

## CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2011

	Note	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	A	295.72	295.72
(b) Reserves and Surplus	B	22775.21	19283.77
		<u>23070.93</u>	<u>19579.49</u>
<b>(2) Non - current liabilities</b>			
(a) Long - term borrowings	C	35.46	36.33
(b) Deferred tax liabilities (net)	D	103.98	69.32
(c) Other long - term liabilities	E	198.38	129.91
(d) Long - term provisions	F	115.69	76.17
		<u>453.51</u>	<u>311.73</u>
<b>(3) Current liabilities</b>			
(a) Short - term borrowings	G	662.51	-
(a) Trade payables		2810.40	2523.30
(b) Other current liabilities	H	1866.11	1214.35
(c) Short - term provisions	I	1601.34	2413.94
		<u>6940.36</u>	<u>6151.59</u>
<b>TOTAL</b>		<b><u>30464.80</u></b>	<b><u>26042.81</u></b>
<b>II. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Fixed assets	J		
(i) Tangible assets		4826.81	4436.64
(ii) Intangible assets		54.93	58.40
		<u>4881.74</u>	<u>4495.04</u>
(b) Non - current investments	K	5681.05	5457.91
(c) Deferred tax assets (net)	D	104.59	52.03
(d) Long term loans and advances	L	3250.94	2864.09
(e) Other non - current assets	M	361.55	2603.26
		<u>14279.87</u>	<u>15472.33</u>
<b>(2) Current assets</b>			
(a) Current investments	N	338.49	337.58
(b) Inventories	O	4.94	5.37
(c) Unbilled revenue		1289.58	836.37
(d) Trade receivables	P	7979.36	4806.67
(e) Cash and bank balances	Q	4451.13	3120.52
(f) Short - term loans and advances	R	1737.99	1369.05
(g) Other current assets		383.44	94.92
		<u>16184.93</u>	<u>10570.48</u>
<b>TOTAL</b>		<b><u>30464.80</u></b>	<b><u>26042.81</u></b>
<b>III. NOTES TO CONDENSED FINANCIAL STATEMENTS</b>			
	A - W		

Mumbai, October 17, 2011

## TATA CONSULTANCY SERVICES LIMITED

## CONDENSED PROFIT AND LOSS STATEMENT

	Note	For the quarter ended September 30, 2011 ₹ crores	For the quarter ended September 30, 2010 ₹ crores	For the six months ended September 30, 2011 ₹ crores	For the six months ended September 30, 2010 ₹ crores
I. Revenue from operations	S	9329.24	7267.45	17942.80	13678.40
II. Other income	T	1420.48	103.22	1677.88	139.65
<b>Total Revenue</b>		<b>10749.72</b>	<b>7370.67</b>	<b>19620.68</b>	<b>13818.05</b>
III. <b>Expenses:</b>					
Employee benefits expense	U	3421.71	2532.77	6627.58	4792.19
Operation and other expenses	V	3247.14	2576.07	6220.77	4866.25
Finance costs		8.47	14.27	10.83	16.21
Depreciation and amortisation expense		173.87	126.17	331.13	240.77
<b>Total expenses</b>		<b>6851.19</b>	<b>5249.28</b>	<b>13190.31</b>	<b>9915.42</b>
IV. <b>Profit before tax</b>		<b>3898.53</b>	<b>2121.39</b>	<b>6430.37</b>	<b>3902.63</b>
V. <b>Tax expenses:</b>					
(1) Current tax [excluding (2) below](Refer Note W-5)		619.17	415.16	1185.92	661.07
(2) Current tax on dividend from foreign subsidiaries		213.90	-	213.90	-
(3) Deferred tax		(7.08)	32.91	(17.89)	35.31
(4) MAT Credit entitlement		(114.57)	(139.33)	(201.10)	(162.81)
		<b>711.42</b>	<b>308.74</b>	<b>1180.83</b>	<b>533.57</b>
VI. <b>Profit for the period</b>		<b>3187.11</b>	<b>1812.65</b>	<b>5249.54</b>	<b>3369.06</b>
VII. <b>Earnings per equity share: - Basic and diluted ( ₹ )</b>		16.27	9.24	26.79	17.16
VIII. <b>Notes to Condensed Financial Statements</b>	A - W				

