

## INDEX TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL REPORT

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**Tata Consultancy Services Limited**  
**Unaudited Condensed Consolidated Statements of Financial Position**  
**As of December 31, 2011, March 31, 2011 and April 1, 2010**

	Notes	As of December 31, 2011	As of March 31, 2011	As of April 1, 2010
(In millions of USD)				
<b>ASSETS:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	4	\$354.4	\$348.5	\$228.2
Bank deposits		759.7	713.2	813.1
Trade receivables	5	2,162.3	1,839.3	1,293.4
Investments	6(a)	127.0	154.6	570.1
Other current financial assets	7(a)	259.7	168.1	172.2
Unbilled revenues		383.2	302.5	267.4
Current income tax assets		0.8	78.4	31.6
Other current assets	8(a)	213.4	247.3	182.4
<b>Total current assets</b>		<b>4,260.5</b>	<b>3,851.9</b>	<b>3,558.4</b>
<b>Non-current assets:</b>				
Bank deposits		248.0	605.8	1.0
Investments	6(b)	228.4	257.8	271.9
Other non-current financial assets	7(b)	141.8	136.5	120.6
Current income tax assets		200.3	225.4	132.8
Deferred income tax assets		317.6	262.0	296.1
Property, plant and equipment	9	1,138.0	1,166.1	921.1
Intangible assets		34.5	42.7	26.7
Goodwill		623.0	715.1	704.6
Other non-current assets	8(b)	94.9	90.0	42.2
<b>Total non-current assets</b>		<b>3,026.5</b>	<b>3,501.4</b>	<b>2,517.0</b>
<b>TOTAL ASSETS</b>		<b>\$7,287.0</b>	<b>\$7,353.3</b>	<b>\$6,075.4</b>
<b>LIABILITIES AND EQUITY:</b>				
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Trade and other payables	10	\$684.4	\$668.7	\$596.2
Borrowings		4.4	7.4	13.6
Mandatorily redeemable preference shares		18.8	22.4	22.3
Other current financial liabilities	11(a)	163.8	109.1	65.0
Unearned and deferred revenues		173.0	165.1	156.4
Employee benefit obligations		127.3	118.3	112.8
Current income tax liabilities		99.5	125.0	87.2
Other current liabilities	12	151.6	122.0	70.9
<b>Total current liabilities</b>		<b>1,422.8</b>	<b>1,338.0</b>	<b>1,124.4</b>
<b>Non-current liabilities:</b>				
Borrowings		0.5	0.9	2.4
Other non-current financial liabilities	11(b)	74.7	85.7	109.3
Employee benefit obligations		33.7	28.6	22.0
Deferred income tax liabilities		77.9	125.7	67.9
Other non-current liabilities		26.4	6.5	6.5
<b>Total non-current liabilities</b>		<b>213.2</b>	<b>247.4</b>	<b>208.1</b>
<b>TOTAL LIABILITIES</b>		<b>1,636.0</b>	<b>1,585.4</b>	<b>1,332.5</b>
<b>Equity:</b>				
Share capital		43.6	43.6	43.6
Share premium		406.7	427.2	427.4
Retained earnings		6,078.7	5,151.6	4,228.5
Accumulated other comprehensive (losses) / income		(969.8)	74.9	(5.7)
<b>Equity attributable to TCS Limited</b>		<b>5,559.2</b>	<b>5,697.3</b>	<b>4,693.8</b>
Non-controlling interests		91.8	70.6	49.1
<b>TOTAL EQUITY</b>		<b>5,651.0</b>	<b>5,767.9</b>	<b>4,742.9</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$7,287.0</b>	<b>\$7,353.3</b>	<b>\$6,075.4</b>

See accompanying notes to unaudited condensed consolidated financial report

**Tata Consultancy Services Limited**  
**Unaudited Condensed Consolidated Statements of Comprehensive Income**  
**For the three-month and nine-month periods ended December 31, 2011 and 2010**

	Three-month period ended December 31, 2011	Three-month period ended December 31, 2010	Nine-month period ended December 31, 2011	Nine-month period ended December 31, 2010
(In millions of USD, except shares and per share data)				
<b>Revenues:</b>				
Information technology and consultancy services	\$2,491.4	\$2,070.4	\$7,285.9	\$5,730.6
Sale of equipment and software licences	94.2	73.6	236.7	211.7
<b>Total revenues</b>	<b>2,585.6</b>	<b>2,144.0</b>	<b>7,522.6</b>	<b>5,942.3</b>
<b>Cost of revenues:</b>				
Cost of information technology and consultancy services	1,284.8	1,111.6	3,890.8	3,094.7
Cost of equipment and software licenses	85.2	58.8	206.5	166.3
<b>Total cost of revenues</b>	<b>1,370.0</b>	<b>1,170.4</b>	<b>4,097.3</b>	<b>3,261.0</b>
<b>Gross profit</b>	<b>1,215.6</b>	<b>973.6</b>	<b>3,425.3</b>	<b>2,681.3</b>
<b>Operating Expenses:</b>				
Selling, general and administrative expenses	459.3	367.5	1,353.2	1,018.6
<b>Operating income</b>	<b>756.3</b>	<b>606.1</b>	<b>2,072.1</b>	<b>1,662.7</b>
<b>Other (expense) / income:</b>				
Finance and other income	38.5	25.2	126.2	65.9
Finance costs	(1.6)	(3.8)	(6.2)	(12.6)
Other (losses) / gains, net	(54.9)	19.0	(51.8)	14.6
<b>Other (expense) / income, net</b>	<b>(18.0)</b>	<b>40.4</b>	<b>68.2</b>	<b>67.9</b>
<b>Income before income taxes</b>	<b>738.3</b>	<b>646.5</b>	<b>2,140.3</b>	<b>1,730.6</b>
Income tax expense	163.8	121.9	494.4	327.6
<b>Net income</b>	<b>574.5</b>	<b>524.6</b>	<b>1,645.9</b>	<b>1,403.0</b>
<b>Other comprehensive (losses) / income, net of taxes</b>				
Exchange differences on translation of foreign operations	(408.7)	27.6	(874.6)	37.0
Net gain on available-for-sale financial assets	0.1	0.2	0.5	0.7
Net (losses) / gains on cash flow hedges	(74.8)	2.3	(184.1)	10.9
Actuarial gains / (losses) on employee benefit plans	0.3	(0.8)	1.4	(2.6)
<b>Total other comprehensive (losses) / income, net of taxes</b>	<b>(483.1)</b>	<b>29.3</b>	<b>(1,056.8)</b>	<b>46.0</b>
<b>Total comprehensive income for the period, net of taxes</b>	<b>\$91.4</b>	<b>\$553.9</b>	<b>\$589.1</b>	<b>\$1,449.0</b>
<b>Net income attributable to:</b>				
TCS Limited	\$568.0	\$520.5	\$1,627.2	\$1,386.1
Non-controlling interests	6.5	4.1	18.7	16.9
	<b>\$574.5</b>	<b>\$524.6</b>	<b>\$1,645.9</b>	<b>\$1,403.0</b>
<b>Total comprehensive income / (losses) attributable to:</b>				
TCS Limited	\$93.1	\$548.8	\$585.6	\$1,431.4
Non-controlling interests	(1.7)	5.1	3.5	17.6
	<b>\$91.4</b>	<b>\$553.9</b>	<b>\$589.1</b>	<b>\$1,449.0</b>
Weighted average number of shares used in computing basic and diluted earnings per share	1,957,220,996	1,957,220,996	1,957,220,996	1,957,220,996
Basic and diluted earnings per share:	\$0.29	\$0.27	\$0.83	\$0.71

