(a) Trade payables	103.15	88.11
(b) Other liabilities	37.36	41.80
	140.51	129.91
	140.51	129.91

Note:

Other liabilities pertains to the fair values of foreign exchange forward and currency option contracts.

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'F'		
LONG TERM PROVISIONS		
(a) Provision for Employee benefits	95.80	76.17
	95.80	76.17
	95.80	76.17

TATA CONSULTANCY SERVICES LTD
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'G'		
CURRENT LIABILITIES		
(a) Current maturities of long-term debt	1.25	1.25
(b) Current maturities of finance lease obligations	3.85	3.54
(c) Interest accrued but not due on borrowings	0.16	0.12
(d) Income received in advance	491.83	557.34
(e) Unpaid dividends	6.90	7.31
(f) Equity share application monies refundable	0.03	0.03
(g) Advance received from customers	124.45	116.37
(h) Other payables	536.76	490.73
	1165.23	1176.69

Note:

Other payables includes :

(i) Fair values of foreign exchange forward and currency option contracts	14.25	12.89
(ii) Statutory Liabilities	402.29	260.04
(iii) Others	120.22	217.80

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'H'		
SHORT TERM PROVISIONS		
(a) Provision for Employee benefits	432.92	398.70
(b) Others		
(i) Proposed final dividend on equity shares	1565.78	1565.78
(ii) Proposed dividend on redeemable preference shares	11.00	11.00
(iii) Interim dividend	587.17	-
(iv) Tax on dividend	351.04	255.79
(v) Current income taxes (net)	392.81	182.09
(vi) Provision for warranties	0.62	0.58
	3341.34	2413.94

TATA CONSULTANCY SERVICES LIMITED

Schedules forming part of the Balance Sheet

SCHEDULE 'I'

FIXED ASSETS

₹ crores

Description	Gross Block as at April 1, 2011	Additions	Deletions/ Adjustments	Gross Block as at June 30, 2011	Accumulated Depreciation / Amortisation as at April 1, 2011	Depreciation / Amortisation for the period	Deletions/ Adjustments	Accumulated Depreciation / Amortisation as at June 30, 2011	Net book value as at June 30, 2011	Net book value as at March 31, 2011
(i) TANGIBLE FIXED ASSETS										
FREEHOLD LAND	315.95	-	-	315.95	-	-	-	-	315.95	315.95
LEASEHOLD LAND	92.50	-	-	92.50	(11.02)	(0.41)	-	(11.43)	81.07	81.48
FREEHOLD BUILDINGS	1610.57	87.95	-	1698.52	(282.22)	(17.55)	-	(299.77)	1398.75	1328.35
FACTORY BUILDINGS	1.51	1.26	-	2.77	(0.83)	0.00	-	(0.83)	1.94	0.68
LEASEHOLD BUILDINGS	9.81	-	-	9.81	(6.83)	(0.24)	-	(7.07)	2.74	2.98
LEASEHOLD IMPROVEMENTS	487.64	34.93	-	522.57	(253.23)	(14.10)	-	(267.33)	255.24	234.41
PLANT AND MACHINERY	10.90	0.06	-	10.96	(10.87)	(0.02)	-	(10.89)	0.07	0.03
FURNITURE AND FIXTURES	321.73	15.12	(0.05)	336.80	(284.80)	(15.92)	0.05	(300.67)	36.13	36.93
VEHICLES	18.72	0.09	(0.07)	18.74	(10.83)	(0.52)	0.06	(11.29)	7.45	7.89
OFFICE EQUIPMENT	647.71	47.03	(0.29)	694.45	(252.21)	(15.80)	0.17	(267.84)	426.61	395.50
COMPUTER EQUIPMENT	1984.80	129.00	(10.61)	2103.19	(1302.61)	(79.20)	10.59	(1,371.22)	731.97	682.19
ELECTRICAL INSTALLATIONS	456.69	51.33	(0.84)	507.18	(179.30)	(11.78)	0.76	(190.32)	316.86	277.39
Total	5958.53	366.77	(11.86)	6313.44	(2594.75)	(155.54)	11.63	(2738.66)	3574.78	3363.78
Previous year	4858.50	1141.83	(41.80)	5958.53	(2097.98)	(535.33)	38.56	(2594.75)	3363.78	
Capital Work-in-Progress									1059.93	1072.86
									4634.71	4436.64
(ii) INTANGIBLE ASSETS										
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.63	-	-	12.63	(11.06)	(0.09)	-	(11.15)	1.48	1.57
RIGHTS UNDER LICENSING AGREEMENT	59.00	-	-	59.00	(2.17)	(1.63)	-	(3.80)	55.20	56.83
Total	71.63	-	-	71.63	(13.23)	(1.72)	-	(14.95)	56.68	58.40
Previous year	12.71	60.89	(1.97)	71.63	(12.71)	(2.49)	1.97	(13.23)	58.40	

