TATA CONSULTANCY SERVICES LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET

(₹ crores)

	Note	As at September 30, 2012	As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) **Shareholders' funds**			
(a) Share capital	3	295.72	295.72
(b) Reserves and surplus	4	34880.63	29283.51
		35176.35	29579.23
(2) **Minority interest**		616.35	558.77
(3) **Non-current liabilities**			
(a) Long-term borrowings	5	118.36	115.37
(b) Deferred tax liabilities (net)	6 (a)	212.37	173.45
(c) Other long-term liabilities	7	339.87	296.93
(d) Long-term provisions	8	270.79	217.65
		941.39	803.40
(4) **Current liabilities**			
(a) Short-term borrowings	9	168.13	0.89
(b) Trade payables		3896.90	3250.78
(c) Other current liabilities	10	2564.51	2410.28
(d) Short-term provisions	11	2000.59	4791.14
		8630.13	10453.09
TOTAL		**45364.22**	**41394.49**
II. ASSETS			
(1) **Non-current assets**			
(a) Fixed assets	12		
(i) Tangible assets		5187.89	4820.73
(ii) Intangible assets		283.70	297.87
(iii) Capital work-in-progress		1679.65	1446.37
		7151.24	6564.97
(b) Non-current investments	13	899.18	574.56
(c) Deferred tax assets (net)	6 (b)	270.34	256.04
(d) Long-term loans and advances	14	6109.21	4543.68
(e) Other non-current assets	15	174.01	2850.04
(f) Goodwill (on consolidation)		3709.19	3543.46
		18313.17	18332.75
(2) **Current assets**			
(a) Current investments	16	884.33	775.77
(b) Inventories	17	22.69	17.77
(c) Unbilled revenue	18	3132.30	2247.76
(d) Trade receivables	19	12607.76	11520.35
(e) Cash and bank balances	20	7037.52	5813.08
(f) Short-term loans and advances	21	2873.29	2229.14
(g) Other current assets	22	493.16	457.87
		27051.05	23061.74
TOTAL		**45364.22**	**41394.49**
III. NOTES FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	**1-38**		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. R. Ramesh
Partner

Mumbai, October 19, 2012

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, October 19, 2012

TATA CONSULTANCY SERVICES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ crores)

		Note	For the quarter ended September 30, 2012	For the quarter ended September 30, 2011	For the six months ended September 30, 2012	For the six months ended September 30, 2011
I.	Revenue from operations	23	15620.75	11633.49	30489.46	22430.51
II.	Other income (net)	24	328.33	122.69	514.59	416.83
	TOTAL REVENUE		**15949.08**	**11756.18**	**31004.05**	**22847.34**
III.	**Expenses:**					
	(a) Employee benefit expenses	25	5946.59	4500.89	11653.20	8721.87
	(b) Operation and other expenses	26	5236.05	3748.49	10074.26	7291.67
	(c) Finance costs	27	15.11	9.64	21.66	14.36
	(d) Depreciation and amortisation expense	12	265.58	231.77	512.62	439.70
	TOTAL EXPENSES		**11463.33**	**8490.79**	**22261.74**	**16467.60**
IV.	**PROFIT BEFORE TAX**		**4485.75**	**3265.39**	**8742.31**	**6379.74**
V.	**Tax expense:**					
	(a) Current tax	28	1216.93	1077.43	2210.63	1845.12
	(b) Deferred tax		6.07	(15.85)	28.08	(22.89)
	(c) Fringe benefit tax		0.03	0.03	0.14	0.05
	(d) MAT credit entitlement		(206.96)	(123.88)	(323.89)	(210.70)
			1016.07	**937.73**	**1914.96**	**1611.58**
VI.	**PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST**		**3469.68**	**2327.66**	**6827.35**	**4768.16**
VII.	Minority interest		35.31	26.66	75.30	52.38
VIII.	**PROFIT FOR THE PERIOD**		**3434.37**	**2301.00**	**6752.05**	**4715.78**
IX.	**Earnings per equity share - Basic and diluted (₹)**		17.51	11.74	34.43	24.06
	Weighted average number of equity shares (face value of ₹ 1 each)		195,72,20,996	195,72,20,996	195,72,20,996	195,72,20,996
X.	**NOTES FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**		**1-38**			

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

P. R. Ramesh
Partner

Mumbai, October 19, 2012

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CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, October 19, 2012

TATA CONSULTANCY SERVICES LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(₹ crores)