Mumbai, October 17, 2011

## STATEMENT OF CONDENSED CASH FLOWS

Note	For the six months ended September 30, 2011 ₹ crores	For the six months ended September 30, 2010 ₹ crores
<b>I. NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>	574.33	2105.55
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(743.85)	(544.63)
Proceeds from sale of fixed assets	0.68	1.36
Adjustment of purchase consideration	-	27.33
Purchase of trade investments	(229.16)	(19.00)
Proceeds from sale / transfer of trade investments	9.05	-
Purchase of mutual fund and other investments	(4047.57)	(30806.28)
Sale of mutual funds and other investments	4051.16	31515.32
Advance towards investment in subsidiary	(2.44)	(1.89)
Inter-corporate deposits placed	(831.80)	(180.00)
Inter-corporate deposits refunded	706.80	140.00
Commercial paper purchased	-	(146.02)
Fixed deposit with banks having original maturity over three months placed	(119.00)	(527.00)
Fixed deposit with banks having original maturity over three months matured	750.00	1960.87
Dividends received from subsidiaries	1401.37	33.39
Dividends received from other investments	0.51	4.75
Interest received	69.46	140.00
<b>Net cash provided by investing activities</b>	<b>1015.21</b>	<b>1598.20</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings (net)	662.05	0.36
Dividend paid, including dividend tax	(2514.99)	(3671.48)
Interest paid	(9.33)	(16.27)
<b>Net cash used in financing activities</b>	<b>(1862.27)</b>	<b>(3687.39)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(272.73)</b>	<b>16.36</b>
Cash and cash equivalents at beginning of the year	577.18	293.28
Exchange difference on translation of foreign currency cash and cash equivalents	18.66	10.14
<b>Cash and cash equivalents at end of the period as per Note Q (a)</b>	<b>323.11</b>	<b>319.78</b>
Earmarked balances with banks	8.02	7.08
Short term bank deposits	4120.00	1587.10
<b>Cash and Bank balance at the end of the period as per Note Q</b>	<b>4451.13</b>	<b>1913.96</b>

## IV. NOTES TO CONDENSED FINANCIAL STATEMENTS

A - W

Mumbai, October 17, 2011

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>(a) Authorised</b>		
(i) 225,00,00,000 equity shares of ₹ 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>(b) Issued, Subscribed and Paid up</b>		
(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  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
(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)	30.52	6.63
	<u>132.13</u>	<u>101.61</u>
(c) Hedging reserve account		
(i) Opening balance	11.35	(76.82)
(ii) Additions / (Deductions) during the period (net)	(423.80)	88.17
	<u>(412.45)</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	5249.54	7569.99
	<u>19318.74</u>	<u>18028.12</u>
Less : Appropriations		
(a) Interim dividends on equity shares	1174.32	1174.32
(b) Proposed final dividend on equity shares	-	1565.78
(c) Dividend on redeemable preference shares	-	11.00
(d) Tax on dividend	190.50	450.82
(e) General Reserve	-	757.00
	<u>17953.92</u>	<u>14069.20</u>
	<u>22775.21</u>	<u>19283.77</u>

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'C'</b>		
<b>LONG TERM BORROWINGS</b>		
(a) Secured Loans		
Long term maturities of finance lease obligation	31.92	32.33
(b) Unsecured Loans		
Other loans and advances	3.54	4.00
	35.46	36.33

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

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'D'</b>		
<b>DEFERRED TAX BALANCES</b>		
(a) Deferred tax liabilities (net)		
(i) Foreign branch profit tax	102.05	60.15
(ii) Depreciation and amortisation	1.46	1.32
(iii) Others	0.47	7.85
	103.98	69.32
(b) Deferred tax assets (net)		
(i) Depreciation and amortisation	(19.38)	(31.78)
(ii) Employee benefits	56.74	34.06
(iii) Provision for doubtful debts	37.49	31.25
(iv) Others	29.74	18.50
	104.59	52.03

