TATA CONSULTANCY SERVICES

Experience certainty.

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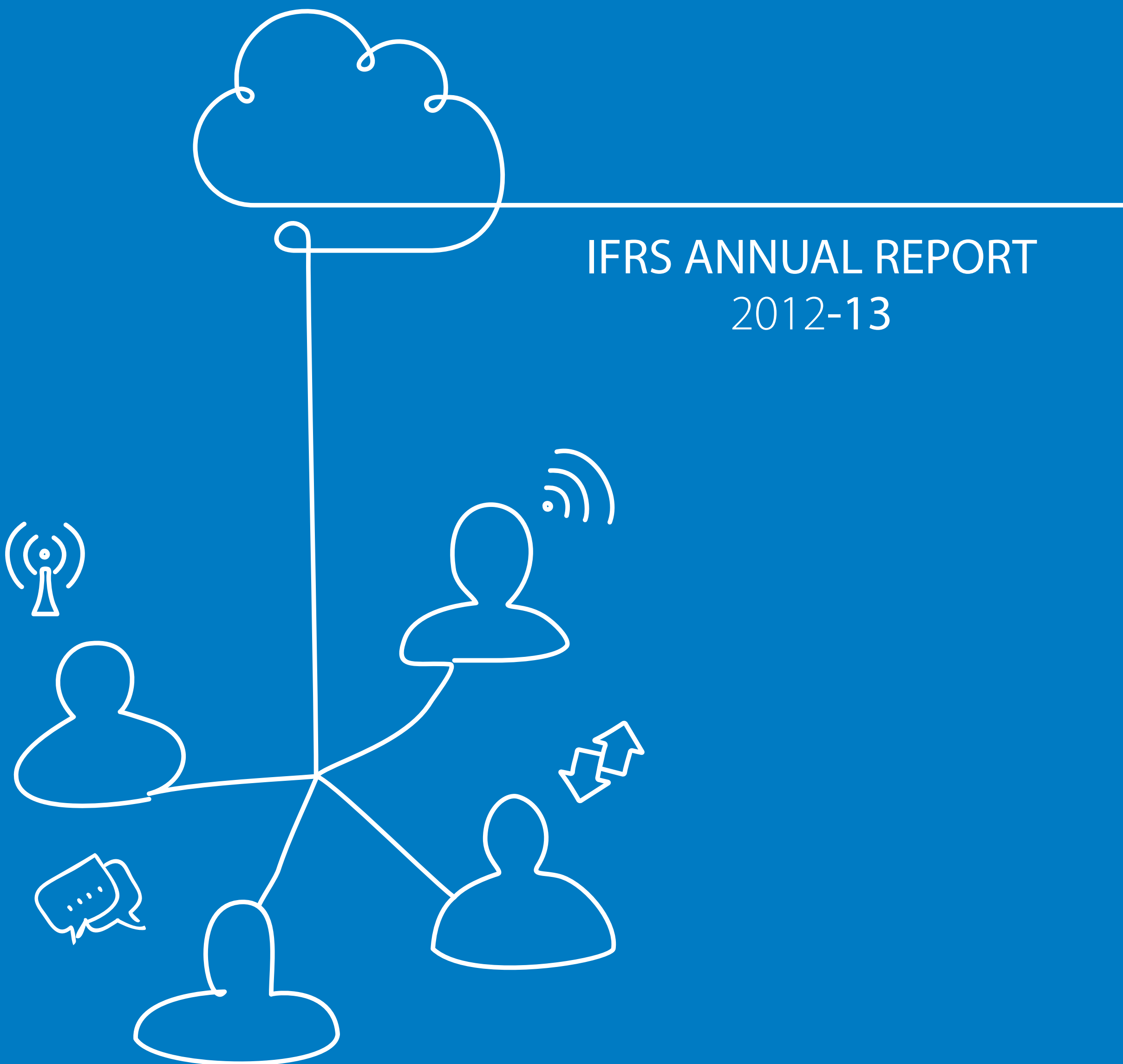