		Note	For the six months ended September 30, 2012	For the six months ended September 30, 2011
I	**NET CASH PROVIDED BY OPERATING ACTIVITIES**		**4964.96**	**2904.01**
II	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets		(1083.95)	(862.31)
	Proceeds from sale of fixed assets		4.93	5.03
	Purchase of mutual funds and other investments		(12224.59)	(5729.30)
	Redemption of mutual funds and sale of other investments		11806.05	5777.50
	Inter-corporate deposits placed		(1518.62)	(1168.80)
	Inter-corporate deposits refunded		498.75	706.80
	Fixed deposit placed with banks having original maturity over three months		(1345.72)	(528.03)
	Fixed deposit with banks matured having original maturity over three months		2784.97	958.45
	Acquisition of subsidiaries net of cash of ₹ 1.30 crores (September 30, 2011: Nil)		(162.62)	(229.16)
	Dividends received		3.74	2.92
	Interest received		466.23	97.81
	Net cash used in investing activities		**(770.83)**	**(969.09)**
III	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Short-term borrowings (net)		169.35	648.03
	Repayment of long-term borrowings		(0.47)	(0.47)
	Dividend paid, including dividend tax		(4338.61)	(2514.99)
	Dividend tax on dividend paid by subsidiaries		(12.48)	(11.22)
	Dividend paid to minority shareholders of subsidiaries		(21.26)	(16.30)
	Interest paid		(21.38)	(12.90)
	Repayment of inter-corporate deposits		(18.00)	-
	Net cash used in financing activities		**(4242.85)**	**(1907.85)**
	Net (decrease)/ increase in cash and cash equivalents		(48.72)	27.07
	Cash and cash equivalents at beginning of the year		1993.49	1548.59
	Exchange difference on translation of foreign currency cash and cash equivalents		61.10	66.09
	Cash and cash equivalents at end of the period	20	**2005.87**	**1641.75**
	Earmarked balances with banks		13.80	15.42
	Short-term bank deposits		5017.85	4991.92
	Cash and Bank balances at the end of the period	20	**7037.52**	**6649.09**
IV	**NOTES FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**	**1-38**		

As per our report attached

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants

P. R. Ramesh
Partner

N. Chandrasekaran
CEO and Managing Director

S. Mahalingam
Chief Financial Officer and Executive Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, October 19, 2012

Mumbai, October 19, 2012

1) Corporate information

Tata Consultancy Services Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") provide a wide range of information technology and consultancy services including systems, hardware and software, communications and networking, hardware sizing and capacity planning, software management solutions, technology education services and business process outsourcing. The Group's full services portfolio consists of Application Development and Maintenance, Business Intelligence, Enterprise Solutions, Assurance, Engineering and Industrial Services, IT Infrastructure Services, Business Process Outsourcing, Consulting and Asset Leveraged Solutions.

As of September 30, 2012, Tata Sons Limited owned 73.75% of the Company's equity share capital and has the ability to control its operating and financial policies. The Company's registered office is in Mumbai and it has 60 subsidiaries across the globe.

2) Significant accounting policies

a) Basis of preparation

These condensed consolidated 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 consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended and as at March 31, 2012. 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 consolidated financial statements are consistent with those followed in the preparation of the annual consolidated 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) Principles of consolidation

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

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

i) The financial statements of the Company and its subsidiary companies have been combined on a line- by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

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

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

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

v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

c) Use of estimates

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

d) 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.

e) Depreciation / Amortisation

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

Type of asset	Method	Rate/Period
Leasehold land and buildings	Straight line	Lease period
Freehold buildings	Written down value	5.00%
	Straight line	1.63% - 2.50%
Factory buildings	Straight line	10.00%
Leasehold improvements	Straight line	Lease period
Plant and machinery	Straight line	33.33%
Computer equipment	Straight line	10.00% - 50.00%
Vehicles	Written down value	25.89%
	Straight line	9.50% - 33.33%
Office equipment	Written down value	13.91%
	Straight line	4.75% - 33.33%
Electrical installations	Written down value	13.91%
	Straight line	6.63% - 33.33%
Furniture and fixtures	Straight line	6.63% - 100%
Goodwill	Straight line	12 years
Acquired contract rights	Straight line	12 years
Intellectual property / distribution rights	Straight line	24 - 60 months
Software licenses and internally developed software	Straight line	License period
	Straight line	20.00% - 50.00%
Rights under licensing agreement	Straight line	License period

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

f) Leases

Where the Group, as a lessor, leases assets under finance leases such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the statement of profit and loss on a straight-line basis.

g) Impairment

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

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

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

h) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long term investments, are stated at the lower of cost and fair value.

i) Employee benefits

i) <u>Post-employment benefit plans</u>

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 statement of profit and loss 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) <u>Other employee benefits</u>

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.

j) Revenue recognition

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

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenues from sale of software licenses 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.

Revenues are reported net of discounts.

Dividends are recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

k) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the Group intends to settle the asset and liability on a net basis.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

l) Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit and loss. 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 foreign exchange forward and currency option contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward 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 statement of profit and loss.

For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

m) Derivative instruments and hedge accounting

The Group uses foreign exchange forward and currency option contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the policies of the Company and its subsidiaries which are approved by its respective Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in statement of profit and loss 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 statement of profit and loss 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 Group are carried at the lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

o) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

p) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

q) Cash and cash equivalents

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

3) SHARE CAPITAL

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

		(₹ crores)	
		As at September 30, 2012	As at March 31, 2012
	Authorised		
(i)	225,00,00,000 equity shares of ₹ 1 each (March 31, 2012 : 225,00,00,000 equity shares of ₹ 1 each)	225.00	225.00
(ii)	100,00,00,000 redeemable preference shares of ₹ 1 each (March 31, 2012 : 100,00,00,000 redeemable preference shares of ₹ 1 each)	100.00	100.00
		325.00	325.00
	Issued, Subscribed and Fully Paid-up		
(i)	195,72,20,996 equity shares of ₹ 1 each (March 31, 2012 : 195,72,20,996 equity shares of ₹ 1 each)	195.72	195.72
(ii)	100,00,00,000 redeemable preference shares of ₹ 1 each (March 31, 2012 : 100,00,00,000 redeemable preference shares of ₹ 1 each)	100.00	100.00
		295.72	295.72

4) RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

		(₹ crores)
	As at September 30, 2012	As at March 31, 2012
(a) Capital reserve (on consolidation)	24.50	24.50
(b) Capital redemption reserve	0.40	0.40
(c) Securities premium reserve	1918.47	1918.47
(d) Foreign currency translation reserve		
(i) Opening balance	779.42	200.77
(ii) Additions during the period (net)	122.65	578.65
	902.07	779.42
(e) Hedging reserve (Refer note 34)		
(i) Opening balance	(133.09)	62.73
(ii) Additions during the period (net)	78.31	(195.82)
	(54.78)	(133.09)
(f) General reserve		
(i) Opening balance	4533.27	3367.17
(ii) Transferred from statement of profit and loss	-	1166.10
	4533.27	4533.27
(g) Surplus in statement of profit and loss		
(i) Opening balance	22160.54	18635.05
(ii) Add : Profit for the period	6752.05	10413.49
	28912.59	29048.54
(iii) Less : Appropriations		
(a) Interim dividends on equity shares	1174.34	1761.49
(b) Proposed final dividend on equity shares	-	3131.55
(c) Dividend on redeemable preference shares	-	22.00
(d)Tax on dividend	181.55	806.86
(e)General reserve	-	1166.10
	27556.70	22160.54
	34880.63	29283.51

The Board of Directors declared an interim dividend of ₹ 3 per equity share in the meeting held on October 19, 2012.

5) LONG-TERM BORROWINGS

Long-term borrowings consist of the following:

		(₹ crores)
	As at September 30, 2012	As at March 31, 2012
(a) Secured loans		
Long-term maturities of finance lease obligations	116.07	112.61
(b) Unsecured loans		
Other borrowings (from entities other than banks)	2.29	2.76
	118.36	115.37

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

6) DEFERRED TAX BALANCES

Major components of deferred tax balances consist of the following:

		(₹ crores)
	As at September 30, 2012	As at March 31, 2012
(a) Deferred tax liabilities (net)		
(i) Foreign branch profit tax	138.75	102.84
(ii) Depreciation and amortisation	3.02	10.38
(iii) Employee benefits	6.69	6.49
(iv) Provision for doubtful debts	(0.02)	-
(v) Others	63.93	53.74
	212.37	173.45
(b) Deferred tax assets (net)		
(i) Depreciation and amortisation	(12.74)	(30.94)
(ii) Employee benefits	162.13	149.16
(iii) Provision for doubtful debts	55.09	56.25
(iv) Others	65.86	81.57
	270.34	256.04

7) OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following:

(₹ crores)

	As at September 30, 2012	As at March 31, 2012
(a) Trade payables	-	10.63
(b) Other liabilities	339.87	286.30
	339.87	296.93
Other liabilities pertain to :		
Fair values of foreign exchange forward and currency option contracts secured against trade receivables	39.44	52.51
Capital creditors	30.83	31.63
Others	269.60	202.16

8) LONG-TERM PROVISIONS

Long-term provisions consist of the following:

(₹ crores)

	As at September 30, 2012	As at March 31, 2012
Provision for employee benefits	270.79	217.65
	270.79	217.65

Provision for employee benefits includes provision for gratuity and other retirement benefits.

9) SHORT-TERM BORROWINGS

Short-term borrowings consist of the following:

(₹ crores)

	As at September 30, 2012	As at March 31, 2012
Unsecured loans		
Loans repayable on demand from banks	163.13	0.89
From other party	5.00	-
	168.13	0.89

10) OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(₹ crores)

		As at September 30, 2012	As at March 31, 2012
(a)	Current maturities of long-term debt	1.24	1.24
(b)	Current maturities of finance lease obligations	15.05	9.05
(c)	Interest accrued but not due on borrowings	0.43	0.05
(d)	Income received in advance	728.93	823.01
(e)	Unpaid dividends	11.38	9.40
(f)	Advance received from customers	56.92	71.81
(g)	Tax on dividend	0.17	-
(h)	Dividend payable to minority shareholders of a subsidiary	1.07	-
(i)	Other payables	1749.32	1495.72
		2564.51	2410.28
	Other payables include :		
	Fair values of foreign exchange forward and currency option contracts secured against trade receivables	146.86	240.38
	Statutory liabilities	790.32	612.07
	Capital creditors	232.86	167.41

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

11) SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

(₹ crores)

		As at September 30, 2012	As at March 31, 2012
(a)	Provision for employee benefits	745.94	641.45
(b)	Others		
	(i) Proposed final dividend on equity shares	-	3131.55
	(ii) Proposed dividend on redeemable preference shares	-	22.00
	(iii) Interim Dividend	587.17	-
	(iv) Tax on dividend	95.25	524.07
	(v) Current income taxes (net)	572.23	472.07
		2000.59	4791.14

Provision for employee benefits includes provision for compensated absences and other short-term benefits.