TATA CONSULTANCY SERVICES LTD  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'E'</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
(a) Trade payables	147.34	88.11
(b) Other liabilities	51.04	41.80
	198.38	129.91

Other liabilities pertains to the fair values of foreign exchange forward and currency option contracts secured against book debts

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'F'</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for employee benefits	115.69	76.17
	115.69	76.17

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'G'</b>		
<b>SHORT TERM BORROWINGS</b>		
(a) Secured Loans		
<u>From Banks</u>		
Overdraft	193.86	-
(b) Unsecured Loans		
<u>From Banks</u>		
Preshipment loan	160.77	-
Overdraft	307.88	-
	662.51	-

Bank Overdrafts are secured against book debts.

TATA CONSULTANCY SERVICES LTD  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'H'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt	1.25	1.25
(b) Current maturities of finance lease obligations	4.00	3.54
(c) Interest accrued but not due on borrowings	1.62	0.12
(d) Income received in advance	531.42	557.34
(e) Unpaid dividends	7.99	7.31
(f) Equity share application monies refundable	0.03	0.03
(g) Advance received from customers	112.39	116.37
(h) Other payables	1207.41	528.39
	1866.11	1214.35

Other payables pertains to :

(i) Fair values of foreign exchange forward and currency option contracts secured against book debts	754.92	12.89
(ii) Statutory liabilities	432.42	297.70
(iii) Others	20.07	217.80

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'I'</b>		
<b>SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits	472.19	398.70
(b) Others		
(i) Proposed final dividend on equity shares	-	1565.78
(ii) Proposed dividend on redeemable preference shares	-	11.00
(iii) Interim dividend	587.15	-
(iv) Tax on dividend	95.25	255.79
(v) Current income taxes (net)	446.08	182.09
(vi) Provision for warranties	0.67	0.58
	1601.34	2413.94



TATA CONSULTANCY SERVICES LIMITED

Notes forming part of the Condensed Financial Statements

NOTE 'J'

FIXED ASSETS

₹ crores

Description	Gross Block as at April 1, 2011	Additions	Deletions/ Adjustments	Gross Block as at September 30, 2011	Accumulated Depreciation / Amortisation as at April 1, 2011	Depreciation / Amortisation for the period	Deletions/ Adjustments	Accumulated Depreciation / Amortisation as at September 30, 2011	Net book value as at September 30, 2011	Net book value as at March 31, 2011
<b>(a) TANGIBLE FIXED ASSETS</b>										
FREEHOLD LAND	315.95	-	-	315.95	-	-	-	-	315.95	315.95
LEASEHOLD LAND	92.50	-	-	92.50	(11.02)	(0.83)	-	(11.85)	80.65	81.48
FREEHOLD BUILDINGS	1610.57	141.95	-	1752.52	(282.22)	(35.91)	-	(318.13)	1434.39	1328.35
FACTORY BUILDINGS	1.51	1.26	-	2.77	(0.83)	(0.10)	-	(0.93)	1.84	0.68
LEASEHOLD BUILDINGS	9.81	0.19	-	10.00	(6.83)	(0.50)	-	(7.33)	2.67	2.98
LEASEHOLD IMPROVEMENTS	487.64	58.24	(0.23)	545.65	(253.23)	(29.82)	0.23	(282.82)	262.83	234.41
PLANT AND MACHINERY	10.90	0.06	(0.37)	10.59	(10.87)	(0.03)	0.37	(10.53)	0.06	0.03
FURNITURE AND FIXTURES	321.73	34.84	(0.22)	356.35	(284.80)	(34.75)	0.22	(319.33)	37.02	36.93
VEHICLES	18.72	1.27	(0.16)	19.83	(10.83)	(1.13)	0.14	(11.82)	8.01	7.89
OFFICE EQUIPMENT	647.71	83.53	(0.91)	730.33	(252.21)	(33.25)	0.52	(284.94)	445.39	395.50
COMPUTER EQUIPMENT	1984.80	207.41	(23.50)	2168.71	(1302.61)	(165.83)	23.48	(1444.96)	723.75	682.19
ELECTRICAL INSTALLATIONS	456.69	66.64	(1.16)	522.17	(179.30)	(25.51)	0.98	(203.83)	318.34	277.39
<b>Total</b>	<b>5958.53</b>	<b>595.39</b>	<b>(26.55)</b>	<b>6527.37</b>	<b>(2594.75)</b>	<b>(327.66)</b>	<b>25.94</b>	<b>(2896.47)</b>	<b>3630.90</b>	<b>3363.78</b>
Previous year	4858.50	1141.83	(41.80)	5958.53	(2097.98)	(535.33)	38.56	(2594.75)	3363.78	
<b>Capital Work-in-Progress</b>									1195.91	1072.86
									<b>4826.81</b>	<b>4436.64</b>
<b>(b) INTANGIBLE ASSETS</b>										
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.63	-	-	12.63	(11.06)	(0.19)	-	(11.25)	1.38	1.57
RIGHTS UNDER LICENSING AGREEMENT	59.00	-	-	59.00	(2.17)	(3.28)	-	(5.45)	53.55	56.83
<b>Total</b>	<b>71.63</b>	<b>-</b>	<b>-</b>	<b>71.63</b>	<b>(13.23)</b>	<b>(3.47)</b>	<b>-</b>	<b>(16.70)</b>	<b>54.93</b>	<b>58.40</b>
Previous year	12.71	60.89	(1.97)	71.63	(12.71)	(2.49)	1.97	(13.23)	58.40	