IFRS ANNUAL REPORT 2012-13

Financial Statements prepared in accordance with International Financial Reporting Standards - **Fiscal 2013**

TATA CONSULTANCY SERVICES LIMITED

REPORT FOR THE YEAR ENDED MARCH 31, 2013

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Board of Directors

Cyrus Mistry *(Chairman)*

S Ramadorai *(Vice Chairman)*

N Chandrasekaran (*CEO and Managing Director*)

Aman Mehta

V Thyagarajan

Prof. Clayton M Christensen

Dr. Ron Sommer

Dr. Vijay Kelkar

Ishaat Hussain

Phiroz Vandrevala

O. P. Bhatt

Company Secretary

Suprakash Mukhopadhyay

Statutory Auditors

Deloitte Haskins & Sells

IFRS Auditors

Deloitte Haskins & Sells

Registered Office

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Nariman Point, Mumbai 400 021
Tel : 91 22 6778 9595
Fax : 91 22 6778 9660
Website : www.tcs.com

Corporate Office

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Raveline Street, Fort
Mumbai 400 001
Tel : 91 22 6778 9999
Fax : 91 22 6778 9000
E-mail: investor.relations@tcs.com

Registrars & Transfer Agents

TSR DARASHAW Private Limited
6-10, Haji Moosa Patrawala Industrial Estate
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Tel : 91 22 6656 8484
Fax : 91 22 6656 8494
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Management Team

Function	Name
Corporate	
CEO	N Chandrasekaran
CFO	Rajesh Gopinathan
Global Human Resources	Ajoyendra Mukherjee
Geography Heads	
North America, UK and Europe	Surya Kant
Latin America	Henry Manzano
India, APAC, Middle-East & Africa	Ravi Viswanathan Ujjwal Mathur Vish Iyer Qi Qi Dong Masahiko Kaji Varun Kapur
Functions	
Marketing	John Lenzen
Corporate Communication	Pradipta Bagchi
R&D	K Ananth Krishnan
Human Resources	Ritu Anand Ashok Mukherjee K Ganesan Thomas Simon S Narasimhan
Delivery Governance	Aarthi Subramanian
Legal	Satya Hegde
Finance	B Sanyal Pauroos Karkaria V Ramakrishnan Dharmesh Gandhi G S Lakshminarayanan
Company Secretary & Treasury	Suprakash Mukhopadhyay
Chief Compliance Officer	Ravindra J Shah
Security	R K Raghavan

Management Team

Function	Name
Industry Service Units	
Banking & Financial Services	K Krithivasan Ramanamurthy Magapu Susheel Vasudevan
Insurance and Healthcare	Suresh Muthuswami Syama Sundar
Life Sciences, Energy Resources and Manufacturing	Debashis Ghosh Jayanta Banerjee Milind Lakkad
Telecom, Media, Hi-Tech and Utilities	AS Lakshminarayanan N. Sivasamban Kamal Bhadada V. Rajanna Nagaraj Ijari Sudheer Warrier
Retail & CPG and Travel & Hospitality	Pratik Pal S Sukanya
Government	Tanmoy Chakrabarty
Strategic Growth Units	
TCS Financial Services, iON, Small and Medium Business and Platform BPO	N G Subramaniam Vijaya Deepti Venguswamy Ramaswamy Raj Agrawal
Service Units	
Global Consulting Practice	J Rajagopal
Engineering & Industrial Services	Regu Ayyaswamy
Infrastructure Services	P R Krishnan
BPO	Abid Ali Neemuchwala
Global Delivery Network	Gabriel Rozman
Assurance Services	Siva Ganesan
Enterprise Solutions	Krishnan Ramanujam
Alliances	Raman Venkatraman
Internal IT	Alok Kumar
Digital Solutions	Satya Ramaswamy

Management Discussion and Analysis

The following management discussion and analysis should be read together with the audited consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as TCS Limited, TCS or the Company) for the financial years ended March 31, 2013, 2012 and 2011.

The Company's financial year ends on March 31. All references to a particular financial year are to the twelve-month period ended March 31 of that year.