Notes:

- Freehold buildings include ₹ 2.67 crores (March 31, 2011 : ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- Legal formalities relating to conveyance of freehold building having net book value ₹. 0.23 crore (March 31, 2011 : ₹ 0.23 crore) are pending completion.

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'J'		
NON CURRENT INVESTMENTS		
(A) TRADE INVESTMENTS (at cost)		
(i) <u>Subsidiary Companies</u>		
(a) <u>Fully Paid Equity Shares (Quoted)</u>		
CMC Limited	379.89	379.89
(b) <u>Fully Paid Equity Shares (Unquoted)</u>		
TCS Iberoamerica S.A.	165.23	165.23
APOne Limited	-	-
Tata Consultancy Services Belgium S.A.	1.06	1.06
Tata Consultancy Services Netherlands B.V.	402.87	402.87
Tata Consultancy Services Sverige AB	18.89	18.89
Tata Consultancy Services Deutschland GmbH	1.72	1.72
Tata America International Corporation	452.92	452.92
Tata Consultancy Services Asia Pacific Pte Ltd.	18.69	18.69
WTI Advanced Technology Ltd.	38.52	38.52
* TCS FNS Pty Limited	3.38	3.38
Diligenta Limited UK	199.89	199.89
Tata Consultancy Services Canada Inc.	31.25	31.25
C-Edge Technologies Limited	5.10	5.10
MP Online Limited	0.89	0.89
Tata Consultancy Services Morocco SARL AU	8.17	8.17
Tata Consultancy Services (Africa) PTY Ltd.	4.92	4.92
TCS e-Serve Limited (Refer note 7 to Schedule U)	2426.20	2426.20
Retail FullServe Limited	36.17	36.17
* MahaOnline Limited	1.89	1.89
(c) <u>Fully Paid Preference Shares (Unquoted)</u>		
Diligenta Limited 10% Cumulative redeemable preference shares	363.04	363.04
Tata Consultancy Services Canada Inc. 16% Cumulative redeemable preference shares	6.02	6.02
APOne Limited 6% Redeemable preference shares	2.80	2.80

TATA CONSULTANCY SERVICES LIMITED
Schedule forming part of Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'J' (CONTD.)		
NON CURRENT INVESTMENTS		
(ii) Others		
(a) Fully Paid Equity Shares (Unquoted)		
Yodlee, Inc.	-	-
National Power Exchange Limited	2.50	2.50
Taj Air Limited	19.00	19.00
ALMC HF	-	-
(b) Fully Paid Preference Shares (Unquoted)		
Tata AutoComp Systems Limited 8% Cumulative redeemable preference shares	5.00	5.00
(B) OTHERS		
(i) Bonds (Quoted)		
10% Housing Urban Development Corporation Limited Bonds (2014)	1.50	1.50
8% IDBI Bonds (2013)	1.80	1.80
8% IDBI Bonds (2018)	0.10	0.10
(ii) Bonds (Unquoted)		
0%ALMC HF(2014)	0.12	0.12
(iii) Debentures (Unquoted)		
** Tata Sons Limited 4.50% Non-convertible debentures (2014)	1000.00	1000.00
** Panatone Finvest Limited 4.75% Non-convertible debentures (2013)	200.00	200.00
	5799.53	5799.53
Provision for diminution in value of investment	(8.29)	(8.29)
	5791.24	5791.24
Notes:		
1. Market value of quoted investments	1744.78	1615.47
Book value of quoted investments	383.29	383.29
Book value of unquoted investments (net of provision)	5407.95	5407.95
* 2 Equity investments in these companies are subject to certain restrictions on transfer, as per terms of individual contractual agreements (Refer note 2 to Schedule U).		
** 3 <u>Yield to maturity</u> :		
Tata Sons Limited	8.50%	8.50%
Panatone Finvest Limited	8.75%	8.75%