(i) 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.

(ii) 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  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'K'</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>(A) TRADE INVESTMENTS (at cost)</b>		
<b>(i) <u>Subsidiary Companies</u></b>		
<b>(a) <u>Fully Paid Equity Shares (Quoted)</u></b>		
CMC Limited	379.89	379.89
<b>(b) <u>Fully Paid Equity Shares (Unquoted)</u></b>		
TCS Iberoamerica S.A.	165.23	165.23
APOnline 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 Limited	38.52	38.52
* TCS FNS Pty Limited	3.38	3.38
Diligenta Limited (240,000 shares subscribed during the period) (Refer Note W - 2)	429.05	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 W - 8)	2426.20	2426.20
Retail FullServe Limited	36.17	36.17
* MahaOnline Limited	1.89	1.89
<b>(c) <u>Fully Paid Preference Shares (Unquoted)</u></b>		
Diligenta Limited 10% Cumulative redeemable preference shares	363.04	363.04
Tata Consultancy Services Canada Inc. 16% Cumulative redeemable preference shares (199,960 shares redeemed during the period)	-	6.02
APOnline Limited 6% Redeemable preference shares	2.80	2.80

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'K' (CONTINUED)</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>(ii) Others</b>		
<b>(a) Fully Paid Equity Shares (Unquoted)</b>		
Yodlee, Inc.	-	-
National Power Exchange Limited	2.50	2.50
Taj Air Limited	19.00	19.00
ALMC HF	-	-
<b>(b) Fully Paid Preference Shares (Unquoted)</b>		
Tata AutoComp Systems Limited 8% Cumulative redeemable preference shares	5.00	5.00
<b>(B) OTHERS</b>		
<b>(i) Bonds (Quoted)</b>		
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
<b>(ii) Bonds (Unquoted)</b>		
0 % ALMC HF (2014)	0.12	0.12
<b>(iii) Debentures (Unquoted)</b>		
** Tata Sons Limited 4.50% Non-convertible debentures (2014)	666.67	666.67
** Panatone Finvest Limited 4.75% Non-convertible debentures (2013)	200.00	200.00
	5689.34	5466.20
Provision for diminution in value of investment	(8.29)	(8.29)
	<u>5681.05</u>	<u>5457.91</u>
1. Market value of quoted investments	1288.34	1615.47
Book value of quoted investments	383.29	383.29
Book value of unquoted investments (net of provision)	5297.76	5074.62
* 2. Equity investments in these companies are subject to certain restrictions on transfer, as per terms of individual contractual agreements (Refer Note W - 3).		
** 3. Yield to maturity :		
Tata Sons Limited	8.50%	8.50%
Panatone Finvest Limited	8.75%	8.75%