12) FIXED ASSETS

Fixed assets consist of the following: (₹ crores)

Description	Gross Block as at April, 1, 2012	Additions	Deletions/ Adjustment	Translation exchange difference	Gross Block as at September 30, 2012	Accumulated Depreciation / Amortisation as at April 1, 2012	Depreciation/ Amortisation for the period	Deletions/ Adjustments	Translation exchange difference	Accumulated Depreciation / Amortisation as at September 30, 2012	Net book value as at September 30, 2012	Net book value as at March 31, 2012
(i) Tangible assets												
Freehold land	331.48	-	-	0.50	331.98	-	-	-	-	-	331.98	331.48
Leasehold land	99.70	8.37	-	-	108.07	(13.29)	(0.89)	-	-	(14.18)	93.89	86.41
Freehold buildings	2166.04	218.86	(0.32)	1.61	2386.19	(368.85)	(46.07)	0.11	(0.14)	(414.95)	1971.24	1797.19
Factory buildings	2.77	-	-	-	2.77	(1.03)	(0.10)	-	-	(1.13)	1.64	1.74
Leasehold buildings	16.10	0.02	-	(0.01)	16.11	(10.89)	(1.01)	-	0.01	(11.89)	4.22	5.21
Leasehold Improvement	940.22	80.19	(2.83)	1.96	1019.54	(443.66)	(56.48)	0.71	(0.55)	(499.98)	519.56	496.56
Plant and machinery	10.65	2.88	-	-	13.53	(10.55)	(0.04)	(0.69)	-	(11.28)	2.25	0.10
Computer equipment	2903.50	345.57	(31.45)	6.72	3224.34	(1937.63)	(227.28)	(29.76)	(0.91)	(2195.58)	1028.76	965.87
Vehicles	26.19	1.48	(3.30)	-	24.37	(16.61)	(1.48)	2.61	-	(15.48)	8.89	9.58
Office equipment	1049.24	91.38	(2.68)	1.90	1139.84	(440.56)	(55.36)	(0.26)	(0.45)	(496.63)	643.21	608.68
Electrical installations	721.53	85.06	(17.52)	5.59	794.66	(330.42)	(39.63)	15.83	(4.50)	(358.72)	435.94	391.11
Furniture and fixtures	576.53	71.36	(11.85)	2.33	638.37	(449.73)	(51.68)	10.87	(1.52)	(492.06)	146.31	126.80
TOTAL	8843.95	905.17	(69.95)	20.60	9699.77	(4023.22)	(480.02)	(0.58)	(8.06)	(4511.88)	5187.89	4820.73
Previous year	7198.75	1723.89	(150.87)	72.18	8843.95	(3263.42)	(860.89)	130.68	(29.59)	(4023.22)	4820.73	
(ii) Intangible assets												
Goodwill on acquisition	267.27	-	-	12.53	279.80	(134.08)	(11.85)	-	(6.12)	(152.05)	127.75	133.19
Acquired contract rights	205.94	-	-	9.65	215.59	(103.34)	(9.13)	-	(4.72)	(117.19)	98.40	102.60
Intellectual property / distribution rights	12.93	-	-	(0.02)	12.91	(11.44)	(0.19)	-	-	(11.63)	1.28	1.49
Software licenses and internally generated software	58.74	10.03	(0.03)	0.17	68.91	(48.42)	(8.15)	(3.33)	0.28	(59.62)	9.29	10.32
Rights under licensing agreement	59.00	-	-	-	59.00	(8.73)	(3.29)	-	-	(12.02)	46.98	50.27
TOTAL	603.88	10.03	(0.03)	22.33	636.21	(306.01)	(32.61)	(3.33)	(10.56)	(352.51)	283.70	297.87
Previous year	593.49	11.97	(63.93)	62.35	603.88	(281.73)	(57.05)	64.06	(31.29)	(306.01)	297.87	
(iii) Capital work-in-progress											1679.65	1446.37
Grand Total	9447.83	915.20	(69.98)	42.93	10335.98	(4329.23)	(512.63)	(3.91)	(18.62)	(4864.39)	7151.24	6564.97

(i) Freehold buildings include ₹ 2.67 crores (March 31, 2012: ₹ 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 ₹ 0.22 crores (March 31, 2012: ₹ 0.23 crore) are pending completion.
(iii) Additions include ₹ 97.55 crores being value of fixed assets transferred on acquisition of Computational Research Laboratories Limited.
(iv) Adjustments to accumulated depreciation include ₹ 68.56 crores being the accumulated depreciation on fixed assets of Computational Research Laboratories Limited as at the time of acquistion.

