

## 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, 2012 and March 31, 2012**

	Note	As of December 31, 2012	As of March 31, 2012
(In millions of USD)			
<b>ASSETS:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	3	353.9	391.4
Bank deposits		892.2	752.0
Trade receivables	4	2,426.2	2,258.0
Investments	5(a)	142.4	157.2
Other current financial assets	6(a)	642.2	301.9
Unbilled revenue		578.8	441.3
Current income tax assets		1.1	-
Other current assets	7(a)	262.8	227.7
<b>Total current assets</b>		<b>5,299.6</b>	<b>4,529.5</b>
<b>Non-current assets:</b>			
Bank deposits		170.7	542.8
Investments	5(b)	188.2	133.0
Other non-current financial assets	6(b)	373.0	168.5
Non-current income tax assets		300.2	288.4
Deferred income tax assets		401.8	346.4
Property, plant and equipment	8	1,395.0	1,267.1
Intangible assets		29.0	34.1
Goodwill		619.6	652.5
Other non-current assets	7(b)	116.3	126.7
<b>Total non-current assets</b>		<b>3,593.8</b>	<b>3,559.5</b>
<b>TOTAL ASSETS</b>		<b>8,893.4</b>	<b>8,089.0</b>
<b>LIABILITIES AND EQUITY:</b>			
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Trade and other payables	9	759.4	637.7
Borrowings		68.2	2.2
Mandatorily redeemable preference shares		18.3	19.6
Other current financial liabilities	10(a)	158.0	171.9
Unearned and deferred revenue		141.6	161.6
Employee benefit obligations		146.9	125.9
Current income tax liabilities		73.2	92.1
Other current liabilities	11	194.3	144.8
<b>Total current liabilities</b>		<b>1,559.9</b>	<b>1,355.8</b>
<b>Non-current liabilities:</b>			
Borrowings		25.4	22.7
Other non-current financial liabilities	10(b)	55.7	52.1
Employee benefit obligations		55.6	42.7
Deferred income tax liabilities		84.0	85.0
Other non-current liabilities		45.6	38.5
<b>Total non-current liabilities</b>		<b>266.3</b>	<b>241.0</b>
<b>TOTAL LIABILITIES</b>		<b>1,826.2</b>	<b>1,596.8</b>
<b>Equity:</b>			
Share capital		43.6	43.6
Share premium		427.4	427.4
Retained earnings		7,492.9	6,515.1
Accumulated other comprehensive losses		(1,010.1)	(597.4)
<b>Equity attributable to TCS Limited</b>		<b>6,953.8</b>	<b>6,388.7</b>
Non-controlling interests		113.4	103.5
<b>TOTAL EQUITY</b>		<b>7,067.2</b>	<b>6,492.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,893.4</b>	<b>8,089.0</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, 2012 and 2011**