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'L'</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
(a) Unsecured, considered good		
(i) Capital advances	239.61	226.71
(ii) Security deposits	393.76	370.10
(iii) Loans and advances to employees	9.92	10.90
(iv) Loans and advances to related parties	521.00	487.96
(v) Advance tax (including refunds receivable) (net)	651.60	513.89
(vi) MAT Credit entitlement	1208.60	1007.50
(vii) Other loans and advances	226.45	247.03
(b) Doubtful		
Loans and advances to related parties	5.70	5.19
Less : Provision for doubtful loans and advances	(5.70)	(5.19)
	3250.94	2864.09
(i) Loans and advances to related parties:		
TCS FNS Pty Limited	183.29	175.47
TCS Iberoamerica SA	289.48	263.71
Tata Consultancy Services Morocco SARL AU	5.70	5.19
CMC Limited	0.26	0.81
Tata Realty and Infrastructure Limited	45.00	45.00
Tata Sons Limited	2.97	2.97
(ii) 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	147.44	178.81
Others	26.71	15.92
<b>NOTE 'M'</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
(a) Interest receivable	92.55	119.26
(b) Long term bank deposits	269.00	2484.00
	361.55	2603.26

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'N'</b>		
<b>CURRENT INVESTMENTS</b>		
<b>(i) <u>Bonds (Quoted)</u></b>		
10% Housing Urban Development Corporation Limited Bonds (2012)	0.25	0.25
<b>(ii) <u>Investment in Mutual and other Funds (Unquoted)</u></b>		
	4.91	4.00
<b>(iii) <u>Debentures (Unquoted)</u></b>		
Tata Sons Limited 4.50% Non-convertible debentures (2012)	333.33	333.33
	338.49	337.58
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)	338.24	337.33

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'O'</b>		
<b>INVENTORIES</b> (at lower of cost and net realisable value)		
(a) Raw materials, sub-assemblies and components	4.01	4.39
(b) Finished goods and Work-in-progress	0.77	0.80
(c) Goods-in-transit	0.16	0.18
	4.94	5.37

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'P'</b>		
<b>TRADE RECEIVABLES (Unsecured)</b>		
(a) Over six months		
(i) Considered good	1323.10	1029.10
(ii) Considered doubtful	145.85	151.18
(b) Others		
(i) Considered good	6656.26	3777.57
(ii) Considered doubtful	-	0.45
	8125.21	4958.30
Less: Provision for doubtful debts	(145.85)	(151.63)
	7979.36	4806.67

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'Q'</b>		
<b>CASH AND BANK BALANCES</b>		
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	243.85	162.85
In deposit accounts with original maturity less than 3 months	63.39	359.75
(ii) Cheques on hand	13.52	52.06
(iii) Cash on hand	0.58	0.76
(iv) Remittances in transit	1.77	1.76
(b) Other Bank balances		
(i) Earmarked balances with banks	8.02	7.34
(ii) Short term bank deposits	4120.00	2536.00
	4451.13	3120.52

The above does not include fourteen bank accounts having a balance of ₹ 0.01 crore (March 31, 2011 : ₹ Nil) operated by the Company on behalf of a third party.

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	As at September 30, 2011 ₹ crores	As at March 31, 2011 ₹ crores
<b>NOTE 'R'</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(a) Unsecured , considered good		
(i) Loans and advances to employees	117.63	130.68
(ii) Loans and advances to related parties	150.85	177.78
(iii) Other loans and advances	1469.51	1060.59
(b) Doubtful		
(i) Loans and advances to employees	29.64	26.29
(ii) Other loans and advances	5.37	6.09
Less : Provision for doubtful loans and advances	(35.01)	(32.38)
	1737.99	1369.05
1. Loans and advances to related parties:		
TCS FNS Pty Limited	40.65	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	0.05	0.26
CMC Limited	0.77	4.01
Tata Teleservices Limited	1.94	4.38
Tata AIG General Insurance Company Limited	-	0.01
Infiniti Retail Limited	-	0.01
Tata Consultancy Services Qatar LLC	2.44	-
2. Other loans and advances pertains to:		
Security Deposit	62.12	42.58
Inter Corporate Deposits	250.00	100.00
Indirect Tax recoverable	95.92	113.92
Fair values of foreign exchange forward and currency option contracts secured against book debts	58.04	52.33
Advance to suppliers	52.42	35.67
Other amounts recoverable in cash or kind for value to be received	749.86	687.70
Others	206.52	34.48