**See accompanying notes to unaudited condensed consolidated financial report**

**Tata Consultancy Services Limited**  
**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**for the nine-month periods ended December 31, 2010 and 2011**

(In millions of USD, except shares data)

	Number of shares	Share capital	Share premium	Retained earnings	Accumulated other comprehensive income / (losses)	Equity attributable to TCS Limited	Non- controlling interests	Total equity
<b>Balance as of April 1, 2010</b>	1,957,220,996	\$43.6	\$427.4	\$4,228.5	\$(5.7)	\$4,693.8	\$49.1	\$4,742.9
Net Income				1,386.1		1,386.1	16.9	1,403.0
Exchange differences on translation of foreign operations, net of tax					36.3	36.3	0.7	37.0
Net gain on available-for-sale financial assets, net of tax				-	0.6	0.6	0.1	0.7
Net gain on cash flow hedges, net of tax					11.0	11.0	(0.1)	10.9
Actuarial losses on employee benefit plans, net of tax				(2.6)		(2.6)	0.0	(2.6)
Dividends including tax on dividend				(889.4)		(889.4)	(3.9)	(893.3)
Purchase of shares from non-controlling interests			(0.2)		0.2	-	(1.5)	(1.5)
<b>Balance as of December 31, 2010</b>	<b>1,957,220,996</b>	<b>\$43.6</b>	<b>\$427.2</b>	<b>\$4,722.6</b>	<b>\$42.4</b>	<b>\$5,235.8</b>	<b>\$61.3</b>	<b>\$5,297.1</b>
<b>Balance as of April 1, 2011</b>	1,957,220,996	\$43.6	\$427.2	\$5,151.6	\$74.9	\$5,697.3	\$70.6	\$5,767.9
Net Income				1,627.2		1,627.2	18.7	1,645.9
Exchange differences on translation of foreign operations, net of tax					(860.7)	(860.7)	(13.9)	(874.6)
Net gain on available-for-sale financial assets, net of tax					0.3	0.3	0.2	0.5
Net loss on cash flow hedges, net of tax					(182.6)	(182.6)	(1.5)	(184.1)
Actuarial gains on employee benefit plans, net of tax				1.4		1.4	0.0	1.4
Dividends including tax on dividend				(701.5)		(701.5)	(4.3)	(705.8)
Purchase of non controlling interests			(20.5)		(1.7)	(22.2)	22.0	(0.2)
<b>Balance as of December 31, 2011</b>	<b>1,957,220,996</b>	<b>\$43.6</b>	<b>\$406.7</b>	<b>\$6,078.7</b>	<b>\$(969.8)</b>	<b>\$5,559.2</b>	<b>\$91.8</b>	<b>\$5,651.0</b>

**Tata Consultancy Services Limited**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
**For the nine-month periods ended December 31, 2011 and 2010**

	<b>Nine-month period ended December 31, 2011</b>	<b>Nine-month period ended December 31, 2010</b>
	<b>(In millions of USD)</b>	
<b>Net cash provided by operating activities</b>	<b>\$1,046.5</b>	<b>\$1,133.9</b>
<b>Cash flows from investing activities:</b>		
Purchase of bank deposits	(367.5)	(958.6)
Purchase of inter-corporate deposits	(264.0)	(45.6)
Purchase of available-for-sale financial assets	(2,249.2)	(9,719.5)
Purchase of property, plant and equipment	(309.9)	(245.4)
Purchase of intangible assets	(0.4)	(15.7)
Purchase of subsidiaries and business, net of cash acquired	-	14.3
Proceeds from bank deposits	525.7	657.0
Proceeds from inter-corporate deposits	159.3	31.5
Proceeds from sale of available-for-sale financial assets	2,250.9	10,132.4
Proceeds from sale of property, plant and equipment	1.2	1.6
Commercial papers (Net)	-	(10.5)
Interest received	50.0	44.3
Dividend received	1.0	3.1
<b>Net cash used in by investing activities</b>	<b>(202.9)</b>	<b>(111.1)</b>
<b>Cash flows from financing activities:</b>		
Short term borrowings (Net)	(2.2)	2.1
Proceeds from issue of long term borrowings	-	0.1
Repayment of long term borrowings	(0.3)	(0.3)
Dividends paid by subsidiaries	(6.7)	(4.0)
Dividends paid	(701.5)	(889.4)
Purchase of shares from non-controlling interests	(47.9)	(1.5)
Interest paid	(6.8)	(8.0)
<b>Net cash used in financing activities</b>	<b>(765.4)</b>	<b>(901.0)</b>
Net change in cash	78.2	121.8
Effect of foreign exchange on cash	(72.3)	2.2
Cash and cash equivalents, beginning of the period	348.5	228.2
<b>Cash and cash equivalents, end of the period</b>	<b>\$354.4</b>	<b>\$352.2</b>