Highlights

Revenue aggregated $11,568.4 million in fiscal 2013 ($10,170.8 million in fiscal 2012) representing a growth of13.74% over fiscal 2012.

Operating income was $3,123.6 million in fiscal 2013 ($2,806.1 million in fiscal 2012) representing a growth of11.31% over fiscal 2012.

Net income was $2,588.2 million in fiscal 2013 ($2,238.8million in fiscal 2012) registering a growth of 15.61% over fiscal 2012.

The employee strength was 276,196 as of March 31, 2013 (238,583 as of March 31, 2012) representing a growth of 15.77%. Gross addition of employees in fiscal 2013 aggregated 69,728 of which 10,452 associates were added in overseas locations.

The Company's earnings per share (EPS) increased to $1.31 in fiscal 2013 from $1.13 in fiscal 2012.

For the first three quarters of fiscal 2013, the Company paid a total interim dividend of $0.16 (₹9) per equity share. On April 17, 2013, the board of directors recommended, for approval of shareholders, a final dividend of $0.24 (₹13) per equity share. If approved, the total dividend for fiscal 2013 would aggregate $0.40 (₹22) per equity share, including the three interim quarterly dividends.

Overview

The Company is in the business of providing information technology services, consulting and business solutions. Its full services portfolio consists of application development and maintenance, business intelligence, enterprise solutions, assurance services, engineering & industrial services, IT infrastructure services, business process outsourcing, consulting and asset leveraged solutions. In addition, the Company has launched several new service offerings around mobility, social computing, big data and the cloud.

The Company has built strong domain capabilities in a range of industry verticals, positioning itself as a strategic partner capable of reliably delivering innovative technology-led solutions to business problems. Key industry verticals serviced by the Company are banking, financial services & insurance, retail & consumer packaged goods, telecom, media & entertainment, hi-tech, manufacturing, life sciences & healthcare, energy, resources & utilities and travel, transportation & hospitality.

The Company has also been steadily expanding its geographic footprint. In addition to the traditional markets for its services – namely, North America, United Kingdom and Continental Europe, the Company has been expanding its presence in emerging markets like Asia-Pacific, India, Latin America and Middle East & Africa. Additional global delivery centers in India were set up at Guwahati, Kolkata, Bangalore and Gurgaon in fiscal 2013. An initial learning programme center was set up in Chennai for inducting new recruits. Addition to the international global delivery centers were (a) one center in UK, (b) two centers in USA and (c) one center in China.

As at March 31, 2013, TCS had 199 offices in 43 countries and 122 delivery centers all over the globe.

The management discussion and analysis are based on the consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

Significant accounting policies

Note 2 of 'Notes to Consolidated Financial Statements' gives the summary of significant accounting policies used for the preparation and presentation of the consolidated financial statements.

The functional currency of Tata Consultancy Services Limited and its Indian subsidiaries is the Indian rupee (₹), whereas the functional currency of foreign subsidiaries is the currency in their respective countries of incorporation. The accompanying consolidated financial statements are presented in US dollars.

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect (a) the reported amounts of assets and liabilities, (b) disclosures of contingent liabilities at the date of these consolidated financial statements and (c) the reported amounts of revenue and expenses for the years presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Areas in which significant judgments and estimates are used include, but are not limited to (a) estimated costs for completion of fixed price contracts, (b) impairment assessment of goodwill and other intangible assets, (c) retirement benefits, (d) useful lives of tangible and intangible assets, (e) allowances for uncollectable accounts receivables and (f) income tax. Actual results could differ from these estimates.