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of Condensed Financial Statements

	For the quarter ended September 30, 2011	For the quarter ended September 30, 2010	For the six months ended September 30, 2011	For the six months ended September 30, 2010
	₹ crores	₹ crores	₹ crores	₹ crores
<b>NOTE 'S'</b>				
<b>REVENUE FROM OPERATIONS</b>				
(a) Information technology and consultancy services	9031.49	6919.45	17333.32	13134.49
(b) Sale of equipment and software licences	297.83	348.07	609.60	544.05
Less : Excise Duty	(0.08)	(0.07)	(0.12)	(0.14)
	9329.24	7267.45	17942.80	13678.40



TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	For the quarter ended September 30, 2011	For the quarter ended September 30, 2010	For the six months ended September 30, 2011	For the six months ended September 30, 2010
	₹ crores	₹ crores	₹ crores	₹ crores
<b>NOTE 'T'</b>				
<b>OTHER INCOME</b>				
(a) Interest	158.16	73.77	331.27	158.75
(b) Dividend income	1356.33	35.47	1372.17	38.14
(c) Profit on redemption / sale of mutual funds and other current investments (net)	1.21	14.39	4.50	48.00
(d) Rent	0.17	0.41	0.34	0.90
(e) Profit / (loss) on sale of fixed assets (net)	(0.01)	0.28	0.07	(1.27)
(f) Exchange loss (net)	(97.09)	(22.54)	(35.75)	(107.24)
(g) Miscellaneous income	1.71	1.44	5.28	2.37
	1420.48	103.22	1677.88	139.65
 (i) Dividend income includes:				
Dividends from subsidiaries (trade investments)	1355.82	33.39	1371.66	33.39
Dividends from other long-term investments (trade investments)	0.40	-	0.40	0.77
Dividends from mutual funds (other investments)	0.11	2.08	0.11	3.98
 (ii) Exchange loss (net) includes:				
Exchange loss on foreign exchange forward contracts and currency option contracts which have been designated as Cash Flow Hedges	(176.36)	(50.44)	(152.00)	(76.88)

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	For the quarter ended September 30, 2011	For the quarter ended September 30, 2010	For the six months ended September 30, 2011	For the six months ended September 30, 2010
	₹ crores	₹ crores	₹ crores	₹ crores
<b>NOTE 'U'</b>				
<b>EMPLOYEE BENEFIT EXPENSES</b>				
(a) Salaries and incentives	3018.76	2212.00	5843.38	4175.51
(b) Contributions to -				
(i) Provident fund	87.40	68.73	171.83	135.12
(ii) Superannuation scheme	23.13	18.88	44.46	34.95
(iii) Gratuity fund contributions	28.22	26.08	56.09	50.88
(iv) Social security and other benefit plans for overseas employees	47.51	36.30	93.68	67.17
(c) Staff welfare expenses	216.69	170.78	418.14	328.56
	<u>3421.71</u>	<u>2532.77</u>	<u>6627.58</u>	<u>4792.19</u>

TATA CONSULTANCY SERVICES LIMITED  
Notes forming part of the Condensed Financial Statements