	<b>Three-month period ended December 31, 2012</b>	<b>Three-month period ended December 31, 2011</b>	<b>Nine-month period ended December 31, 2012</b>	<b>Nine-month period ended December 31, 2011</b>
	<b>(In millions of USD, except shares and per share data)</b>			
<b>Revenue:</b>				
Information technology and consultancy services	2,873.2	2,491.4	8,311.5	7,276.4
Sale of equipment and software licences	74.6	94.2	217.4	246.2
<b>Total revenue</b>	<b>2,947.8</b>	<b>2,585.6</b>	<b>8,528.9</b>	<b>7,522.6</b>
<b>Cost of revenue:</b>				
Cost of information technology and consultancy services	1,513.5	1,286.1	4,419.3	3,885.0
Cost of equipment and software licenses	67.9	83.9	189.5	212.2
<b>Total cost of revenue</b>	<b>1,581.4</b>	<b>1,370.0</b>	<b>4,608.8</b>	<b>4,097.2</b>
<b>Gross profit</b>	<b>1,366.4</b>	<b>1,215.6</b>	<b>3,920.1</b>	<b>3,425.4</b>
<b>Operating Expenses:</b>				
Selling, general and administrative expenses	562.8	459.3	1,602.9	1,353.2
<b>Operating income</b>	<b>803.6</b>	<b>756.3</b>	<b>2,317.2</b>	<b>2,072.2</b>
<b>Other income:</b>				
Finance and other income	51.5	38.5	142.3	126.2
Finance costs	(2.5)	(1.6)	(8.6)	(6.2)
Other losses, net	(9.8)	(54.9)	(5.7)	(51.8)
<b>Other income, net</b>	<b>39.2</b>	<b>(18.0)</b>	<b>128.0</b>	<b>68.2</b>
<b>Income before income taxes</b>	<b>842.8</b>	<b>738.3</b>	<b>2,445.2</b>	<b>2,140.4</b>
Income tax expense	183.9	163.8	526.1	494.4
<b>Net income</b>	<b>658.9</b>	<b>574.5</b>	<b>1,919.1</b>	<b>1,646.0</b>
<b>Other comprehensive income / (losses), net of taxes:</b>				
Exchange differences on translation of foreign operations	(230.1)	(409.1)	(422.0)	(875.5)
Net gains on available-for-sale financial assets	-	0.1	-	0.4
Net (losses) / gains on cash flow hedges	(10.2)	(74.8)	2.3	(184.2)
Actuarial gains / (losses) on employee benefit plans	0.5	0.3	(1.5)	1.4
<b>Total other comprehensive losses, net of taxes</b>	<b>(239.8)</b>	<b>(483.5)</b>	<b>(421.2)</b>	<b>(1,057.9)</b>
<b>Total comprehensive income for the period, net of taxes</b>	<b>419.1</b>	<b>91.0</b>	<b>1,497.9</b>	<b>588.1</b>
<b>Net income attributable to:</b>				
TCS Limited	651.6	568.0	1,897.7	1,627.3
Non-controlling interests	7.3	6.5	21.4	18.7
	<b>658.9</b>	<b>574.5</b>	<b>1,919.1</b>	<b>1,646.0</b>
<b>Total comprehensive income / (losses) attributable to:</b>				
TCS Limited	415.5	92.8	1,483.5	584.8
Non-controlling interests	3.6	(1.8)	14.4	3.3
	<b>419.1</b>	<b>91.0</b>	<b>1,497.9</b>	<b>588.1</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	0.33	0.29	0.97	0.83

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

**Tata Consultancy Services Limited**  
**Unaudited Condensed Consolidated Statements of Changes in Equity**  
**For the Nine month periods ended December 31, 2011 and 2012**  
**(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, 2011</b>	<b>1,957,220,996</b>	<b>43.6</b>	<b>427.4</b>	<b>5,155.4</b>	<b>75.7</b>	<b>5,702.1</b>	<b>70.6</b>	<b>5,772.7</b>
Net income				1,627.3		1,627.3	18.7	1,646.0
Exchange differences on translation of foreign operations					(861.6)	(861.6)	(13.9)	(875.5)
Net gains on available-for-sale financial assets, net of tax					0.3	0.3	0.1	0.4
Net losses on cash flow hedges, net of tax					(182.6)	(182.6)	(1.6)	(184.2)
Actuarial gains on employee benefit plans, net of tax				1.4		1.4	-	1.4
Dividend (including tax on dividend of \$98.4 million)				(701.5)		(701.5)	(4.3)	(705.8)
Reclassification of non-controlling interests on extinguishment of put-call option liability				(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>427.4</b>	<b>6,062.1</b>	<b>(969.9)</b>	<b>5,563.2</b>	<b>91.6</b>	<b>5,654.8</b>
<b>Balance as of April 1, 2012</b>	<b>1,957,220,996</b>	<b>43.6</b>	<b>427.4</b>	<b>6,515.1</b>	<b>(597.4)</b>	<b>6,388.7</b>	<b>103.5</b>	<b>6,492.2</b>
Net income				1,897.7		1,897.7	21.4	1,919.1
Exchange differences on translation of foreign operations					(414.8)	(414.8)	(7.2)	(422.0)
Net gains on cash flow hedges, net of tax					2.1	2.1	0.2	2.3
Actuarial losses on employee benefit plans, net of tax				(1.5)		(1.5)	-	(1.5)
Dividend (including tax on dividend of \$123.4 million)				(890.3)		(890.3)	(4.5)	(894.8)
Acquisition of subsidiary				(28.1)		(28.1)	-	(28.1)
<b>Balance as of December 31, 2012</b>	<b>1,957,220,996</b>	<b>43.6</b>	<b>427.4</b>	<b>7,492.9</b>	<b>(1,010.1)</b>	<b>6,953.8</b>	<b>113.4</b>	<b>7,067.2</b>

See accompanying notes to unaudited condensed consolidated financial report

**Tata Consultancy Services Limited**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
**For the nine month periods ended December 31, 2012 and 2011**