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'K'		
LONG TERM LOANS & ADVANCES		
(a) Unsecured , considered good		
(i) Capital Advances	219.06	226.71
(ii) Security Deposits	369.06	370.10
(iii) Loans and advances to employee	10.36	10.90
(iv) Loans and advances to related parties	494.70	487.96
(v) Advance tax (including refunds receivable) (net)	551.65	513.89
(vi) MAT Credit Entitlement	1094.03	1007.50
(vii) Other loans and advances	211.40	247.03
(b) Doubtful		
(i) Loans and advances to related parties	5.19	5.19
Less : Provision for doubtful loans and advances	(5.19)	(5.19)
	<u>2950.26</u>	<u>2864.09</u>
1 Loans and advances to related parties:		
TCS FNS Pty Limited	182.08	175.47
TCS Iberoamerica SA	264.18	263.71
Tata Consultancy Services Morocco SARL AU	5.19	5.19
CMC Limited	0.44	0.81
Tata Realty And Infrastructure Limited	45.00	45.00
Tata Sons Ltd	2.97	2.97
Tata Teleservices Limited	0.02	-
Infiniti Retail Limited	0.01	-
2 Other loans and advances pertains to :		
Indirect Tax Recoverable	52.30	52.30
Other amounts recoverable in cash or kind for value to be received.	144.30	178.81
Others	14.80	15.92

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'L'		
CURRENT INVESTMENTS		
(i) <u>Bonds (Quoted)</u>		
10% Housing Urban Development Corporation Limited Bonds (2012)	0.25	0.25
(ii) <u>Investment in Mutual and other Funds (Unquoted)</u>		
	241.96	4.00
	<u>242.21</u>	<u>4.25</u>
Market value of quoted investments	0.25	0.25
Book value of quoted investments	0.25	0.25
Book value of unquoted investments (net of provision)	241.96	4.00

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'M'		
INVENTORIES (at lower of cost and net realisable value)		
(a) Raw materials, sub-assemblies and components	4.65	4.39
(b) Finished goods and Work-in-progress	0.37	0.80
(c) Goods-in-transit	0.11	0.18
	<u>5.13</u>	<u>5.37</u>

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'N'		
TRADE RECEIVABLES (Unsecured)		
(a) Over six months		
(i) Considered good	1223.31	1029.10
(ii) Considered doubtful	145.26	151.18
(b) Others		
(i) Considered good	4338.66	3777.57
(ii) Considered doubtful	-	0.45
	5707.23	4958.30
Less: Provision for doubtful debts	(145.26)	(151.63)
	5561.97	4806.67

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'O'		
CASH AND CASH EQUIVALENTS		
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	216.17	162.85
In deposit	3582.56	2895.75
(ii) Cheques on hand	37.43	52.06
(iii) Cash on hand	0.66	0.76
(iv) Others		
Remittances in transit	1.33	1.76
(b) Earmarked balances with banks	6.93	7.34
(c) Bank deposits with more than 12 months maturity	1741.00	2484.00
	5586.08	5604.52

Note:

The above does not includes bank accounts having balance of ₹ Nil (March 31, 2011 : ₹ Nil) operated by the company on behalf of a third party.

TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of the Balance Sheet

	As at June 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
SCHEDULE 'P'		
SHORT TERM LOANS AND ADVANCES		
(a) Unsecured , considered good		
(i) Loans and advances to employee	44.02	130.68
(ii) Loans and advances to related parties	151.54	177.78
(iii) Other loans and advances	2048.22	1060.59
(b) Doubtful		
(i) Loans and advances to employee	27.49	26.29
(ii) Other loans and advances	6.24	6.09
Less : Provision for doubtful loans and advances	(33.73)	(32.38)
	2243.78	1369.05
1 Loans and advances to related parties :		
TCS FNS Pty Limited	40.38	38.92
MahaOnline Limited	-	0.19
Tata Sky Limited	5.00	30.00
Tata Realty and Infrastructure Limited	100.00	100.00
WTI Advanced Technology Limited	0.26	0.26
CMC Limited	0.67	4.01
Tata Teleservices Limited	4.88	4.38
Tata AIG General Insurance Company Limited	-	0.01
Infiniti Retail Limited	-	0.01
MP Online Limited	0.35	-
2 Other loans and advances pertains to :		
Security Deposit	67.89	42.58
Inter Corporate Deposits	931.80	100.00
Indirect Tax Recoverable	126.09	113.92
Fair values of foreign exchange forward and currency option contracts.	89.92	52.33
Advance to Suppliers	46.31	35.67
Other amounts recoverable in cash or kind for value to be received.	777.41	687.70
Others	15.04	34.48

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

	For the quarter ended June 30, 2011 ₹ crores	For the quarter ended June 30, 2010 ₹ crores
SCHEDULE 'Q'		
REVENUE FROM OPERATIONS		
(a) Information technology and consultancy services	8301.83	6215.04
(b) Sale of equipment and software licences	311.77	195.98
Less : Excise Duty	(0.04)	(0.07)
	8613.56	6410.95

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

	For the quarter ended June 30, 2011 ₹ crores	For the quarter ended June 30, 2010 ₹ crores
SCHEDULE 'R'		
OTHER INCOME		
(a) Interest	173.11	84.98
(b) Dividend income	15.84	2.67
(c) Profit on redemption / sale of mutual funds and other current investments (net)	3.29	33.61
(d) Rent	0.17	0.49
(e) Profit / (loss) on sale of fixed assets (net)	0.08	(1.55)
(f) Exchange gain / (loss) (net)	61.34	(84.70)
(g) Miscellaneous income	3.57	0.93
	257.40	36.43

Notes:

1. Dividend income includes:

Dividends from subsidiaries (trade investments)	15.84	-
Dividends from other long-term investments (trade investments)	-	0.77
Dividends from mutual funds (other investments)	-	1.90

2. Exchange gain / (loss) (net) includes:

Exchange gain / (loss) on foreign exchange forward contracts and currency option contracts which have been designated as Cash Flow Hedges.	23.93	(26.47)
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TATA CONSULTANCY SERVICES LIMITED
Schedules forming part of the Profit and Loss Account

	For the quarter ended June 30, 2011 ₹ crores	For the quarter ended June 30, 2010 ₹ crores
SCHEDULE 'S'		
EMPLOYEE BENEFIT EXPENSES		
(a) Salaries and incentives	2824.62	1963.51
(b) Contributions to -		
(i) Provident fund	84.43	66.39
(ii) Superannuation scheme	21.33	16.07
(iii) Gratuity fund contributions	27.87	24.80
(iv) Social security and other benefit plans for overseas employees	46.17	30.87
(c) Staff welfare expenses	201.45	157.78
	3205.87	2259.42