13) NON-CURRENT INVESTMENTS

Non-current investments consist of the following:

		(₹ crores)
	As at September 30, 2012	As at March 31, 2012
(a) TRADE INVESTMENTS (at cost)		
Fully paid equity shares (unquoted)		
National Power Exchange Limited	1.40	1.40
Philippine Dealing System Holdings Corporation	4.73	4.58
Firstech Solutions Co. Limited	1.09	1.05
Taj Air Limited	19.00	19.00
Yodlee, Inc.	-	-
ALMC HF (formerly Straumur - Burdaras Investment Bank hf.)	-	-
Kooh Sports Private Limited	3.00	-
(b) OTHER INVESTMENTS		
Investment in debentures and bonds (unquoted)*	843.18	523.12
Investment in government securities (unquoted)	24.64	24.67
Investment in India Innovation Fund (unquoted)	3.35	1.91
	900.39	575.73
Less: Provision for diminution in value of investments	(1.21)	(1.17)
	899.18	574.56
Book value of unquoted investments (net of provision)	899.18	574.56

* Unquoted debentures and bonds 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 ₹ 1000 crores and ₹ 200 crores, 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. The first installment was received on January 21, 2012. The debentures issued by Panatone Finvest Limited would be redeemed at the end of the third year. The amount receivable on redemption within a period of one year from the date of balance sheet is classified under Current investment and balance as Non-current investment. The non - convertible debentures issued by Tata Sons Limited and its subsidiary, Panatone Finvest Limited carry an interest rate of 8.50% and 8.75%, respectively.

14) LONG-TERM LOANS AND ADVANCES

Long-term loans and advances consist of the following:

(₹ crores)

	As at September 30, 2012	As at March 31, 2012
(a) Secured, considered good		
Loans and advances to employees	0.29	0.27
(b) Unsecured, considered good		
(i) Capital advances	452.81	346.09
(ii) Security deposits	515.51	481.01
(iii) Loans and advances to employees	8.39	9.43
(iv) Loans and advances to related parties	47.92	48.36
(v) Advance tax (including refunds receivable) (net)	1637.51	1470.06
(vi) MAT credit entitlement	1799.86	1465.83
(vii) Other loans and advances	1646.92	722.63
(c) Unsecured, considered doubtful		
Other loans and advances	0.45	0.45
Less : Provision for doubtful loans and advances	(0.45)	(0.45)
	6109.21	4543.68
Loans and advances to related parties pertain to:		
Tata Sons Limited	2.53	2.97
Tata Realty and Infrastructure Limited	45.39	45.39
Other loans and advances considered good include:		
Inter-corporate deposits	1245.87	281.40
Indirect tax recoverable	52.30	52.30
Prepaid expenses	316.21	341.61

15) OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

(₹ crores)

	As at September 30, 2012	As at March 31, 2012
(a) Future finance lease receivables	0.26	0.96
Less: Unearned finance income	(0.01)	(0.03)
	0.25	0.93
(b) Interest receivable	120.75	131.96
(c) Other non-current assets	53.01	2717.15
	174.01	2850.04
Other non current assets include long-term bank deposits	49.11	2704.28

16) CURRENT INVESTMENTS

Current investments consist of the following:

	As at September 30, 2012	As at March 31, 2012
		(₹ crores)
(a) Fully paid preference shares (unquoted) Tata AutoComp Systems Limited (8% cumulative redeemable preference shares)	5.00	5.00
(b) Investment in mutual funds (unquoted)	337.31	229.98
(c) Investment in bonds (quoted)	6.89	7.46
(d) Investment in debentures and bonds (unquoted)*	535.13	533.33
	884.33	775.77
(i) Market value of quoted investments	7.80	8.18
(ii) Book value of quoted investments	6.89	7.46
(iii) Book value of unquoted investments	877.44	768.31

*Refer note no. 13-Non-current investments

17) INVENTORIES

Inventories consist of the following:

	As at September 30, 2012	As at March 31, 2012
		(₹ crores)
(a) Raw materials, sub-assemblies and components	7.35	13.49
(b) Finished goods and Work-in-progress	12.15	1.45
(c) Stores and spares	2.33	2.53
(d) Goods-in-transit	0.86	0.30
	22.69	17.77

Inventories are carried at the lower of cost and net realisable value.

18) UNBILLED REVENUE

Unbilled revenue as at September 30, 2012, amounting to ₹ 3132.30 crores (March 31, 2012 : ₹ 2247.76 crores) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

19) TRADE RECEIVABLES (Unsecured)

Trade receivables consist of the following:

		(₹ crores)
	As at September 30, 2012	As at March 31, 2012
(a) Over six months from the date they were due for payment		
(i) Considered good	1375.00	1058.64
(ii) Considered doubtful	207.93	193.54
(b) Others		
(i) Considered good	11232.76	10461.71
(ii) Considered doubtful	1.52	-
	12817.21	11713.89
Less: Provision for doubtful receivables	(209.45)	(193.54)
	12607.76	11520.35

20) CASH AND BANK BALANCES

Cash and bank balances consist of the following:

		(₹ crores)
	As at September 30, 2012	As at March 31, 2012
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	1225.67	1136.08
In cash credit accounts	37.30	14.27
In deposit accounts with original maturity less than 3 months	694.92	804.98
(ii) Cheques on hand	18.18	17.14
(iii) Cash on hand	2.29	4.53
(iv) Remittances in transit	27.51	16.49
	2005.87	1993.49
(b) Other bank balances		
(i) Earmarked balances with banks	13.80	15.77
(ii) Short-term bank deposits	5017.85	3803.82
	7037.52	5813.08

Balances with banks in current accounts do not include fourteen bank accounts having a balance of ₹ 0.20 crores (March 31, 2012: ₹ 0.31 crores) operated by the Company on behalf of a third party.