	<b>Nine-month period ended December 31, 2012</b>	<b>Nine-month period ended December 31, 2011</b>
<b>(In millions of USD)</b>		
<b>Cash flows from operating activities:</b>		
Net income	1,919.1	1,646.0
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortisation	142.5	140.5
Loss on disposal of property, plant and equipment	0.1	0.1
Income tax expense	526.1	494.4
Gain on disposal of available-for-sale investments	(4.8)	(4.6)
Interest accrued on investments	(6.9)	(7.7)
Exchange difference on foreign currency cash and cash equivalents	(6.3)	(7.5)
Bad debts, provision for trade receivables and advances, net	7.9	3.0
<b>Net change in:</b>		
Trade receivables	(269.3)	(511.5)
Unbilled revenue	(154.2)	(116.8)
Other financial assets	(53.2)	(113.5)
Inventories	(1.6)	1.2
Other assets	(37.7)	(1.0)
Trade and other payables	111.5	88.4
Unearned and deferred revenue	(13.2)	14.5
Other financial liabilities	23.0	(85.1)
Other liabilities	102.5	83.9
<b>Cash generated from operations</b>	<b>2,285.5</b>	<b>1,624.3</b>
Taxes paid	(649.9)	(569.9)
<b>Net cash provided by operating activities</b>	<b>1,635.6</b>	<b>1,054.4</b>

**Tata Consultancy Services Limited**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
**For the nine month periods ended December 31, 2012 and 2011**

	<b>Nine-month period ended December 31, 2012</b>	<b>Nine-month period ended December 31, 2011</b>
<b>(In millions of USD)</b>		
<b>Cash flows from investing activities:</b>		
Bank deposits placed	(443.6)	(367.5)
Inter-corporate deposits placed	(656.0)	(264.0)
Purchase of investments	(3,408.3)	(2,249.2)
Purchase of property, plant and equipment	(334.9)	(305.9)
Purchase of intangible assets	(2.5)	(0.4)
Purchase of subsidiaries, net of cash of \$0.2 million	(29.2)	-
Proceeds from bank deposits	577.2	525.7
Proceeds from inter-corporate deposits	115.0	159.3
Proceeds from disposal of investments	3,357.2	2,250.9
Proceeds from disposal of property, plant and equipment	0.9	1.2
<b>Net cash used in investing activities</b>	<b>(824.2)</b>	<b>(249.9)</b>
<b>Cash flows from financing activities:</b>		
Short term borrowings (net)	63.3	(2.3)
Proceeds from issue of long term borrowings	0.4	-
Repayment of long term borrowings	(0.2)	(0.3)
Repayment of finance lease obligations	(2.5)	-
Dividend paid to non-controlling interests	(4.5)	(4.3)
Dividends paid including dividend tax	(890.3)	(701.5)
Repayment of inter corporate deposits	(4.2)	-
Repayment of put option liability to non-controlling interests	-	(47.9)
<b>Net cash used in financing activities</b>	<b>(838.0)</b>	<b>(756.3)</b>
Net change in cash and cash equivalents	(26.6)	48.2
Effect of foreign exchange on cash and cash equivalents	(10.9)	(42.4)
Cash and cash equivalents, beginning of the period	391.4	348.5
<b>Cash and cash equivalents, end of the period</b>	<b>353.9</b>	<b>354.3</b>

See accompanying notes to unaudited condensed consolidated financial report

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

**1. Background and Operations**

Tata Consultancy Services Limited along with its subsidiaries (collectively “TCS Limited” or the “Company”) provides 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 corporate office is Tata Consultancy Services Limited, TCS House, Raveline Street, Fort, Mumbai 400001. As of December 31, 2012, Tata Sons Limited owned 73.75% 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 prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standard Board (IASB).

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 from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expense are eliminated in full on consolidation.

Changes in the Company’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

**c. Business combinations**

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of comprehensive income as incurred. 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.

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.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted from the date of transaction. The predecessor values method is used to account for

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

common control transactions. The predecessor values method requires financial statements to be prepared using predecessor book values without any step up to fair value. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity are recorded as an adjustment to retained earnings. No additional goodwill is created by the transaction.

**d. Revenue recognition**

TCS Limited earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process outsourcing and maintenance of equipment.

TCS Limited recognises revenue as follows:

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

Revenue from contracts priced on a time and material basis is recognised as services are rendered and as related costs are incurred.

Revenue from software development contracts, which are generally time bound fixed price contracts, is 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. Revenue in excess of billings is recognised as unbilled revenue in the balance sheet; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the balance sheet.

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

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

Revenue from maintenance contracts is recognised on a pro-rata basis over the period of the contract.