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

	For the quarter ended June 30, 2011 ₹ crores	For the quarter ended June 30, 2010 ₹ crores
SCHEDULE 'T'		
OPERATION AND OTHER EXPENSES		
(a) Overseas business expenses	1382.58	1135.43
(b) Services rendered by business associates and others	520.60	370.90
(c) Software, hardware and material costs	264.14	194.11
(d) Cost of software licenses	168.62	73.90
(e) Communication expenses	91.86	70.50
(f) Travelling and conveyance expenses	87.13	57.98
(g) Rent	150.98	136.70
(h) Legal and professional fees	38.96	27.48
(i) Repairs and maintenance	52.11	41.71
(j) Electricity expenses	73.70	57.26
(k) Bad debts (written back) / written off	(0.02)	7.14
(l) Write back of provision for doubtful debts	(6.37)	(15.94)
(m) Provision for doubtful advances	1.35	0.83
(n) Advances written-off	-	0.04
(o) Recruitment and training expenses	43.44	32.79
(p) Commission and brokerage	4.10	3.27
(q) Printing and stationery	6.98	5.76
(r) Insurance	3.94	3.75
(s) Rates and taxes	14.80	7.43
(t) Entertainment	3.80	2.83
(u) Other expenses	70.93	76.31
	2973.63	2290.18

Notes:

1. Overseas business expenses includes:		
Travel expenses	76.44	66.44
Employee allowances	1236.34	1045.60
2. Repairs and maintenance pertains to:		
Buildings	22.66	15.05
Office and computer equipment	29.45	26.66
3. Software, hardware and material costs includes:		
Material Costs		
(a) Raw Materials, sub-assemblies and components consumed	1.81	2.62
(b) Opening Stock:		
Finished goods and work-in-progress	0.80	1.67
(c) Less: Closing Stock:		
Finished goods and work-in-progress	0.37	1.14
	<u>0.43</u>	<u>0.53</u>
	<u>2.24</u>	<u>3.15</u>
4. Other expenses includes:		
Stores and spare parts consumed	0.01	0.02

SCHEDULE 'U' - NOTES TO ACCOUNTS

1) Significant Accounting Policies

a) Basis of Preparation

These condensed financial statements have been prepared in accordance with Accounting Standard 25 "Interim Financial Reporting" (AS - 25) issued pursuant to the Companies (Accounting Standards) Rules, 2006. These condensed financial statements should be read in conjunction with the annual financial statements of the Company for the year ended and as at March 31, 2011. In the opinion of the management, all adjustments which are necessary for a fair presentation have been included. The accounting policies followed in preparation of the condensed financial statements are consistent with those followed in the preparation of the annual financial statements. The results of interim periods are not necessarily indicative of the results that may be expected for any interim period or for the full year.

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, the useful lives of depreciable fixed assets and provisions for impairment.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. 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.

d) Depreciation / Amortisation

Depreciation / amortization 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 Building	Straight line	Lease period
Freehold Building	Written down value	5%
Factory Building	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 – 60 months
Rights under Licensing agreement	Straight line	License period

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 a lease is 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 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 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

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 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 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 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.

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 Indian Accounting Standard 39 "Financial Instruments: Recognition and Measurement" (Ind AS 39).

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) 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.
- 3) Unbilled revenue as at June 30, 2011 amounting to ₹ 1064.59 crores (*March 31, 2011 : ₹ 836.37 crores*) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis of ₹ 1006.76 crores (*March 31, 2011 : ₹ 780.11 crores*).
- 4) Current tax includes additional provision (net) of ₹ 4.21 crores for the quarter ended June 30, 2011 (*June 30, 2010 : ₹ 22.79 crores*) in domestic and certain overseas jurisdictions relating to earlier years.
- 5) Other current asset and Other non-current asset comprise of Interest receivable of ₹ 241.09 crores and ₹ 134.27 crores respectively.

6) **Segment Reporting**

The Company has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments are primarily financial services comprising customers providing banking, finance and insurance services, manufacturing companies, companies in retail and consumer packaged goods industries, companies in telecommunication, media and entertainment and others such as energy, resources and utilities, Hi-Tech industry practice, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable 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.

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.