Overview of financial results

(In millions of USD)

	Fiscal 2013	**% of total revenue**	**% growth**	Fiscal 2012	% of total revenue	% growth	Fiscal 2011	% of total revenue
Revenue:								
Information technology and consultancy services	**11,243.8**	**97.19**	**14.13**	9,852.1	96.87	24.60	7,906.7	96.58
Sale of equipment and software licenses	**324.6**	**2.81**	**1.85**	318.7	3.13	13.78	280.1	3.42
Total revenue	**11,568.4**	**100.00**	**13.74**	10,170.8	100.00	24.23	8,186.8	100.00
Cost of revenue:								
Cost of information technology and consultancy services	**5,948.6**	**51.42**	**13.71**	5,231.4	51.44	23.21	4,245.8	51.86
Cost of equipment and software licenses	**280.5**	**2.43**	**0.90**	278.0	2.73	18.45	234.7	2.87
Total cost of revenue	**6,229.1**	**53.85**	**13.06**	5,509.4	54.17	22.96	4,480.5	54.73
Gross profit	**5,339.3**	**46.15**	**14.54**	4,661.4	45.83	25.77	3,706.3	45.27
Operating Expenses:								
Selling, general and administrative expenses	**2,215.7**	**19.15**	**19.43**	1,855.3	18.24	31.82	1,407.5	17.19
Operating income	**3,123.6**	**27.00**	**11.31**	2,806.1	27.59	22.07	2,298.8	28.08
Other income:								
Finance and other income	**196.9**	**1.70**	**14.54**	171.9	1.69	56.70	109.7	1.34
Finance costs	**(13.0)**	**(0.11)**	**30.00**	(10.0)	(0.10)	(42.20)	(17.3)	(0.21)
Other gains / (losses), net	**21.4**	**0.18**	**129.60**	(72.3)	(0.71)	(388.05)	25.1	0.31
Other income, net	**205.3**	**1.77**	**129.13**	89.6	0.88	(23.74)	117.5	1.44
Income before income taxes	**3,328.9**	**28.77**	**14.96**	2,895.7	28.47	19.84	2,416.3	29.51
Income tax expense	**740.7**	**6.40**	**12.76**	656.9	6.46	38.24	475.2	5.80
Net income	**2,588.2**	**22.37**	**15.61**	2,238.8	22.01	15.34	1,941.1	23.71

Revenue composition

(In millions of USD)

	Fiscal 2013	**% of total revenue**	Fiscal 2012	% of total revenue	Fiscal 2011	% of total revenue
Information technology and consultancy services	**11,243.8**	**97.19**	9,852.1	96.87	7,906.7	96.58
% growth	**14.13**	**-**	24.60	-	-	-
Sale of equipment and software licenses	**324.6**	**2.81**	318.7	3.13	280.1	3.42
% growth	**1.85**	**-**	13.78	-	-	-
Total revenue	**11,568.4**	**100.00**	10,170.8	100.00	8,186.8	100.00
% growth	**13.74**	**-**	24.23	-	-	-

In fiscal 2013, total revenue aggregated $11,568 million ($10,171 million in fiscal 2012). Revenue from information technology and consultancy services was $11,244 million in fiscal 2013 ($9,852 million in fiscal 2012). The growth in fiscal 2013 (13.74%) has been lower than fiscal 2012 (24.23%) primarily on account of lower growth in volume, a fall out of continuing global economic uncertainties and lower discretionary spending by customers. Variances on account of price and mix were not significant.

Revenue by currency

The Company earns its revenue in multiple currencies. The table below shows the currency-wise revenue earned in the last three years.

	% of total revenue in fiscal 2013	% of total revenue in fiscal 2012	% of total revenue in fiscal 2011
USD	**58.46**	59.29	59.40
GBP	**14.84**	12.43	12.46
EUR	**6.71**	7.55	7.09
AUD	**4.14**	4.33	4.00
CAD	**2.54**	2.41	1.96
INR	**7.35**	8.38	9.37
Others	**5.96**	5.61	5.72
Total	**100.00**	100.00	100.00

The Company earned 86.69% of its revenue in fiscal 2013 in USD, GBP, Euro, AUD and CAD (86.01% in fiscal 2012).