**See accompanying notes to unaudited condensed consolidated financial report**

**Tata Consultancy Services Limited**  
**Notes to Unaudited Condensed Consolidated Financial Report**

**1. Background and operations**

Tata Consultancy Services Limited and its subsidiaries (collectively “TCS Limited” or the “Company”) provide a wide range of information technology and consultancy services including systems hardware and software, communications and networking, hardware sizing and capacity planning, software project management solutions, technology education services and business process outsourcing.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is Tata Consultancy Services Limited, 9<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai 400021. As of December 31, 2011, Tata Sons Limited owned 74.08% of Tata Consultancy Services Limited’s equity share capital and has the ability to control its operating and financial policies.

**2. Summary of significant accounting policies**

**a. Basis of presentation**

This unaudited condensed consolidated financial report has been compiled in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), as applicable to interim periods.

This interim period financial report is presented in accordance with the recognition and measurement principles of IFRS. The effect of transition from the recognition and measurement principle of Indian GAAP (referred to as “Previous GAAP”) to IFRS has been described in note 3 to this financial report.

Accounting policies have been applied consistently to all periods presented in the unaudited condensed consolidated financial report.

**b. Basis of consolidation**

TCS Limited consolidates all entities which are controlled by it. Control exists when TCS Limited has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired, or sold, during the year are consolidated for the periods from, or to, the date when control passes. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Inter-company transactions, balances and unrealised profits and losses are eliminated on consolidation.

**c. Business combinations**

The Company accounts for its business combinations under acquisition method of accounting. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in determination of net income after reassessing the fair values of the net assets and contingent liabilities.

Non-controlling interests in subsidiaries are identified separately from TCS Limited’s equity therein. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests’ proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity of subsidiaries.

**d. Revenue recognition**

TCS Limited earns revenues primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, re-licensing of third party

**Tata Consultancy Services Limited**  
**Notes to Unaudited Condensed Consolidated Financial Report**

software products and sales, licensing and sale of its own software, business process outsourcing and maintenance of equipment.

TCS Limited recognises revenue as follows:

Revenues from bundled contracts that involve supplying computer equipment, licensing software and providing services are allocated separately for each element based on their fair values.

Revenues from contracts priced on a time and materials basis are recognised as services are rendered and as related costs are incurred.

Revenues from software development contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses on such contracts are recognised when probable. Revenues in excess of billings are recognised as unbilled revenues in the balance sheet; to the extent billings are in excess of revenues recognised, the excess is reported as unearned and deferred revenue in the balance sheet.

Revenues from business process outsourcing contracts priced on the basis of time and material or unit of delivery are recognised as services are rendered or the related obligation is performed.

Revenues from the sale of computer equipment are recognised upon delivery to customers, which is when title and risks and rewards of ownership passes to the customer. TCS Limited acts as a reseller of third party computer equipment products; such revenues are reported gross as TCS Limited acts as a principal, has pricing authority and bears inventory and credit risk.

Revenues from the sale of internally developed and manufactured systems and third party software products which do not require significant modification are recognised upon delivery of a license, which is when the absolute right to use passes to the customer and TCS Limited does not have any material remaining service obligations.

Revenues from maintenance contracts and from finite period software licenses granted are recognised on a pro-rata basis over the period of the contract.

TCS Limited reports billed out-of-pocket expenses as revenue.

All revenues are recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured.

**e. Foreign currency**

The functional currency of TCS Limited and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of incorporation. These financial statements are presented in US dollars to facilitate the investors' ability to evaluate TCS Limited's performance and financial position in comparison to similar companies domiciled in different foreign jurisdictions.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet dates. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the net income.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Comprehensive income statement items have been translated using the quarterly weighted average exchange rates. Translation adjustments have been reported as a component of accumulated other comprehensive income in the statement of changes in equity.

**Tata Consultancy Services Limited**  
**Notes to Unaudited Condensed Consolidated Financial Report**

**f. Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. The income tax expense for the interim periods within a fiscal year is allocated to those periods based on the management's best estimate of the effective income tax rate expected to be applicable for the full fiscal year.

***Current income taxes:***

The current income tax expense includes Indian income taxes payable for TCS Limited's worldwide operations after taking credit for benefits available for export operations in Special Economic Zones (or SEZs) and after offsetting benefits under double tax avoidance treaties for foreign taxes payable in overseas jurisdictions.

Current income tax is payable in each of TCS Limited's overseas branches and is computed in accordance with the tax laws applicable in the jurisdiction in which each of the branches operate. The amounts paid are generally available for offset as tax credits in India towards the income tax liability computed on TCS Limited's worldwide income.

The current income tax expense for overseas subsidiaries has been computed based on the laws applicable to each entity in the jurisdiction in which that entity operates.

Payments of advance taxes and income taxes payable in the same tax jurisdictions are offset.

***Deferred income taxes:***

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

For operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**g. Financial instruments**

The Company determines the classification of financial instruments at the time of initial recognition depending on their intent, nature and purpose.

**Tata Consultancy Services Limited**  
**Notes to Unaudited Condensed Consolidated Financial Report**

**A. Non-derivative financial instruments**

***Cash and cash equivalents***

TCS Limited considers all highly liquid financial instruments including bank deposits, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

***Available-for-sale financial assets***

Financial assets classified as available-for-sale are measured at fair value and unrealised gains or losses are recognised directly in other comprehensive income. On disposal or impairment of such investments, the gains or losses in other comprehensive income are recycled into the net income.

Investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are measured at cost.

***Held-to-maturity financial assets***

Debt securities for which TCS Limited has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and are measured at amortised cost using effective interest method less any impairment loss.

***Loans and receivables***

Loans and receivables are measured at amortised cost using effective interest method, less any impairment loss.

***Financial liabilities***

Financial liabilities, including borrowings, are measured at amortised cost using the effective interest method.