	For the quarter ended September 30, 2011 ₹ crores	For the quarter ended September 30, 2010 ₹ crores	For the six months ended September 30, 2011 ₹ crores	For the six months ended September 30, 2010 ₹ crores
<b>NOTE 'V'</b>				
<b>OPERATION AND OTHER EXPENSES</b>				
(a) Overseas business expenses	1497.52	1253.97	2880.10	2389.40
(b) Services rendered by business associates and others	627.77	441.71	1148.37	812.61
(c) Software, hardware and material costs	291.69	322.63	555.83	516.74
(d) Cost of software licenses	151.67	105.60	320.29	179.50
(e) Communication expenses	91.73	68.81	183.59	139.31
(f) Travelling and conveyance expenses	100.79	69.08	187.92	127.06
(g) Rent	157.49	65.97	308.47	202.67
(h) Legal and professional fees	39.22	29.20	78.18	56.68
(i) Repairs and maintenance	52.44	44.95	104.55	86.66
(j) Electricity expenses	72.63	62.62	146.33	119.88
(k) Bad debts (written back) / written off	(0.03)	3.62	(0.05)	10.76
(l) Write off / (write back) of provision for doubtful debts	0.59	(31.94)	(5.78)	(47.88)
(m) Provision for doubtful advances	1.79	1.63	3.14	2.46
(n) Advances written-off	-	-	-	0.04
(o) Recruitment and training expenses	43.62	37.36	87.06	70.15
(p) Commission and brokerage	2.46	2.76	6.56	6.03
(q) Printing and stationery	3.71	3.84	10.69	9.60
(r) Insurance	4.01	3.88	7.95	7.63
(s) Rates and taxes	12.48	8.69	27.28	16.12
(t) Entertainment	5.55	3.83	9.35	6.66
(u) Other expenses	90.01	77.86	160.94	154.17
	<u>3247.14</u>	<u>2576.07</u>	<u>6220.77</u>	<u>4866.25</u>
(i) Overseas business expenses includes:				
Travel expenses	85.08	70.17	161.52	136.61
Employee allowances	1334.44	1137.48	2570.78	2183.08
(ii) Repairs and maintenance pertains to:				
Buildings	24.41	17.63	47.07	32.68
Office and computer equipment	28.03	27.32	57.48	53.98
(iii) Software, hardware and material costs includes:				
Material Costs				
(a) Raw Materials, sub-assemblies and components consumed	2.98	6.38	4.79	9.00
(b) Opening Stock:				
Finished goods and work-in-progress	0.37	1.14	0.80	1.67
(c) Less: Closing Stock:				
Finished goods and work-in-progress	0.77	2.37	0.77	2.37
	<u>(0.40)</u>	<u>(1.23)</u>	<u>0.03</u>	<u>(0.70)</u>
	<u>2.58</u>	<u>5.15</u>	<u>4.82</u>	<u>8.30</u>
(iv) Other expenses includes:				
Stores and spare parts consumed	0.01	0.01	0.02	0.03

## NOTE 'W'

### 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 period. 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 / amortisation other than on freehold land and capital work-in-progress is charged so as to write-off the cost of assets, on the following basis:

Leasehold Land and Buildings	Straight line	Lease period
Freehold Buildings	Written down value	5%
Factory Buildings	Straight line	10%
Leasehold Improvements	Straight line	Lease period
Plant and Machinery	Straight line	33.33%
Computer Equipment	Straight line	25%
Vehicles	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) Other 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.

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) **Acquisitions / Divestments**

In terms of the shareholders agreement dated March 23, 2006, Phoenix Group Services Limited (formerly known as Pearl Group Services Limited) , exercised their put option and sold equity holding of 24% in Diligenta Limited to the Company at a fixed price of ₹ 228.00 crores (GBP 30.24 million) in September 2011. Thereby Diligenta Limited becomes a wholly owned subsidiary of the Company. Legal formalities relating to the transfer of shares are in the process of being completed.

- 3) The Company has given undertakings to (a) Bank of China Co. Limited, not to transfer its controlling interest in TCS Financial Solutions Australia Pty Limited, a wholly owned subsidiary of TCS FNS Pty Limited and (b) the Government of Maharashtra not to divest its shareholding in MahaOnline Limited except to an affiliate.
- 4) Unbilled revenue as at September 30, 2011 amounting to ₹ 1289.58 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 ₹ 1142.89 crores (*March 31, 2011 : ₹ 780.11 crores*).
- 5) Current tax includes additional provision (net) of ₹ 7.65 crores for the quarter ended September 30, 2011 (*September 30, 2010: ₹ 59.80 crores*) and ₹ 11.86 crores for the six months ended September 30, 2011 (*September 30, 2010: ₹ 37.01 crores*) in domestic and certain overseas jurisdictions relating to earlier years.
- 6) Other current asset pertains to interest receivable of ₹ 383.44 crores (*March 31, 2011 : ₹ 94.92 crores*).
- 7) **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.