Revenue by industry segment

(In millions of USD)

	Fiscal 2013	**% of total revenue**	**% growth**	Fiscal 2012	% of total revenue	% growth	Fiscal 2011	% of total revenue
Banking, financial services and insurance	**4,985.7**	**43.10**	**13.75**	4,382.9	43.09	20.90	3,625.1	44.28
Retail and consumer packaged goods	**1,542.9**	**13.34**	**24.72**	1,237.1	12.16	37.38	900.5	11.00
Telecom, media and entertainment	**1,384.5**	**11.97**	**6.99**	1,294.0	12.72	11.51	1,160.4	14.17
Manufacturing	**957.9**	**8.28**	**21.25**	790.0	7.77	30.88	603.6	7.37
Others	**2,697.4**	**23.31**	**9.35**	2,466.8	24.26	30.02	1,897.2	23.18
Total	**11,568.4**	**100.00**	**13.74**	10,170.8	100.00	24.23	8,186.8	100.00

All major industry verticals except telecom, media & entertainment recorded double digit growth over fiscal 2012. Retail and consumer packaged goods and manufacturing were star performers. Also, life sciences & healthcare and hi-tech combined in "others" industry vertical had double digit growth. Details are discussed in segment results section.

Revenue by geography

(In millions of USD)

	Fiscal 2013	**% of total revenue**	**% growth**	Fiscal 2012	% of total revenue	% growth	Fiscal 2011	% of total revenue
Americas	**6,100.1**	**52.73**	**12.53**	5,421.1	53.30	22.92	4,410.1	53.87
United Kingdom (UK)	**1,975.7**	**17.08**	**27.37**	1,551.1	15.25	22.52	1,266.0	15.46
Europe	**1,097.6**	**9.49**	**7.12**	1,024.6	10.07	34.20	763.5	9.33
India	**898.6**	**7.77**	**2.64**	875.5	8.61	16.24	753.2	9.20
Asia-Pacific	**862.6**	**7.46**	**12.26**	768.4	7.55	42.64	538.7	6.58
Latin America	**388.0**	**3.35**	**23.92**	313.1	3.08	5.85	295.8	3.61
Middle East and Africa	**245.8**	**2.12**	**13.27**	217.0	2.14	36.05	159.5	1.95
Total	**11,568.4**	**100.00**	**13.74**	10,170.8	100.00	24.23	8,186.8	100.00

Americas, UK and Europe continue to be major contributors to revenue, constituting 79.30% of the Company's total revenue in fiscal 2013 (78.62% in fiscal 2012).

Among other markets, Latin America had an impressive growth of 23.92%. Middle East & Africa and Asia-Pacific also grew in line with the Company growth rate.

Revenue by service practice

(In millions of USD)

	Fiscal 2013	**% of total revenue**	**% growth**	Fiscal 2012	% of total revenue	% growth	Fiscal 2011	% of total revenue
Application development and maintenance	**4,951.4**	**42.80**	**8.70**	4,555.1	44.79	19.77	3,803.2	46.46
Enterprise solutions including business intelligence	**1,758.8**	**15.20**	**10.41**	1,592.9	15.66	25.93	1,264.9	15.45
Business process outsourcing (BPO)	**1,442.1**	**12.47**	**28.58**	1,121.6	11.03	21.56	922.7	11.27
IT infrastructure services (IT IS)	**1,327.9**	**11.48**	**30.09**	1,020.8	10.04	32.36	771.2	9.42
Assurance services	**891.9**	**7.71**	**17.71**	757.7	7.45	36.51	555.1	6.78
Engineering and industrial services	**533.4**	**4.61**	**13.44**	470.2	4.62	19.64	393.0	4.80
Consulting	**350.6**	**3.03**	**34.34**	261.0	2.57	46.78	177.8	2.17
Asset leverage solutions	**312.3**	**2.70**	**(20.23)**	391.5	3.84	30.98	298.9	3.65
Total	**11,568.4**	**100.00**	**13.74**	10,170.8	100.00	24.23	8,186.8	100.00

Application development and maintenance business grew by 8.70% over last fiscal. BPO, IT IS and consulting maintained high growth rate, 28.58%, 30.09% and 34.34% respectively, in spite of the uncertain market and macro economic conditions.