21) SHORT-TERM LOANS AND ADVANCES

Short-term loans and advances consist of the following:

(₹ crores)

	As at September 30, 2012	As at March 31, 2012
(a) Secured, considered good		
Loans and advances to employees	0.25	0.36
(b) Unsecured, considered good		
(i) Loans and advances to employees	204.08	170.89
(ii) Loans and advances to related parties	151.59	152.43
(iii) Advance tax (including refunds receivable) (net)	3.26	-
(iv) MAT credit entitlement	-	10.29
(v) Other loans and advances	2514.11	1895.17
(c) Unsecured, considered doubtful		
(i) Loans and advances to employees	36.27	33.81
(ii) Other loans and advances	11.65	12.21
Less : Provision for doubtful loans and advances	(47.92)	(46.02)
	2873.29	2229.14
Loans and advances to related parties pertain to:		
Tata Sons Limited	1.47	0.01
Tata Realty and Infrastructure Limited	120.00	120.00
Tata Teleservices Limited	0.11	2.39
Tata AIG General Insurance Company Limited	-	0.02
Tata Teleservices (Maharashtra) Limited	0.01	0.01
Tata Autocomp Systems Limited	30.00	30.00
Other loans and advances considered good include:		
Fair values of foreign exchange forward and currency option contracts	584.94	152.37
Security deposits	117.72	130.80
Inter-corporate deposits	557.40	502.00
Prepaid expenses	916.19	815.13

22) OTHER CURRENT ASSETS

Other current assets consist of the following:

(₹ crores)

	As at September 30, 2012	As at March 31, 2012
(a) Future finance lease receivables	2.07	1.38
Less: Unearned finance income	(0.12)	(0.14)
	1.95	1.24
(b) Interest receivable	458.99	430.48
(c) Other current assets	32.22	26.15
	493.16	457.87

23) REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

(₹ crores)

	For the quarter ended September 30, 2012	For the quarter ended September 30, 2011	For the six months ended September 30, 2012	For the six months ended September 30, 2011
(a) Information technology and consultancy services	15188.05	11296.29	29709.42	21740.50
(b) Sale of equipment and software licences	432.84	337.28	780.26	690.13
Less : Excise duty	(0.14)	(0.08)	(0.22)	(0.12)
	15620.75	11633.49	30489.46	22430.51

24) OTHER INCOME (NET)

Other income (net) consist of the following:

(₹ crores)

	For the quarter ended September 30, 2012	For the quarter ended September 30, 2011	For the six months ended September 30, 2012	For the six months ended September 30, 2011
(a) Interest income	218.23	186.66	479.66	381.30
(b) Dividend income	1.29	1.14	3.74	2.92
(c) Profit on redemption of mutual funds and sale of other current investments (net)	5.94	7.23	16.75	13.83
(d) Rent	4.17	3.06	7.65	10.23
(e) Loss on sale of fixed assets (net)	(0.20)	(0.33)	(0.40)	(0.31)
(f) Exchange gain/ (loss) (net)	92.15	(79.90)	(1.60)	(0.34)
(g) Miscellaneous income	6.75	4.83	8.79	9.20
	328.33	122.69	514.59	416.83
Dividend income pertains to:				
Dividend from current investments (mutual funds)	1.29	0.74	3.34	2.52
Dividends from other long-term investments	-	0.40	0.40	0.40
Exchange gain /(loss) (net) includes:				
Loss on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges (Refer note 34)	(0.52)	(165.67)	(219.06)	(116.97)

25) EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

(₹ crores)

	For the quarter ended September 30, 2012	For the quarter ended September 30, 2011	For the six months ended September 30, 2012	For the six months ended September 30, 2011
(a) Salaries and incentives	5239.03	3956.67	10266.99	7661.00
(b) Contributions to -				
(i) Provident fund	125.17	100.05	245.69	196.80
(ii) Superannuation scheme	47.57	30.83	90.93	59.92
(iii) Gratuity fund	36.59	28.10	75.77	51.31
(iv) Social security and other benefit plans for overseas employees	156.98	104.31	315.33	213.91
(c) Staff welfare expenses	341.25	280.93	658.49	538.93
	5946.59	4500.89	11653.20	8721.87

26) OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

(₹ crores)