**B. Derivative financial instruments**

TCS Limited uses foreign currency option and forward contracts to manage its exposure to foreign exchange. TCS Limited recognises the outstanding contracts at fair value. The option and forward contracts are designated and documented as hedges at the inception of the contract. The effectiveness of option and forward contracts to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. Any amounts excluded from the assessment of hedge effectiveness, as well as the ineffective portion of designated hedges are recognised immediately in the net income.

The effective portion of changes in fair value of derivatives that are designated and qualified as cash flow hedges are recorded in other comprehensive income and are reclassified into the net income when the related hedged items affect net income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

Derivative financial instruments that do not qualify for hedge accounting are recognised at fair value and gains and losses are recognised in net income immediately.

**Tata Consultancy Services Limited**  
**Notes to Unaudited Condensed Consolidated Financial Report**

**h. Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives at the following basis and rates:

<u>Type of asset</u>	<u>Method</u>	<u>Rate</u>
Buildings	Declining balance	5.0%
	Straight line	1.63% - 10%
Computer equipment	Straight line	16% - 50%
Automobiles	Declining balance	25.89% - 29.89%
	Straight line	19.80% - 33.33%
Furniture, fixtures and office equipment	Declining balance	13.91%
	Straight line	10% - 100%

Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

**i. Intangible assets**

Intangible assets, other than goodwill, consist of acquired contract rights, intellectual property rights and software licenses. Intangible assets are amortised on a straight-line basis. The following table summarises the nature of intangibles and the estimated useful lives.

<u>Nature of intangibles</u>	<u>Useful lives</u>
Acquired contract rights.....	5-12 years
Intellectual property rights.....	2-3 years
Software licenses.....	License period

**j. Impairment**

**1) Financial assets**

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

**(i) Available-for-sale financial assets**

When the fair value of available-for-sale financial asset declines below acquisition cost and there is objective evidence that the asset is impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to the net income.

**(ii) Held-to-maturity financial assets and loans and receivables**

Held-to-maturity financial assets and loans and receivables are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. An impairment loss that is measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

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**2) Non-financial assets**

**(i) Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating units (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the net income.

**(ii) Goodwill**

For the purpose of impairment testing, goodwill is allocated to each of the Company's CGU expected to benefit from the synergies of the combination. CGU to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**k. Employee benefits**

For defined benefit plans, 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 other comprehensive income 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.

For defined contribution plans, the amount charged to the net income in respect of pension cost and other post retirement benefits is the contribution payable in the year.

**l. Operating leases**

Payments under operating leases are recognised in the net income on a straight-line basis over the term of the lease.

**m. Use of estimates**

The preparation of condensed consolidated financial report in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the condensed consolidated financial report and the reported amounts of revenues and expenses for the periods presented. Significant estimates in these condensed consolidated financial report that are susceptible to change as more information becomes available include costs to complete for fixed price contracts, allowances for uncollectible trade receivable, useful lives of intangible assets and property, plant and equipment, estimates of future cash flows and other assumptions associated with goodwill, other intangible and tangible assets impairment tests, determination of discount and other assumptions for employee benefit expenses and income taxes. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and future periods are affected.

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**3. Explanation of transition to IFRS**

The transition as of April 1, 2010 to IFRS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to IFRS are explained below.

**Exemptions from retrospective application:**

The following are the exemptions which the Company has opted to apply:

**i. Business combinations exemption**

The Company has elected not to apply IFRS 3 (Revised 2008), Business Combinations, to business combinations consummated prior to April 1, 2010.

**ii. Cumulative translation differences exemption**

The Company has elected to set the cumulative translation reserve to zero by transferring the balance as of April 1, 2010 to retained earnings.

**Exceptions from full retrospective application:**

**i. Hedge accounting exception**

The Company did not have on the date of transition a hedging relationship of a type that does not qualify for hedge accounting under IAS 39, Financial Instruments: Recognition and Measurement. Hence, this exception is not applicable.

**ii. Estimates exception**

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise the estimates under IFRS except where estimates were required by IFRS and not required by Previous GAAP or estimates were required by Previous GAAP and not required by IFRS.

**Reconciliations between Previous GAAP and IFRS:**

**i. Equity reconciliations**

<u>Notes</u>	<u>As of</u> <u>March 31, 2011</u>	<u>As of</u> <u>December 31, 2010</u>	<u>As of</u> <u>April 1, 2010</u>
	(In millions of USD)		
Equity under Previous GAAP attributable to:			
TCS Limited	\$5,495.6	\$5,291.4	\$4,111.0
Non-controlling interests	102.8	95.5	80.5
<b>Adjusted equity under Previous GAAP</b>	<b>\$5,598.4</b>	<b>\$5,386.9</b>	<b>\$4,191.5</b>
Dividends	a 410.6	102.1	713.2
Reorganisation of entities under common control	b (81.3)	(81.1)	(80.7)
Others	c (53.6)	(47.0)	(43.3)
Tax adjustments	e (106.2)	(63.8)	(37.8)
<b>Equity under IFRS</b>	<b>\$5,767.9</b>	<b>\$5,297.1</b>	<b>\$4,742.9</b>
Attributable to:			
TCS Limited	\$5,697.3	\$5,235.8	\$4,693.8
Non-controlling interests	\$70.6	\$61.3	\$49.1

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**ii. Comprehensive income reconciliations**

	Notes	Year ended March 31, 2011	Three-month period ended December 31, 2010	Nine-month period ended December 31, 2010
(In millions of USD)				
Net income under Previous GAAP attributable to :				
TCS Limited		\$1,989.8	\$525.8	\$1,410.2
Non-controlling interests		26.5	5.9	19.2
<b>Adjusted net income under Previous GAAP</b>		<b>\$2,016.3</b>	<b>\$531.7</b>	<b>\$1,429.4</b>
Employee benefits	d	(2.8)	0.7	2.9
Others		(0.1)	2.0	(0.7)
Tax adjustments	e	(75.3)	(9.8)	(28.6)
<b>Net income under IFRS</b>		<b>\$1,938.1</b>	<b>\$524.6</b>	<b>\$1,403.0</b>
Other comprehensive income		75.5	29.3	46.0
<b>Comprehensive income under IFRS</b>		<b>\$2,013.6</b>	<b>\$553.9</b>	<b>\$1,449.0</b>
Attributable to:				
TCS Limited		\$1,992.3	\$548.8	\$1,431.4
Non-controlling interests		\$21.3	\$5.1	\$17.6

**iii. Notes to reconciliations between Previous GAAP and IFRS:**

**a. Dividends**

Under IFRS, dividends payable are recorded as a liability in the period in which these are declared and approved by shareholders of the Company. Under Previous GAAP, dividends payable are recorded as a liability in the period to which they relate.