Revenue by service location

(% of total revenue)

	Fiscal 2013	Fiscal 2012
Offshore India	**49.45**	50.57
Offsite GDC	**5.16**	4.42
Total Offsite	**54.61**	54.99
Total Onsite	**45.39**	45.01
Total	**100.00**	100.00

On-site revenue is for those services which are performed at client locations. Off-site revenue relates to services which are performed at TCS' delivery centers in various countries at the global delivery centers (GDCs). Offshore revenue relates to services performed at the delivery centers located in India. Revenue from on-site, offshore and off-site are aligned with customer requirements. The composition of service location mix of revenue in the current fiscal is not substantially different from last fiscal.

Revenue by nature of contract

(% of total revenue)

	Fiscal 2013	Fiscal 2012
Time & material basis	**52.84%**	52.62%
Fixed price, fixed time	**47.16%**	47.38%
Total	**100.00%**	100.00%

The mix of revenue from time & material contracts and fixed price, fixed time contracts has remained steady with the former going up marginally in fiscal 2013.

Cost of revenue (COR)

Cost of revenue (COR) includes expenses directly attributable for the execution of projects such as, compensation of employees, travel expenses, employee allowances, fees to external consultants, depreciation & amortisation of production related equipment, software, facility expenses and communication costs.

For the purpose of this MD&A, employee related costs and cost of external consultants taken to fill gaps of skill-set required for execution of projects have been combined under 'manpower cost'.

(In millions of USD)

	Fiscal 2013	**% of total revenue**	Fiscal 2012	% of total revenue	Fiscal 2011	% of total revenue
Employee cost	**4,377.3**	**37.84**	3,916.6	38.51	3,184.5	38.90
Fees to external consultants	**637.8**	**5.51**	458.3	4.50	309.1	3.77
Manpower cost	**5,015.1**	**43.35**	4,374.9	43.01	3,493.6	42.67
Cost of equipment and software licenses	**280.5**	**2.42**	278.0	2.73	234.7	2.87
Others	**933.5**	**8.08**	856.5	8.43	752.2	9.19
Total	**6,229.1**	**53.85**	5,509.4	54.17	4,480.5	54.73

COR as a percentage of revenue declined by 0.32%, from 54.17% in fiscal 2012 to 53.85% in fiscal 2013.

Employee cost decreased marginally by 0.67% as a percentage of revenue in fiscal 2013. The Company had been increasingly hiring local employees in many of the overseas locations.The Company also had to use the services of external consultants to supplement requirement of specialised technical and domain skills to meet client requirements. Fees for external consultants included in COR increased by 1.01% as percentage of revenue in fiscal 2013.

Cost of equipment and software licenses decreased marginally by 0.31% as a percentage of revenue in line with the decrease in the sale of equipment and licenses as a percentage of revenue by 0.32%.

Details of 'others' included in COR are depicted in the table given below:

(In millions of USD)

	Fiscal 2013	**% of total revenue**	Fiscal 2012	% of total revenue	Fiscal 2011	% of total revenue
Facility expenses	**246.6**	**2.13**	247.4	2.43	208.8	2.55
Travel	**162.9**	**1.41**	146.1	1.44	126.3	1.54
Depreciation & amortisation	**122.9**	**1.06**	121.4	1.19	107.7	1.32
Communication	**98.0**	**0.85**	97.4	0.96	90.1	1.10
Others	**303.1**	**2.63**	244.2	2.41	219.2	2.68
Total	**933.5**	**8.08**	856.5	8.43	752.1	9.19

There has been a marginal decrease of 0.35% in other expenses as a percentage of revenue (from 8.43% in fiscal 2012 to 8.08% in fiscal 2013) due to decrease in almost all items of expenses offset by an increase in the item'others'.

Selling, general and administrative (SG&A) expenses

The Company's SG&A expenses primarily comprise compensation for employees in sales, administration and other functions not directly engaged in the IT services delivery process. SG&A also includes depreciation & amortisation of intangibles and software for internal use, facility expenses, business promotion expenses, allowances for uncollectible receivables, travel expenses, legal and professional fees, marketing expenses and other general expenses not directly attributable to execution of projects.