Revenue is 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.

Revenue is reported net of discounts, indirect and service taxes.

**e. Operating lease**

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

**f. Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

***Cost of information technology and consultancy services***

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, employee allowances, payroll related taxes, fees to external consultants engaged in providing services, depreciation and amortisation of production related equipment and software, facility expenses, communication costs, losses incurred on fixed price contracts and other project related expenses.



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

***Cost of equipment and software licenses***

These costs consist of the cost of resold computer equipment and re-licensed software, include inward shipping and insurance costs.

***Selling, general and administrative expenses***

Selling costs primarily include employee compensation for sales and marketing personnel, travel costs, advertising, business promotion expenses, allowances for delinquent receivables, facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation of non-production equipment and software, facility expenses for administrative offices, communication costs, fees to external consultants and other general expenses.

**g. 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 consolidated 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.

**h. 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 and deferred tax are recognised in net income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

***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 (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.

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

*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 profit 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.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

**i. Financial instruments**

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

**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*

Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Available-for-sale financial assets are recognised initially at costs. Subsequently these are measured at fair value and unrealised gains or losses are recognised directly in other comprehensive income, net of tax. 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.

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

***Held-to-maturity investments***

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 non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Loans and receivables are measured initially at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method less any impairment losses.

These include trade receivables, deposits with banks, investments with fixed or determinable payments and other financial assets.

***Financial liabilities***

Financial liabilities 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. The Company designates these forward and option contracts in a cash flow hedging relationship by applying the hedge accounting principles.

TCS Limited recognises 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 amount 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 qualify as cash flow hedges are recorded in other comprehensive income and included under the heading cash flow hedging reserve in the statement of changes in equity. Such amounts 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.

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**j. 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, including leasehold building	Declining balance	5.0%
	Straight line	1.63% - 10%
	Straight line	Lease period
Computer equipment	Straight line	10% - 50%
Automobiles	Declining balance	25.89%
	Straight line	9.50% - 33.33%
Furniture, fixtures and office equipment	Declining balance	13.91%
	Straight line	4.75% - 100%

Leasehold improvements are amortised over the 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. Capital-work-in-progress includes capital advances.

**k. Goodwill and intangible assets**

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis.

Intangible assets consist of customer related intangibles, acquired contract rights, intellectual property rights and software licences. Following table summarises the nature of intangibles and the estimated useful lives.

<u>Nature of intangibles</u>	<u>Useful lives</u>
Customer-related intangibles.....	1-3 years
Acquired contract rights.....	12 years
Technology-related intangibles.....	5 years
Software licences.....	License period
Intellectual property rights and others .....	License period

**l. Impairment**

**A. 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.

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*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.

*Held-to-maturity investments and loans and receivables*

Held-to-maturity investments and loans and receivables are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Impairment loss on an asset 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.

**B. Non-financial assets**

*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 (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.

*Goodwill*

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.

**m. Employee benefits**

*Defined benefit plans*

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the date of each statement of financial position. 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.

*Defined contribution plans*

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.

*Compensated absences*

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 obligation at the year end.

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**n. Earnings per share**

Basic earnings per share are computed by dividing net income attributable to shareholders of Tata Consultancy Services Limited by the weighted average number of equity shares outstanding during the period. Tata Consultancy Services Limited did not have any potentially dilutive securities in any of the periods presented.

**o. Comprehensive income**

Comprehensive income includes all changes in equity from transactions and other events and circumstances from non-shareholder sources. Comprehensive income comprises unrealised gains / (losses) on available-for-sale securities, translation adjustments arising on the translation of financial statements from functional currency to reporting currency, effective portion of gains / (losses) on derivative instruments designated as cash flow hedges, unrealised actuarial gains / (losses) and net income.

**p. 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 liabilities at the date of the condensed consolidated financial report and the reported amounts of revenue 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.