This difference has resulted in an increase in equity under IFRS by \$410.6 million, \$102.1 million and \$713.2 million as of March 31, 2011, December 31, 2010 and April 1, 2010, respectively.

**b. Reorganisation of entities under common control**

In fiscal 2003 and 2004, TCS Limited and Tata Sons Limited entered into an arrangement to transfer the entire shareholding held by Tata Sons Limited in CMC Limited and Tata America International Corporation to TCS Limited. Under IFRS, the transfer has been accounted for on the historical cost basis and the consideration paid in excess of carrying cost of these entities, as of the date of transfer, has been recorded as reduction to equity. Under Previous GAAP, the transfer has been accounted for on fair value basis.

This difference has resulted in a decrease in equity under IFRS by \$81.3 million, \$81.1 million and \$80.7 million as of March 31, 2011, December 31, 2010 and April 1, 2010, respectively.

**c. Others**

This includes adjustments under IFRS on account of consolidation of an employee welfare trust and recognition of liability for a put-call option over non-controlling interests of a subsidiary.

**d. Employee benefits**

Under IFRS, the actuarial gains and losses for retirement benefit plans are recognised in other comprehensive income for the period in which they occur. Under Previous GAAP, the actuarial gains and losses are recognised in the profit and loss account.

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This difference has resulted in a decrease by \$2.8 million, an increase by \$0.7 million and by \$2.9 million in the net income under IFRS for the year ended March 31, 2011, for the three-month and nine-month periods ended December 31, 2010, respectively. However, the same does not result in difference in equity or total comprehensive income.

**e. Tax adjustments**

Tax adjustments are primarily on account of deferred taxes recognised for undistributed earnings of subsidiaries. Under Previous GAAP there is no requirement to recognise such deferred taxes. Tax adjustments also include deferred tax impact on account of difference between Previous GAAP and IFRS.

These adjustments have resulted in a decrease in equity under IFRS by \$106.2 million, \$63.8 million and \$37.8 million as of March 31, 2011, December 31, 2010 and April 1, 2010, respectively and a decrease in the net income under IFRS by \$75.3 million, \$9.8 million and by \$28.6 million for the year ended March 31, 2011, for the three-month and nine-month periods ended December 31, 2010, respectively.

**iv. Explanation of material adjustments to cash flow statement for the nine-month period ended December 31, 2010:**

No material differences.

**4. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	<u>As of</u> <u>December 31, 2011</u>	<u>As of</u> <u>March 31, 2011</u>	<u>As of</u> <u>April 1, 2010</u>
	(In millions of USD)		
Cash at banks and in hand	\$217.2	\$173.1	\$135.3
Bank deposits (original maturities less than three months)	137.2	175.4	92.9
<b>Total</b>	<b>\$354.4</b>	<b>\$348.5</b>	<b>\$228.2</b>
Held within India	\$20.0	\$113.4	\$36.8
Held outside India	334.4	235.1	191.4
<b>Total</b>	<b>\$354.4</b>	<b>\$348.5</b>	<b>\$228.2</b>

**5. Trade receivables**

Trade receivables consist of the following:

	<u>As of</u> <u>December 31, 2011</u>	<u>As of</u> <u>March 31, 2011</u>	<u>As of</u> <u>April 1, 2010</u>
	(In millions of USD)		
Trade receivables, gross	\$2,203.9	\$1,891.7	\$1,368.3
Less: allowance for doubtful debts	(41.6)	(52.4)	(74.9)
<b>Total</b>	<b>\$2,162.3</b>	<b>\$1,839.3</b>	<b>\$1,293.4</b>

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**6. Investments**

Investments consist of the following:

**(a) Investments - Current**

	<u>As of December 31, 2011</u>	<u>As of March 31, 2011</u>	<u>As of April 1, 2010</u>
	(In millions of USD)		
<b>Available-for-sale financial assets, carried at fair value</b>			
Corporate debentures and bonds	\$1.6	\$1.7	\$1.7
Mutual fund units	62.9	78.2	568.4
	<u>64.5</u>	<u>79.9</u>	<u>570.1</u>
<b>Loans and receivables, carried at amortised cost</b>	62.5	74.7	-
<b>Total investments - Current</b>	<u><u>\$127.0</u></u>	<u><u>\$154.6</u></u>	<u><u>\$570.1</u></u>

**(b) Investments – Non current**

<b>Available-for-sale financial assets, carried at cost</b>			
Equity shares	\$9.4	\$5.4	\$1.1
	<u>9.4</u>	<u>5.4</u>	<u>1.1</u>
<b>Held-to-maturity financial assets, carried at amortised cost</b>			
Corporate debentures and bonds	17.2	44.4	0.8
	<u>17.2</u>	<u>44.4</u>	<u>0.8</u>
<b>Loans and receivables, carried at amortised cost</b>	201.8	208.0	270.0
<b>Total investments - Non current</b>	<u><u>\$228.4</u></u>	<u><u>\$257.8</u></u>	<u><u>\$271.9</u></u>

Loans and receivables include subscription to the privately placed unsecured, unlisted redeemable non-convertible debentures issued by Tata Sons Limited in January 2010 and its subsidiary Panatone Finvest Limited in March 2010 for a consideration of \$217.8 million and \$44.5 million, respectively. The debentures issued by Tata Sons Limited would be redeemable at par in three equal installments at the end of second, third and fourth year, respectively from the date of allotment while the debentures issued by Panatone Finvest Limited would be redeemed at the end of the third year. The non-convertible debentures issued by Tata Sons Limited and its subsidiary Panatone Finvest Limited carry an effective interest of 8.50% and 8.75%, respectively.