	For the quarter ended September 30, 2012	For the quarter ended September 30, 2011	For the six months ended September 30, 2012	For the six months ended September 30, 2011
(a) Overseas business expenses	2182.62	1648.91	4245.57	3171.87
(b) Services rendered by business associates and others	940.63	543.54	1768.12	1038.84
(c) Software, hardware and material costs	681.44	490.49	1228.89	991.02
(d) Communication expenses	205.03	159.32	392.04	319.69
(e) Travelling and conveyance expenses	195.72	162.58	395.06	297.55
(f) Rent	278.76	241.54	547.40	468.75
(g) Legal and professional fees	126.03	67.74	276.94	130.26
(h) Repairs and maintenance	94.25	76.99	192.48	152.96
(i) Electricity expenses	121.50	90.54	239.25	181.11
(j) Bad debts written-off	3.40	2.98	16.41	6.10
(k) Advances written back	-	(0.27)	(0.02)	-
(l) Provision/write back of doubtful debts (net)	7.47	(7.23)	12.98	(4.29)
(m) Provision for doubtful advances	0.93	1.56	2.71	2.79
(n) Recruitment and training expenses	68.93	59.55	131.80	116.29
(o) Diminution in value of investments (net)	(0.22)	-	(0.22)	-
(p) Commission and brokerage	15.32	6.89	29.48	14.93
(q) Printing and stationery	17.94	10.68	37.19	26.01
(r) Insurance	12.76	7.40	21.48	15.04
(s) Rates and taxes	31.27	24.23	59.22	49.37
(t) Entertainment	14.33	8.59	25.36	15.25
(u) Other expenses	237.94	152.46	452.12	298.13
	5236.05	3748.49	10074.26	7291.67
(i) Overseas business expenses includes:				
Travel expenses	213.95	156.41	409.98	301.77
Employee allowances	1967.93	1476.01	3831.18	2841.90
(ii) Repairs and maintenance includes:				
Buildings	46.63	36.03	90.38	74.01
Office and computer equipment	47.46	41.01	101.43	75.95

27) FINANCE COSTS

Finance costs consist of the following:

(₹ crores)

	For the quarter ended September 30, 2012	For the quarter ended September 30, 2011	For the six months ended September 30, 2012	For the six months ended September 30, 2011
Interest expense	15.11	9.64	21.66	14.36
	15.11	9.64	21.66	14.36

28) Current tax is adjusted for the effect of write back of provision (net) of ₹ 1.98 crores for the quarter ended September 30, 2012 *(*September 30, 2011: additional provision (net) ₹ 15.19 crores) and additional provision (net) of ₹ 10.15 crores for the six months ended September 30, 2012 (September 30, 2011: ₹ 19.41 crores) in domestic and certain overseas jurisdictions relating to earlier years.

29) Tata Consultancy Services Morocco SARL AU, a wholly owned subsidiary, is in the process of being voluntarily liquidated.

30) The Company has given undertaking to the Government of Maharashtra not to divest its shareholding in MahaOnline Limited except to an affiliate. This equity investment is subject to the restriction as per terms of contractual agreement. The restriction is valid as on September 30, 2012.

The Company has given an undertaking to the investors of KOOH Sports Private Limited not to transfer its shareholding prior to the expiry of thirty-six months from the completion date of the investment agreement except with the prior written consent of the other parties to the agreement. The restriction is valid as on September 30, 2012.

31) On August 16, 2012, the Group has acquired 100% equity share capital of Computational Research Laboratories Limited.

32) Segment Reporting

The Group 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 a specific 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 Group are Americas (including Canada and South American countries), Europe, India and Others.

Quarter ended September 30, 2012 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Packaged Goods**	**Telecom, Media and Entertainment**	**Others**	**Total**
Revenue	**6686.58**	**1286.57**	**2091.59**	**1946.12**	**3609.89**	**15620.75**
	5077.25	*903.07*	*1410.82*	*1482.17*	*2760.18*	*11633.49*
Segment result	**1955.28**	**338.34**	**651.37**	**478.07**	**978.42**	**4401.48**
	1567.36	*230.98*	*408.39*	*424.47*	*719.84*	*3351.04*
Unallocable expenses (net)						**244.06**
						208.34
Operating income						**4157.42**
						3142.70
Other income (net)						**328.33**
						122.69
Profit before tax						**4485.75**
						3265.39
Tax expense						**1016.07**
						937.73
Profit before minority interest						**3469.68**
						2327.66
Minority interest						**35.31**
						26.66
Profit for the period						**3434.37**
						2301.00

Six months ended September 30, 2012 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Packaged Goods**	**Telecom, Media and Entertainment**	**Others**	**Total**
Revenue	**13075.82**	**2461.26**	**4045.45**	**3799.03**	**7107.90**	**30489.46**
	9754.13	*1721.52*	*2667.69*	*2980.79*	*5306.38*	*22430.51*
Segment result	**3808.77**	**634.77**	**1260.04**	**987.70**	**2000.15**	**8691.43**
	2934.36	*424.72*	*731.40*	*889.37*	*1376.41*	*6356.26*
Unallocable expenses (net)						**463.71**
						393.35
Operating income						**8227.72**
						5962.91
Other income (net)						**514.59**
						416.83
Profit before tax						**8742.31**
						6379.74
Tax expense						**1914.96**
						1611.58
Profit before minority interest						**6827.35**
						4768.16
Minority interest						**75.30**
						52.38
Profit for the period						**6752.05**
						4715.78

As at September 30, 2012 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Packaged Goods**	**Telecom, Media and Entertainment**	**Others**	**Total**
Segment assets	**10627.69**	**1351.60**	**1898.05**	**2534.79**	**6717.74**	**23129.87**
	8636.74	*1087.62*	*1288.64*	*2139.20*	*4919.98*	*18072.18*
Unallocable assets						**22234.35**
						18770.51
Total assets						**45364.22**
						36842.69
Segment liabilities	**1023.55**	**95.64**	**77.51**	**181.67**	**831.76**	**2210.13**
	823.56	*94.19*	*82.15*	*209.53*	*647.03*	*1856.46*
Unallocable liabilities						**7361.39**
						6852.92
Total liabilities						**9571.52**
						8709.38

Figures in Italics represent data for the period ended / as at September 30, 2011.