**3. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	<b>As of</b> <b>December 31, 2012</b>	<b>As of</b> <b>March 31, 2012</b>
	<b>(In millions of USD)</b>	
Cash at banks and in hand	246.1	233.3
Bank deposits (original maturities less than three months)	107.8	158.1
<b>Total</b>	<b>353.9</b>	<b>391.4</b>
Held within India	15.5	33.3
Held outside India	338.4	358.1
<b>Total</b>	<b>353.9</b>	<b>391.4</b>

**4. Trade receivables**

Trade receivables consist of the following:

	<b>As of</b> <b>December 31, 2012</b>	<b>As of</b> <b>March 31, 2012</b>
	<b>(In millions of USD)</b>	
Trade receivables, gross	2,463.4	2,296.0
Less: Allowances for doubtful trade receivables	(37.2)	(38.0)
<b>Total</b>	<b>2,426.2</b>	<b>2,258.0</b>

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**5. Investments**

Investments consist of the following:

**(a) Investments – Current**

	<u>As of December 31, 2012</u>	<u>As of March 31, 2012</u>
	(In millions of USD)	
<b>Available-for-sale financial assets, carried at fair value</b>		
Corporate debentures and bonds	1.8	1.6
Mutual fund units	38.7	47.7
	<u>40.5</u>	<u>49.3</u>
<b>Loans and receivables, carried at amortised cost</b>	101.9	107.9
	<u>142.4</u>	<u>157.2</u>
<b>Total investments - Current</b>	<u>142.4</u>	<u>157.2</u>

**(b) Investments – Non current**

	<u>As of December 31, 2012</u>	<u>As of March 31, 2012</u>
	(In millions of USD)	
<b>Available-for-sale financial assets, carried at cost</b>		
Mutual fund units	0.6	-
Unquoted equity shares	5.2	4.9
	<u>5.8</u>	<u>4.9</u>
<b>Held-to-maturity financial assets, carried at amortised cost</b>		
Corporate debentures and bonds	39.8	37.2
Government securities	7.2	7.8
	<u>47.0</u>	<u>45.0</u>
<b>Loans and receivables, carried at amortised cost</b>	135.4	83.1
	<u>188.2</u>	<u>133.0</u>
<b>Total investments - Non current</b>	<u>188.2</u>	<u>133.0</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 first installment of the debentures amounting to \$66.2 million issued by Tata Sons Limited has been redeemed during the fiscal 2012.

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**6. Other financial assets**

Other financial assets consist of the following:

**(a) Other current financial assets**

	<u>As of</u> <u>December 31, 2012</u>	<u>As of</u> <u>March 31, 2012</u>
	(In millions of USD)	
Accrued interest	112.5	81.5
Employee loans and advances	37.8	33.6
Inter-corporate deposits	449.2	128.0
Foreign currency derivative assets	24.3	29.9
Others	18.4	28.9
<b>Total</b>	<b>642.2</b>	<b>301.9</b>

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

	<u>As of</u> <u>December 31, 2012</u>	<u>As of</u> <u>March 31, 2012</u>
	(In millions of USD)	
Accrued interest	5.2	9.9
Premises deposits	85.7	82.1
Restricted cash	2.8	3.1
Employee loans and advances	1.5	1.9
Inter-corporate deposits	260.1	55.2
Others	17.7	16.3
<b>Total</b>	<b>373.0</b>	<b>168.5</b>

**7. Other assets**

Other assets consist of the following:

**(a) Other current assets**

	<u>As of</u> <u>December 31, 2012</u>	<u>As of</u> <u>March 31, 2012</u>
	(In millions of USD)	
Prepaid expenses	178.4	160.3
Indirect tax recoverable	43.6	31.8
Advances to suppliers	18.3	14.5
Others	22.5	21.1
<b>Total</b>	<b>262.8</b>	<b>227.7</b>

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

	<u>As of</u> <u>December 31, 2012</u>	<u>As of</u> <u>March 31, 2012</u>
	(In millions of USD)	
Prepaid expenses	61.8	67.1
Prepaid rent	42.2	40.0
Others	12.3	19.6
<b>Total</b>	<b>116.3</b>	<b>126.7</b>



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**8. Property, plant and equipment**

Property, plant and equipment consist of the following:

	<b>(In millions of USD)</b>						
	<b>Freehold land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Computer equipment</b>	<b>Auto-mobiles</b>	<b>Furniture, fixtures and office equipment</b>	<b>Total</b>
<b>Gross block as of April 1, 2011</b>	<b>73.9</b>	<b>389.3</b>	<b>167.8</b>	<b>545.7</b>	<b>6.3</b>	<b>404.7</b>	<b>1,587.7</b>
Additions	-	92.5	46.4	115.0	0.4	104.6	358.9
Deletions	-	-	(2.9)	(21.8)	(0.7)	(2.8)	(28.2)
Translation exchange difference	(8.8)	(52.8)	(19.0)	(70.4)	(0.8)	(54.1)	(205.9)
<b>Gross block as of March 31, 2012</b>	<b>65.1</b>	<b>429.0</b>	<b>192.3</b>	<b>568.5</b>	<b>5.2</b>	<b>452.4</b>	<b>1,712.5</b>
<b>Accumulated depreciation as of April 1, 2011</b>	<b>-</b>	<b>(67.5)</b>	<b>(83.2)</b>	<b>(355.5)</b>	<b>(3.5)</b>	<b>(214.8)</b>	<b>(724.5)</b>
Deletions	-	-	2.9	18.9	0.6	2.8	25.2
Depreciation for the period	-	(16.7)	(21.4)	(88.1)	(0.8)	(52.1)	(179.1)
Translation exchange difference	-	9.3	9.9	45.7	0.5	29.9	95.3
<b>Accumulated depreciation as of March 31, 2012</b>	<b>-</b>	<b>(74.9)</b>	<b>(91.8)</b>	<b>(379.0)</b>	<b>(3.2)</b>	<b>(234.2)</b>	<b>(783.1)</b>
<b>Net carrying amount as of March 31, 2012</b>	<b>65.1</b>	<b>354.1</b>	<b>100.5</b>	<b>189.5</b>	<b>2.0</b>	<b>218.2</b>	<b>929.4</b>
Capital work-in-progress (including capital advances)							337.7
<b>Total</b>							<b>1,267.1</b>

	<b>(In millions of USD)</b>						
	<b>Freehold land</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Computer equipment</b>	<b>Auto-mobiles</b>	<b>Furniture, fixtures and office equipment</b>	<b>Total</b>
<b>Gross block as of April 1, 2012</b>	<b>65.1</b>	<b>429.0</b>	<b>192.3</b>	<b>568.5</b>	<b>5.2</b>	<b>452.4</b>	<b>1,712.5</b>
Additions	-	94.3	20.3	81.6	0.6	72.2	269.0
Acquisitions through business combinations	-	-	0.4	14.1	-	0.8	15.3
Deletion	-	(0.1)	(1.0)	(9.5)	(0.7)	(5.7)	(17.0)
Translation exchange difference	(4.3)	(28.9)	(12.8)	(35.5)	(0.3)	(28.2)	(110.0)
<b>Gross block as of December 31, 2012</b>	<b>60.8</b>	<b>494.3</b>	<b>199.2</b>	<b>619.2</b>	<b>4.8</b>	<b>491.5</b>	<b>1,869.8</b>
<b>Accumulated depreciation as of April 1, 2012</b>	<b>-</b>	<b>(74.9)</b>	<b>(91.8)</b>	<b>(379.0)</b>	<b>(3.2)</b>	<b>(234.2)</b>	<b>(783.1)</b>
Acquisitions through business combinations	-	-	(0.4)	(11.2)	-	(0.2)	(11.8)
Deletion	-	-	0.7	9.3	0.5	5.3	15.8
Depreciation for the period	-	(13.4)	(16.6)	(64.2)	(0.4)	(40.9)	(135.5)
Translation exchange difference	-	5.1	5.5	24.0	0.2	13.9	48.7
<b>Accumulated depreciation as of December 31, 2012</b>	<b>-</b>	<b>(83.2)</b>	<b>(102.6)</b>	<b>(421.1)</b>	<b>(2.9)</b>	<b>(256.1)</b>	<b>(865.9)</b>
<b>Net carrying amount as of December 31, 2012</b>	<b>60.8</b>	<b>411.1</b>	<b>96.6</b>	<b>198.1</b>	<b>1.9</b>	<b>235.4</b>	<b>1,003.9</b>
Capital work-in-progress (including capital advances)							391.1
<b>Total</b>							<b>1,395.0</b>

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**9. Trade and other payables**

Trade and other payables consist of the following:

	<b>As of</b> <b>December 31, 2012</b>	<b>As of</b> <b>March 31, 2012</b>
	<b>(In millions of USD)</b>	
Trade payables	639.8	529.4
Accrued payroll	119.3	108.1
Others	0.3	0.2
<b>Total</b>	<b>759.4</b>	<b>637.7</b>

**10. Other financial liabilities**

**(a) Other current financial liabilities**

	<b>As of</b> <b>December 31, 2012</b>	<b>As of</b> <b>March 31, 2012</b>
	<b>(In millions of USD)</b>	
Foreign currency derivative liabilities	22.9	47.2
Capital creditors	29.4	32.9
Others	105.7	91.8
<b>Total</b>	<b>158.0</b>	<b>171.9</b>