The redemption of the first installment of debentures issued by Tata Sons Limited due in January 2012 has been considered as current investment under loans and receivables, carried at amortised cost.

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**7. Other financial assets**

Other financial assets consist of the following:

**(a) Other current financial assets**

	<u>As of</u> <u>December 31, 2011</u>	<u>As of</u> <u>March 31, 2011</u>	<u>As of</u> <u>April 1, 2010</u>
	(In millions of USD)		
Accrued interest	\$82.1	\$30.3	\$29.4
Employee loans and advances	34.4	43.3	33.9
Inter-corporate deposits	116.9	56.1	64.6
Foreign currency derivative assets	6.6	22.6	17.7
Others	19.7	15.8	26.6
<b>Total</b>	<b>\$259.7</b>	<b>\$168.1</b>	<b>\$172.2</b>

**(b) Other non-current financial assets**

	<u>As of</u> <u>December 31, 2011</u>	<u>As of</u> <u>March 31, 2011</u>	<u>As of</u> <u>April 1, 2010</u>
	(In millions of USD)		
Premises deposits	\$86.5	\$87.0	\$79.0
Restricted cash	3.0	6.3	9.3
Employee loans and advances	1.9	2.8	4.0
Inter-corporate deposits	22.3	-	-
Others	28.1	40.4	28.3
<b>Total</b>	<b>\$141.8</b>	<b>\$136.5</b>	<b>\$120.6</b>

**8. Other assets**

Other assets consist of the following:

**(a) Other current assets**

	<u>As of</u> <u>December 31, 2011</u>	<u>As of</u> <u>March 31, 2011</u>	<u>As of</u> <u>April 1, 2010</u>
	(In millions of USD)		
Prepaid expenses	\$155.8	\$177.3	\$128.3
Inventories	3.2	5.1	4.0
Advances to suppliers	11.5	20.2	8.9
Other advances	42.9	44.7	41.2
<b>Total</b>	<b>\$213.4</b>	<b>\$247.3</b>	<b>\$182.4</b>

**(b) Other non-current assets**

	<u>As of</u> <u>December 31, 2011</u>	<u>As of</u> <u>March 31, 2011</u>	<u>As of</u> <u>April 1, 2010</u>
	(In millions of USD)		
Prepaid expenses	\$52.9	\$41.8	\$11.4
Prepaid rent	37.6	44.8	28.5
Others	4.4	3.4	2.3
<b>Total</b>	<b>\$94.9</b>	<b>\$90.0</b>	<b>\$42.2</b>

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**9. Property, plant and equipment**

Property, plant and equipment consist of the following:

	(In millions of USD)						
	Freehold land	Buildings	Leasehold improve- ments	Computer equipments	Auto- mobiles	Furniture, fixtures and office equipments	Total
<b>Gross block as of April 1, 2010</b>	<b>\$73.4</b>	<b>\$335.4</b>	<b>\$120.9</b>	<b>\$424.0</b>	<b>\$6.9</b>	<b>\$342.8</b>	<b>\$1,303.4</b>
Additions	-	55.4	36.7	127.3	0.8	75.3	295.5
Acquisitions through business combinations	-	-	4.6	-	-	-	4.6
Deletions	-	(0.2)	(2.9)	(12.7)	(1.5)	(20.0)	(37.3)
Effect of foreign currency exchange differences	0.5	4.3	2.7	7.2	0.1	6.7	21.5
<b>Gross block as of March 31, 2011</b>	<b>73.9</b>	<b>394.9</b>	<b>162.0</b>	<b>545.8</b>	<b>6.3</b>	<b>404.8</b>	<b>1,587.7</b>
<b>Accumulated depreciation as of April 1, 2010</b>	<b>-</b>	<b>(54.0)</b>	<b>(58.6)</b>	<b>(286.6)</b>	<b>(3.5)</b>	<b>(189.4)</b>	<b>(592.1)</b>
Acquisitions through business combinations	-	-	(3.6)	-	-	-	(3.6)
Deletions	-	0.3	2.4	11.8	1.0	17.0	32.5
Depreciation for the year	-	(15.6)	(17.3)	(75.9)	(1.0)	(40.2)	(150.0)
Effect of foreign currency exchange differences	-	(0.9)	(3.4)	(4.8)	-	(2.3)	(11.4)
<b>Accumulated depreciation as of March 31, 2011</b>	<b>-</b>	<b>(70.2)</b>	<b>(80.5)</b>	<b>(355.5)</b>	<b>(3.5)</b>	<b>(214.9)</b>	<b>(724.6)</b>
<b>Net carrying amount as of April 1, 2010</b>	<b>73.4</b>	<b>281.4</b>	<b>62.3</b>	<b>137.4</b>	<b>3.4</b>	<b>153.4</b>	<b>711.3</b>
Capital work-in-progress (including capital advances)							209.8
<b>Total</b>							<b>921.1</b>
<b>Net carrying amount as of March 31, 2011</b>	<b>73.9</b>	<b>324.7</b>	<b>81.5</b>	<b>190.3</b>	<b>2.8</b>	<b>189.9</b>	<b>863.1</b>
Capital work-in-progress (including capital advances)							303.0
<b>Total</b>							<b>\$1,166.1</b>

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(In millions of USD)