(₹ crores)

Quarter ended June 30, 2011

Particulars	Business Segment					
	Banking, Financial Services and Insurance	Manufacturing	Retail & CPG	Telecom	Others	Total
Revenue	3411.69	666.55	1094.41	1293.43	2147.48	8613.56
	2604.71	500.83	777.82	1042.64	1484.95	6410.95
Segment result	1047.72	158.08	278.81	405.87	543.58	2434.06
	802.05	128.85	184.66	346.15	399.64	1861.35
Unallocable expenses (net)						159.62
						116.54
Operating income						2274.44
						1744.81
Other income, (net)						257.40
						36.43
Profit before taxes						2531.84
						1781.24
Tax expense						469.41
						224.83
Net profit for the period						2062.43
						1556.41

As at June 30, 2011

(₹ crores)

Particulars	Business Segment					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom	Others	Total
Segment assets	2147.28	407.83	507.79	1618.20	2636.40	7317.50
Unallocable assets						21274.71
Total assets						28592.21
Segment liabilities	359.45	57.30	62.57	212.65	412.68	1104.65
Unallocable liabilities						6515.10
Total liabilities						7619.75

7) Contingent Liabilities

(₹ crores)

	As at June 30, 2011	As at March 31, 2011
Claims against the Company not acknowledged as debt	20.32	20.32
Income Tax demands	613.80	602.65
Indirect Tax demands	56.43	62.61
Guarantees given by the Company on behalf of subsidiaries (See note (ii) below)	2095.04	2120.91

Notes:

- i) TCS e-Serve Limited has a contingent liability of ₹ 236.41 crores (*March 31, 2011 : ₹ 236.41 crores*) in respect of Income Tax matters in dispute. TCS e-Serve Limited has net advance taxes aggregating to ₹ 185.13 crores against disputed amounts for the various assessment years. The Company is entitled to an indemnification from the seller, of the above referred contingent claims on TCS e-Serve Limited, and would be required to refund to the seller, amounts equal to the monies received by TCS e-Serve Limited, on all such claims, as an adjustment to the purchase price consideration.
- ii) The Company has provided guarantees aggregating to ₹ 1970.75 crores (*GBP 275.60 million*) (*March 31, 2011 : ₹ 1978.41 crores*) (*GBP 275.60 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.

8) 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 does not have any outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as on June 30, 2011 and as at March 31, 2011.

The following are outstanding currency option contracts, which have been designated as Cash Flow Hedges, as at:

Foreign Currency	No. of Contracts	June 30, 2011		No. of Contracts	March 31, 2011	
		Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)		Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)
			Gain / (Loss)			Gain / (Loss)
U.S. Dollar	39	1329.00	(10.52)	6	145.00	(39.52)
Sterling Pound	3	30.00	5.61	9	54.00	8.64
Euro	21	120.00	1.88	21	149.00	1.06
Australian Dollar	3	21.00	0.09	-	-	-

Net loss on derivative instruments of ₹ 83.66 crores recognised in Hedging Reserve as of June 30, 2011, is expected to be reclassified to the profit and loss account by June 30, 2012.

The movement in Hedging Reserve during the period ended June 30, 2011, for derivatives designated as Cash Flow Hedges is as follows:

	(₹ crores)	
	Period ended June 30, 2011	Year ended March 31, 2011
Balance at the beginning of the period	11.35	(76.82)
(Loss) / Gains transferred to income statement on occurrence of forecasted hedge transaction	(0.44)	4.62
Net changes in the fair value of effective portion of outstanding cash flow derivatives	6.31	83.43
Net derivative gain related to discontinued Cash Flow Hedges	-	0.12
Balance at the end of the period	17.22	11.35

In addition to the above Cash Flow Hedges, the Company has outstanding foreign exchange forward contracts and currency option contracts with notional amount aggregating ₹ 6342.98 crores (*March 31, 2011 : ₹ 4432.67crores*) whose fair value showed a gain of ₹ 41.24 crores as on June 30, 2011 (*March 31, 2011: gain of ₹27.45 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 ₹ 37.23 crores (*June 30, 2010 : exchange loss ₹ 62.05 crores*) on foreign exchange forward contracts and currency option contracts have been recognised in the quarter ended June 30, 2011.

- 9) The Board of Directors declared an interim dividend of ₹ 3 per equity share in the meeting held on July 14, 2011.
- 10) These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous periods' figures have been recast / restated to confirm to the classification of the current period.
- 11) *Previous periods' figures are in italics.*