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

	<b>As of</b> <b>December 31, 2012</b>	<b>As of</b> <b>March 31, 2012</b>
	<b>(In millions of USD)</b>	
Foreign currency derivative liabilities	8.1	10.3
Capital creditors	8.6	6.2
Others	39.0	35.6
<b>Total</b>	<b>55.7</b>	<b>52.1</b>

**11. Other current liabilities**

	<b>As of</b> <b>December 31, 2012</b>	<b>As of</b> <b>March 31, 2012</b>
	<b>(In millions of USD)</b>	
Indirect tax payable and other statutory liabilities	169.9	121.4
Advances received from customers	11.3	14.1
Others	13.1	9.3
<b>Total</b>	<b>194.3</b>	<b>144.8</b>

**12. Derivative financial instruments and hedging activity**

TCS Limited's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and the Euro. In addition to these currencies, TCS Limited also does business in Australian Dollar, Canadian Dollar, South African Rand and Swiss Franc. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes TCS Limited to currency fluctuations.

TCS Limited monitors and manages the financial risks relating to its operations by analyzing its foreign exchange exposures by the level and extent of currency risks.

Tata Consultancy Services Limited and its subsidiaries use various derivative financial instruments governed by policies approved by the board of directors such as foreign currency option contracts as well as forward contracts to

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manage and mitigate its exposure to foreign exchange rates. The counter party is generally a bank. The Company can enter into contracts for a period between one day and eight years.

Tata Consultancy Services Limited and its subsidiaries report quarterly to its risk management board, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures. TCS Limited has developed software platform to monitor, manage and reports foreign exchange exposures relating to hedging transactions on a periodic basis.

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

	December 31, 2012			March 31, 2012		
	No. of contracts	Notional amount of forward contracts (in millions)	Fair value (In millions of USD)	No. of contracts	Notional amount of forward contracts (in millions)	Fair value (In millions of USD)
Foreign currency						
US dollar	16	90.8	(10.0)	44	288.0	(19.4)
Sterling pound	8	3.2	(0.6)	26	9.4	(1.1)
Australian dollar	17	4.9	(0.8)	44	11.1	(1.5)

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

	December 31, 2012			March 31, 2012		
	No. of contracts	Notional amount of currency option contracts (in millions)	Fair value (In millions of USD)	No. of contracts	Notional amount of currency option contracts (in millions)	Fair value (In millions of USD)
Foreign currency						
US dollar	120	2,137.0	(5.2)	81	2,185.0	5.8
Sterling pound	30	234.0	1.6	33	217.5	2.9
Australian dollar	9	45.0	1.2	6	30.0	0.7
Euro	33	195.0	0.2	21	210.0	3.7

The movement in accumulated other comprehensive income for the nine month period ended December 31, 2012 and year ended March 31, 2012 for derivatives designated as cash flow hedges is as follows:

	Nine-month period ended	Year ended
	December 31, 2012	March 31, 2012
(In millions of USD)		
Balance at the beginning of the year	(27.3)	10.3
Losses transferred to profit or loss on occurrence of forecasted Hedge transaction	19.9	141.0
Deferred tax on (gains) / losses transferred to profit or loss on occurrence of forecasted Hedge transaction	(6.3)	0.2
Change in the fair value of effective portion of outstanding cash flow hedges	(5.6)	(37.3)
Deferred tax on fair value of effective portion of cash flow hedges	3.9	9.1
Changes in the fair value of effective portion of discontinued / matured cash flow hedges during the period	(9.5)	(151.5)
Amount transferred to non-controlling interests during the year	(0.3)	0.9
<b>Balance at the end of the year</b>	<b>(25.2)</b>	<b>(27.3)</b>

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In addition to the above cash flow hedges, TCS Limited has outstanding foreign exchange forward contracts and currency option contracts with notional amounts aggregating \$1,724.3 million and \$1,669.9 million, whose fair value showed a net gain of \$7.0 million and net loss of \$18.7 as of December 31, 2012 and March 31, 2012, respectively. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange loss of \$24.8 million (*December 31, 2011 – exchange loss of \$67.0 million*) and exchange loss of \$8.4 million (*December 31, 2011 – exchange loss of \$109.6 million*) on foreign currency forward exchange contracts and currency option contracts have been recognised in earnings during quarter and nine month periods ended December 31, 2012 and 2011, respectively.