	Freehold land	Buildings	Leasehold improvements	Computer equipments	Auto-mobiles	Furniture, fixtures and office equipments	Total
<b>Gross block as of April 1, 2011</b>	<b>\$73.9</b>	<b>\$394.9</b>	<b>\$162.0</b>	<b>\$545.8</b>	<b>\$6.3</b>	<b>\$404.8</b>	<b>\$1,587.7</b>
Additions	-	50.8	20.6	79.9	0.4	64.7	216.4
Deletion	-	(0.2)	(1.1)	(13.5)	(0.5)	(3.9)	(19.2)
Effect of foreign currency exchange differences	(11.6)	(69.3)	(25.3)	(90.7)	(1.0)	(69.4)	(267.3)
<b>Gross block as of December 31, 2011</b>	<b>62.3</b>	<b>376.2</b>	<b>156.2</b>	<b>521.5</b>	<b>5.2</b>	<b>396.2</b>	<b>1,517.6</b>
<b>Accumulated depreciation as of April 1, 2011</b>	-	<b>(70.2)</b>	<b>(80.5)</b>	<b>(355.5)</b>	<b>(3.5)</b>	<b>(214.9)</b>	<b>(724.6)</b>
Deletion	-	0.2	1.1	12.9	0.4	3.3	17.9
Depreciation for the period	-	(13.0)	(15.2)	(66.3)	(0.6)	(38.4)	(133.5)
Effect of foreign currency exchange differences	-	12.3	13.2	61.0	0.6	37.0	124.1
<b>Accumulated depreciation as of December 31, 2011</b>	-	<b>(70.7)</b>	<b>(81.4)</b>	<b>(347.9)</b>	<b>(3.1)</b>	<b>(213.0)</b>	<b>(716.1)</b>
<b>Net carrying amount as of December 31, 2011</b>	<b>62.3</b>	<b>305.5</b>	<b>74.8</b>	<b>173.6</b>	<b>2.1</b>	<b>183.2</b>	<b>801.5</b>
Capital work-in-progress (including capital advances)							336.5
<b>Total</b>							<b>\$1,138.0</b>

#### 10. Trade and other payables

Trade and other payables consist of the following:

	As of December 31, 2011	As of March 31, 2011	As of April 1, 2010
	(In millions of USD)		
Trade payables	\$185.0	\$200.8	\$168.9
Accrued expenses	415.2	378.9	347.8
Accrued payroll	82.9	87.0	69.3
Others	1.3	2.0	10.2
<b>Total</b>	<b>\$684.4</b>	<b>\$668.7</b>	<b>\$596.2</b>

#### 11. Other financial liabilities

Under the shareholders agreement dated March 23, 2006, between Tata Consultancy Services Limited and Phoenix Group Services Limited (formerly known as Pearl Group Services Limited), Phoenix had a put option to sell its 24% equity holding in Diligenta Limited (subsidiary of the Company), at a fixed price of £30.24 million. During September 2011, Phoenix had exercised its put option and sold the shares to the Company resulting in the extinguishment of put-call option liability recognised by the Company. Accordingly Diligenta Limited is now a wholly owned subsidiary of the Company.

##### (a) Other current financial liabilities

	As of December 31, 2011	As of March 31, 2011	As of April 1, 2010
	(In millions of USD)		
Foreign currency derivative liabilities	\$157.1	\$3.3	\$18.1
Put-call option liability	-	48.7	37.8
Others	6.7	57.1	9.1
<b>Total</b>	<b>\$163.8</b>	<b>\$109.1</b>	<b>\$65.0</b>

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**(b) Other non-current financial liabilities**

	<b>As of December 31, 2011</b>	<b>As of March 31, 2011</b>	<b>As of April 1, 2010</b>
	<b>(In millions of USD)</b>		
Capital lease commitments	\$7.0	\$7.3	\$6.4
Others	67.7	78.4	102.9
<b>Total</b>	<b>\$74.7</b>	<b>\$85.7</b>	<b>\$109.3</b>

**12. Other current liabilities**

	<b>As of December 31, 2011</b>	<b>As of March 31, 2011</b>	<b>As of April 1, 2010</b>
	<b>(In millions of USD)</b>		
Indirect tax payable and other statutory liabilities	\$135.1	\$102.0	\$63.7
Advances received from customers	7.0	15.9	5.4
Others	9.5	4.1	1.8
<b>Total</b>	<b>\$151.6</b>	<b>\$122.0</b>	<b>\$70.9</b>

**13. Derivative financial instruments**

TCS Limited has following outstanding derivative instruments as of December 31, 2011, March 31, 2011 and April 1, 2010:

- (i) The following are outstanding foreign exchange forward contracts, which have been designated as cash flow hedges, as of:

	<b>December 31, 2011</b>		
<b>Foreign currency</b>	<b>No. of contracts</b>	<b>Notional amount of forward contracts (in millions)</b>	<b>Fair value (In millions of USD)</b>
U.S.dollar	50	292.9	\$(33.0)
Sterling pound	35	62.8	(8.0)
Australian dollar	53	13.2	(1.9)
	<b>March 31, 2011</b>		
<b>Foreign currency</b>	<b>No. of contracts</b>	<b>Notional amount of forward contracts (in millions)</b>	<b>Fair value (In millions of USD)</b>
U.S.dollar	52	207.8	\$7.8
Sterling pound	38	27.7	0.4
Australian dollar	19	9.5	(0.5)
	<b>April 1, 2010</b>		
<b>Foreign currency</b>	<b>No. of contracts</b>	<b>Notional amount of forward contracts (in millions)</b>	<b>Fair value (In millions of USD)</b>
U.S.dollar	20	51.2	\$2.7

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(ii) The following are outstanding currency option contracts, which have been designated as cash flow hedges, as of:

<b>December 31, 2011</b>			
<b>Foreign currency</b>	<b>No. of contracts</b>	<b>Notional amount of currency option contracts (in millions)</b>	<b>Fair value (In millions of USD)</b>
U.S.dollar	45	1,095.2	\$(122.4)
Sterling pound	6	66.0	(6.6)
Euro	9	84.0	(4.2)
<b>March 31, 2011</b>			
<b>Foreign currency</b>	<b>No. of contracts</b>	<b>Notional amount of currency option contracts (in millions)</b>	<b>Fair value (In millions of USD)</b>
U.S.dollar	58	349.4	\$(3.8)
Sterling pound	9	54.0	2.0
Euro	21	149.0	0.2
<b>April 1, 2010</b>			
<b>Foreign currency</b>	<b>No. of contracts</b>	<b>Notional amount of currency option contracts (in millions)</b>	<b>Fair value (In millions of USD)</b>
U.S.dollar	56	639.8	\$(12.1)

In addition to the above cash flow hedges, the Company has outstanding foreign exchange forward and currency option contracts with notional amount aggregating \$1,635.5 million (March 31, 2011 : \$1,042.7 million) whose fair value showed a loss of \$2.7 million (March 31, 2011 : gain of \$6.6 million) as on December 31, 2011. 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 statement of comprehensive income.