**Quarter ended September 30, 2011**

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom	Others	
Revenue	3748.27	735.95	1238.42	1278.21	2328.39	9329.24
	2893.62	561.96	868.42	1185.96	1757.49	7267.45
Segment result	1170.11	192.52	352.36	361.06	584.34	2660.39
	918.16	145.93	217.51	465.42	411.59	2158.61
Unallocable expenses (net)						182.34
						140.44
Operating income						2478.05
						2018.17
Other income, (net)						1420.48
						103.22
Profit before taxes						3898.53
						2121.39
Tax expense						711.42
						308.74
Net profit for the period						3187.11
						1812.65





8) **Contingent Liabilities**

	As at September 30, 2011	(₹ crores) As at March 31, 2011
Claims against the Company not acknowledged as debt	21.56	21.45
Income Tax demands	613.80	602.65
Indirect Tax demands	56.43	62.61
Guarantees given by the Company on behalf of subsidiaries (See (ii) below)	2000.43	2120.91

- 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 ₹ 218.97 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 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 ₹ 1971.89 crores (*GBP 257.50 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.

9) **Derivative Financial Instruments**

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts and currency option contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Company has following outstanding derivate instruments as on September 30, 2011:

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

September 30, 2011				March 31, 2011		
Foreign Currency	No. of Contracts	Notional amount of Forward contract (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of Forward contract (million)	Fair Value (₹ crores)
			<b>(Loss)</b>			
Sterling Pound	3	48.00	(6.54)	-	-	-

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

September 30, 2011				March 31, 2011		
Foreign Currency	No. of Contracts	Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)
			<b>(Loss)</b>			
U.S. Dollar	60	1955.00	(506.65)	6	145.00	(39.52)
Sterling Pound	18	174.00	(24.94)	9	54.00	8.64
Euro	18	164.00	(20.00)	21	149.00	1.06

Net loss on derivative instruments of ₹ 397.60 crores recognised in Hedging Reserve as of September 30, 2011, is expected to be reclassified to the profit and loss account by September 30, 2012.

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

	<b>Period ended September 30, 2011</b>	(₹ crores) Year ended March 31, 2011
Balance at the beginning of the year	<b>11.35</b>	(76.82)
Gains transferred to income statement on occurrence of forecasted hedge transaction	<b>46.96</b>	94.06
Changes in the fair value of effective portion of outstanding Cash Flow Hedges	<b>(411.96)</b>	5.82
Net derivative losses related to discontinued Cash Flow Hedges	<b>(58.80)</b>	(11.71)
Balance at the end of the period	<b>(412.45)</b>	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 ₹ 7706.31 crores (*March 31, 2011 : ₹ 4432.67 crores*) whose fair value showed a loss of ₹ 189.78 crores as on September 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 derivative instruments at fair value with changes in fair value recorded in the profit and loss account. Exchange loss of ₹ 217.02 crores (*September 30, 2010 : exchange gain ₹ 0.66 crore*) and exchange loss of ₹ 179.79 crores (*September 30, 2010 : exchange loss of ₹ 61.39 crores*) on foreign exchange forward contracts and currency option contracts for the quarter and six months ended September 30, 2011 respectively, have been recognised in the profit and loss account.

- 10) Increase in payables in respect of purchase of fixed assets amounting to ₹ 13.11 crores for the period ended September 30, 2011 (*September 30, 2010 : ₹ 19.22 crores*) have been considered as non - cash transactions.
- 11) The Board of Directors declared an interim dividend of ₹ 3 per equity share in the meeting held on October 17, 2011.
- 12) 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.
- 13) *Previous period's figures are in italics.*