**13. 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 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.

Revenue 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 revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets directly attributable or allocable to segments are disclosed under each reportable segment. All other assets are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Summarised segment information for the three month and nine month periods ended December 31, 2012 and 2011 is as follows:

	<b>Three-month period ended December 31, 2012</b>					
	<b>(In millions of USD)</b>					
	<b>Banking, Financial Services and Insurance</b>	<b>Manufacturing</b>	<b>Retail and Consumer Packaged Goods</b>	<b>Telecom, media and entertain- ment</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</b>	<b>1,269.0</b>	<b>249.7</b>	<b>394.4</b>	<b>342.8</b>	<b>691.9</b>	<b>2,947.8</b>
<b>Segment result</b>	<b>381.0</b>	<b>66.1</b>	<b>118.4</b>	<b>84.9</b>	<b>195.6</b>	<b>846.0</b>
Unallocable expenses						42.4
Operating income						803.6
Other income, net						39.2
Income before taxes						842.8
Income tax expense						183.9
<b>Net income</b>						<b>658.9</b>

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**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, media and entertain- ment</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</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 income, net						(18.0)
Income before taxes						738.3
Income tax expense						163.8
<b>Net income</b>						<b>574.5</b>

**Nine-month period ended December 31, 2012**

(In millions of USD)

	<b>Banking, Financial Services and Insurance</b>	<b>Manufacturing</b>	<b>Retail and Consumer Packaged Goods</b>	<b>Telecom, media and entertain- ment</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</b>	<b>3,662.5</b>	<b>700.3</b>	<b>1,134.9</b>	<b>1,038.2</b>	<b>1,993.0</b>	<b>8,528.9</b>
<b>Segment result</b>	<b>1,078.4</b>	<b>182.2</b>	<b>348.9</b>	<b>265.6</b>	<b>563.7</b>	<b>2,438.8</b>
Unallocable expenses						121.6
Operating income						2,317.2
Other income, net						128.0
Income before taxes						2,445.2
Income tax expense						526.1
<b>Net income</b>						<b>1,919.1</b>

**As of December 31, 2012**

**Segment assets:**

Allocable assets	2,018.6	268.2	380.7	461.7	1,188.6	4,317.8
Unallocable assets						4,575.6
<b>Total assets</b>						<b>8,893.4</b>
<b>Segment liabilities</b>						
Allocable liabilities	184.2	22.2	13.7	34.7	164.5	419.3
Unallocable liabilities						1,406.9
<b>Total liabilities</b>						<b>1,826.2</b>

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

**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, media and entertain- ment</b>	<b>Others</b>	<b>Total</b>
<b>Revenue</b>	<b>3,264.9</b>	<b>580.7</b>	<b>905.0</b>	<b>972.8</b>	<b>1,799.2</b>	<b>7,522.6</b>
<b>Segment result</b>	<b>1,005.1</b>	<b>148.3</b>	<b>259.0</b>	<b>297.8</b>	<b>482.7</b>	<b>2,192.9</b>
Unallocable expenses						120.7
Operating income						2,072.2
Other income, net						68.2
Income before taxes						2,140.4
Income tax expense						494.4
<b>Net income</b>						<b>1,646.0</b>
<b>As of December 30, 2011</b>						
<b>Segment assets:</b>						
Allocable assets	1,839.1	213.1	300.2	409.5	958.0	3,719.9
Unallocable assets						3,569.8
<b>Total assets</b>						<b>7,289.7</b>
<b>Segment liabilities</b>						
Allocable liabilities	142.5	22.0	15.8	32.1	129.0	341.4
Unallocable liabilities						1,293.3
<b>Total liabilities</b>						<b>1,634.7</b>

**14. Commitments and contingencies**

Commitments and contingent liabilities are as follows:

**Capital commitments**

As of December 31, 2012, \$668.9 million was contractually committed for purchase of property, plant and equipment.

**Contingencies**

**Guarantees**

The Group has provided guarantees aggregating to \$97.0 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.

**Income tax matters**

As of December 31, 2012, TCS Limited has demands from direct tax authorities in Indian jurisdiction, which are being contested by TCS Limited on appeal amounting to \$342.0 million. Demands from direct tax authorities include \$60.3 million in respect of TCS e-Serve Limited. TCS e-Serve Limited has also paid advance taxes aggregating \$58.8 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.

**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, 2012, TCS Limited has demands from various indirect tax authorities in Indian jurisdiction, which are being contested by the Company on appeal amounting to \$33.6 million.

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

*Other claims*

TCS Limited 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.

As of December 31, 2012, \$21.5 million are claims against the Company.

**15. Subsequent event**

On January 14, 2013, the Board of Directors declared an interim dividend of \$0.05 (₹3) per equity share.