For the purpose of this MD&A, employee related costs and cost of external consultants have been combined under 'manpower cost'.

(In millions of USD)

	Fiscal 2013	**% of total revenue**	Fiscal 2012	% of total revenue	Fiscal 2011	% of total revenue
Employee cost	**1,475.9**	**12.76**	1,226.3	12.06	943.2	11.52
Fees to external consultants	**58.0**	**0.50**	52.9	0.52	40.4	0.49
Manpower cost	**1,533.9**	**13.26**	1,279.2	12.58	983.6	12.01
Others	**681.8**	**5.89**	576.1	5.66	423.9	5.18
Total	**2,215.7**	**19.15**	1,855.3	18.24	1,407.5	17.19

SG&A as a percentage of revenue increased marginally by 0.91%, from 18.24% in fiscal 2012 to 19.15% in fiscal 2013 primarily on account of increase in manpower cost.

Details of 'others' included in SG&A are shown in the table below:

(In millions of USD)

	Fiscal 2013	**% of total revenue**	Fiscal 2012	% of total revenue	Fiscal 2011	% of total revenue
Facility expenses	**179.9**	**1.56**	160.4	1.58	131.7	1.61
Travel	**135.0**	**1.17**	107.9	1.06	76.5	0.93
Depreciation & amortisation	**75.4**	**0.65**	66.9	0.66	50.0	0.61
Education, recruitment and training	**44.7**	**0.39**	46.3	0.45	45.0	0.55
Communication	**42.8**	**0.37**	38.3	0.38	31.2	0.38
Bad debts	**10.3**	**0.09**	5.3	0.05	(15.9)	(0.19)
Other expenses	**193.7**	**1.66**	151.0	1.48	105.4	1.29
Total	**681.8**	**5.89**	576.1	5.66	423.9	5.18

Total 'others' have increased marginally by 0.23% of revenue, mainly due to increase in travel expenses (0.11% of revenue)and the item 'other expenses' (0.18% of revenue) which includes a onetime charge of $29.8 million for settlement of a class action suit in the United States of America (USA), offset by decrease in the education, recruitment and training (0.06% of revenue).

Operating income

Operating income has grown by 11.31% in fiscal 2013. As percentage of revenue it decreased by 0.59%, mainly due to increase in SG&A expenses by 0.91%, offset by decrease in COR by 0.32%.

Other income/(expense)

Other income/(expense) includes interest and dividend income, foreign currency exchange gains and losses, profit/loss on sale of investments, income from rent, miscellaneous income and interest expense on bank overdraft and debt.

(In millions of USD)

	Fiscal 2013	**% of total revenue**	Fiscal 2012	% of total revenue	Fiscal 2011	% of total revenue
Interest income	**192.8**	**1.67**	167.0	1.64	104.6	1.28
Interest expense	**13.0**	**0.11**	10.0	0.10	17.3	0.21
Net interest income	**179.8**	**1.56**	157.0	1.54	87.3	1.07
Net foreign exchange gains/(losses)	**9.1**	**0.08**	(85.9)	(0.84)	(8.5)	(0.10)
Dividend received	**1.2**	**0.01**	1.3	0.01	3.6	0.04
Rental income	**2.9**	**0.03**	3.6	0.04	1.5	0.02
Others, net	**12.3**	**0.09**	13.6	0.13	33.6	0.41
Total	**205.3**	**1.77**	89.6	0.88	117.5	1.44

Other income/(expense) increased by 0.89% of revenue in fiscal 2013, mainly due to increase in net foreign exchange gains (0.92% of revenue). During the year, the Company further strengthened its processes for continuous monitoring of investments, which is reflected in the significant increase in interest income.

Income tax

Income tax expense comprises current and deferred tax expense.

The Company avails tax incentives applicable to Special Economic Zones (SEZ) under the Indian Income Tax Act, 1961 (IT Act).