#### 14. Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. TCS Limited's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Company has identified business segments (industry practice) as reportable segments. 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 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 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 reportable segments.

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Summarised segment information for the three-month and nine-month periods ended December 31, 2010 and 2011 are as follows:

**Three-month period ended December 31, 2010**

(In millions of USD)

	<b>Banking, Financial Services and Insurance</b>	<b>Manufacturing</b>	<b>Retail and Consumer Packaged Goods</b>	<b>Telecom</b>	<b>Others</b>	<b>Total</b>
<b>Revenues</b>	<b>\$956.0</b>	<b>\$154.5</b>	<b>\$234.3</b>	<b>\$304.5</b>	<b>\$494.7</b>	<b>\$2,144.0</b>
<b>Segment result</b>	<b>297.9</b>	<b>37.5</b>	<b>64.7</b>	<b>108.9</b>	<b>131.1</b>	<b>640.1</b>
Unallocable expenses						34.0
Operating income						606.1
Other income / (expense), net						40.4
Income before taxes						646.5
Income tax expense						121.9
<b>Net income</b>						<b>\$524.6</b>

**Three-month period ended December 31, 2011**

(In millions of USD)

	<b>Banking, Financial Services and Insurance</b>	<b>Manufacturing</b>	<b>Retail and Consumer Packaged Goods</b>	<b>Telecom</b>	<b>Others</b>	<b>Total</b>
<b>Revenues</b>	<b>\$1,118.2</b>	<b>\$201.9</b>	<b>\$318.0</b>	<b>\$316.4</b>	<b>\$631.1</b>	<b>\$2,585.6</b>
<b>Segment result</b>	<b>361.0</b>	<b>54.9</b>	<b>98.2</b>	<b>102.1</b>	<b>178.8</b>	<b>795.0</b>
Unallocable expenses						38.7
Operating income						756.3
Other (expense) / income, net						(18.0)
Income before taxes						738.3
Income tax expense						163.8
<b>Net income</b>						<b>\$574.5</b>

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**Nine-month period ended December 31, 2010**

(In millions of USD)

	<b>Banking, Financial Services and Insurance</b>	<b>Manufacturing</b>	<b>Retail and Consumer Packaged Goods</b>	<b>Telecom</b>	<b>Others</b>	<b>Total</b>
<b>Revenues</b>	\$2,638.4	\$435.6	\$649.3	\$861.7	\$1,357.3	\$5,942.3
<b>Segment result</b>	823.5	114.2	169.5	308.8	339.2	1,755.2
Unallocable expenses						92.5
Operating income						1,662.7
Other income / (expense), net						67.9
Income before taxes						1,730.6
Income tax expense						327.6
<b>Net income</b>						<b>\$1,403.0</b>
<b>As of December 31, 2010</b>						
<b>Segment assets:</b>						
Allocable assets	\$1,697.4	\$158.6	\$215.6	\$408.9	\$751.8	\$3,232.3
Unallocable assets						3,720.6
<b>Total assets</b>						<b>\$6,952.9</b>
<b>Segment liabilities</b>						
Allocable liabilities	\$188.1	\$9.4	\$21.2	\$47.5	\$107.9	\$374.1
Unallocable liabilities						1,281.7
<b>Total liabilities</b>						<b>\$1,655.8</b>

**Nine-month period ended December 31, 2011**

(In millions of USD)

	<b>Banking, Financial Services and Insurance</b>	<b>Manufacturing</b>	<b>Retail and Consumer Packaged Goods</b>	<b>Telecom</b>	<b>Others</b>	<b>Total</b>
<b>Revenues</b>	\$3,264.9	\$580.7	\$905.0	\$972.8	\$1,799.2	\$7,522.6
<b>Segment result</b>	1,005.1	148.3	259.0	297.8	482.7	2,192.9
Unallocable expenses						120.8
Operating income						2,072.1
Other income / (expense), net						68.2
Income before taxes						2,140.3
Income tax expense						494.4
<b>Net income</b>						<b>\$1,645.9</b>
<b>As of December 31, 2011</b>						
<b>Segment assets:</b>						
Allocable assets	\$1,827.7	\$202.8	\$297.3	\$404.6	\$985.6	\$3,718.0
Unallocable assets						3,569.0
<b>Total assets</b>						<b>\$7,287.0</b>
<b>Segment liabilities</b>						
Allocable liabilities	\$142.5	\$22.0	\$15.8	\$32.1	\$129.0	\$341.4
Unallocable liabilities						1,294.6
<b>Total liabilities</b>						<b>\$1,636.0</b>

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**15. Commitments and contingencies**

Commitments and contingent liabilities are as follows:

**Capital commitments**

As of December 31, 2011, \$364.1 million are contractually committed for purchase of property, plant and equipment.

**Contingencies**

*Income tax matters*

As of December 31, 2011, TCS Limited has demands from direct tax authorities in Indian jurisdiction, which are being contested by TCS Limited on appeal amounting to \$324.0 million. Demands from direct tax authorities include \$58.8 million in respect of TCS e-Serve Limited. TCS e-Serve Limited has also paid advance taxes aggregating \$46.9 million against the disputed amounts for the relevant assessment years. TCS Limited is entitled to an indemnification of the above referred contingent claims on TCS e-Serve Limited from the seller and would be required to pay amounts equal to amounts refunded to TCS e-Serve Limited on those claims. Other demands from direct tax authorities include \$144.1 million based on a disputed draft assessment order.

*Indirect tax matters*

TCS Limited has ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As of December 31, 2011, TCS Limited has demands from various indirect tax authorities in Indian jurisdiction, which are being contested by TCS Limited on appeal amounting to \$26.7 million.

**16. Subsequent event**

On January 17, 2012, the Board of Directors declared an interim dividend of \$0.06/- (₹3/-) per equity share.