33) Contingent liabilities

(₹ crores)

Particulars	As at September 30, 2012	As at March 31, 2012
Claims against the Group not acknowledged as debt	98.50	113.16
Income tax demands (See note (a) below)	1875.47	1714.41
Indirect tax demands	179.37	157.39
Guarantees given by the Group (See note (b) below)	639.49	651.58
Unexpired letters of credit	2.10	0.09
Other contingencies	0.10	0.10

Notes:

a) TCS e-Serve Limited has received demands aggregating ₹ 330.07 crores (March 31, 2012: ₹ 330.07 crores) in respect of income tax matters in dispute. TCS e-Serve Limited has paid advance taxes aggregating to ₹ 321.85 crores (March 31, 2012: ₹ 321.85 crores) against disputed amounts for the various assessment years. The Company is entitled to an indemnification from the seller, of the above referred contingent claims on TCS e-Serve Limited, and would be required to refund to the seller, amounts equal to the monies received by TCS e-Serve Limited, on all such claims, as an adjustment to the purchase price consideration.

b) The Group has provided guarantees aggregating to ₹ 639.49 crores (GBP 75 million) (March 31, 2012: ₹ 651.58 crores) (GBP 80.00 million) to third parties on behalf of its subsidiary Diligenta Limited. The Group does not expect any outflow of resources in respect of the above.

c) The Group has examined the social security and tax aspects of contracts with legal entities which provide services to an overseas subsidiary and, based on legal opinion, concludes that the subsidiary is in compliance with the related statutory requirements.

34) Derivative financial instruments

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

The Group has following outstanding derivative instruments as at September 30, 2012:

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

	September 30, 2012			March 31, 2012		
Foreign currency	No. of contracts	Notional amount of forward contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of forward contracts (million)	Fair value (₹ crores)
U.S. Dollar	26	157.85	(68.84)	44	288.01	(98.19)
Sterling Pound	14	5.44	(4.48)	26	9.38	(5.70)
Australian Dollar	26	6.96	(5.59)	44	11.14	(7.40)

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

	September 30, 2012			March 31, 2012		
Foreign currency	No. of contracts	Notional amount of currency option contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of currency option contracts (million)	Fair value (₹ crores)
U.S. Dollar	114	2086.00	78.90	81	2185.00	29.56
Sterling Pound	42	249.00	34.14	33	217.50	14.66
Euro	33	213.00	24.53	21	210.00	18.64
Australian dollar	21	108.00	23.18	6	30.00	3.34

Net loss on derivative instruments of ₹ 38.65 crores recognised in Hedging Reserve as of September 30, 2012, is expected to be reclassified to the statement of profit and loss by September 30, 2013.

The movement in Hedging Reserve during the six month period ended September 30, 2012 and year ended March 31, 2012, for derivatives designated as Cash Flow Hedges is as follows:

(₹ crores)

	Period ended September 30, 2012	Year ended March 31, 2012
Balance at the beginning of the year	(133.09)	62.73
Changes in the fair value of effective portion of discontinued/ matured cash flow hedges during the period	(41.99)	(762.67)
Losses transferred to statement of profit and loss on occurrence of forecasted hedge transaction	71.73	715.49
Change in the fair value of effective portion of outstanding cash flow hedges	50.00	(154.80)
Amount transferred to minority interest during the period	(1.43)	6.16
Balance at the end of the period	(54.78)	(133.09)

In addition to the above Cash Flow Hedges, the Group has outstanding foreign exchange forward and currency option contracts with notional amount aggregating ₹ 9080.77 crores (March 31, 2012: ₹ 8506.37 crores) whose fair value showed a gain of ₹ 316.80 crores as at September 30, 2012 (March 31, 2012 : loss of ₹ 95.43 crores).

Exchange gain of ₹ 447.15 crores (September 30, 2011 : exchange loss of ₹ 238.96 crores) and gain of ₹ 91.51 crores (September 30, 2011: exchange loss of ₹ 197.55 crores) on foreign exchange forward and currency option contracts for the quarter ended and six months period ended September 30, 2012, have been recognised in the statement of profit and loss, respectively.

35) Increase in payables and finance lease obligation in respect of purchase of fixed assets amounting to ₹ 73.68 crores for the period ended September 30, 2012 (increase in September 30, 2011: ₹ 1.73 crores) have been considered as non-cash transactions in the consolidated cash flow statement.

36) The Board of Directors at their meeting held on October 19, 2012 have accorded consent for the merger of Retail Full Serve Limited, Computational Research Laboratories Limited (both wholly owned subsidiaries), TCS e-Serve Limited together with the de merger of TCS e-Serve International Limited’s SEZ undertaking with the Company. The appointed dates for the above schemes proposed are, April 1, 2012, October 1, 2012 and April 1, 2013 respectively. Pending sanctions of the Honorable Court and other approvals, no effect has been given to the financial results for the quarter and six months ended September 30, 2012 in respect of the merger of Retail FullServe Limited with the Company.

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

38) Previous period figures have been recast / restated to conform to the classification of the current period.