Till fiscal 2011, the provisions of 'Minimum Alternative Tax' (MAT) under the IT Act were applicable to the Company's income excluding its income from SEZ. With effect from April 1, 2011, MAT became applicable to income from SEZ also. Payment of MAT results in tax credit which according to the IT Act can be carried forward for subsequent ten years and adjusted against future tax liabilities. In the view of the Company, it would have sufficient tax liabilities to offset the MAT credits during the prescribed carry forward period. Accordingly, MAT has been recognised as an asset in the balance sheet.

Incidence of tax for TCS' branches and subsidiaries located in India and overseas are guided by laws in respective tax jurisdictions. Tax expenses reflected in the consolidated financial statement represent the aggregate of such taxes subject to adjustments in accordance with the double tax avoidance treaties between the countries concerned.

Deferred tax expense includes tax on undistributed earnings of certain subsidiaries as per provisions of IAS12 – Income Taxes.

Tax expense increased from $656.9 million in fiscal 2012 to $740.7 million in fiscal 2013. As a percentage of revenue, there was a marginal reduction of 0.06%.

Net income

The Company's net income has gone up by 15.61% in fiscal 2013. As percentage of revenue, net income has increased by 0.36% in fiscal 2013, mainly due to increase in other income by 0.89% and decrease in tax 0.06%, partly offset by decrease in operating income by 0.59%.

Segment performance

The Company considers industry verticals as its primary business segment and geography as its secondary business segment. Reportable primary segments are (1) banking,finance & insurance services, (2) telecommunication, media & entertainment, (3) retail & consumer packaged goods, (4) manufacturing and (5) industries clubbed under 'others', which includes energy, resources & utilities; hi-tech; life science & healthcare; travel, transportation & hospitality and other relatively smaller verticals.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to reporting segments have been allocated on the basis of revenue or man-hours logged for the segments. Expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Depreciation in respect of certain assets which are not used for specific segments or which cannot be attributed to specific segments has been considered as unallocable expenses for the purpose of segment analysis.

Segment Summary

(In millions of USD)

	Segment Revenue						Segment result					
	Fiscal 2013	Fiscal 2012	Fiscal 2011	**Fiscal 2013**	Fiscal 2012	Fiscal 2011	**Fiscal 2013**	Fiscal 2012	Fiscal 2011	**Fiscal 2013**	Fiscal 2012	Fiscal 2011
	$ million			**% of total revenue**			**$ million**			**% of segment result**		
Banking, financial services and insurance	**4,985.7**	4,382.9	3,625.1	**43.10**	43.09	44.28	**1,478.8**	1,346.1	1,141.0	**44.87**	45.35	46.89
Retail and consumer packaged goods	**1,542.9**	1,237.1	900.5	**13.34**	12.16	11.00	**474.0**	360.6	235.3	**14.38**	12.15	9.67
Telecom, media and entertainment	**1,384.5**	1,294.0	1,160.4	**11.97**	12.72	14.17	**356.9**	393.3	404.2	**10.83**	13.25	16.61
Manufacturing	**957.9**	790.0	603.6	**8.28**	7.77	7.37	**250.3**	204.4	154.5	**7.59**	6.89	6.35
Others	**2,697.4**	2,466.8	1,897.2	**23.31**	24.26	23.18	**735.7**	663.7	498.3	**22.33**	22.36	20.48
Total	**11,568.4**	10,170.8	8,186.8	**100.00**	100.00	100.00	**3,295.7**	2,968.1	2,433.3	**100.00**	100.00	100.00
Unallocable expenses							**172.1**	162.0	134.5			
Operating income							**3,123.6**	2,806.1	2,298.8			
Other income, net							**205.3**	89.6	117.5			
Income before taxes							**3,328.9**	2,895.7	2,416.3			

Banking, financial services & insurance (BFSI)

(In millions of USD)

	Fiscal 2013	% of segment revenue	% growth	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**4,985.7**		**13.75**	4,382.9		20.90	3,625.1	
Segment result	**1,478.8**	**29.66**	**9.86**	1,346.1	30.71	17.98	1,141.0	31.47

As a result of the increasing levels of regulations and greater uncertainty in the business and regulatory environment, the BFSI industry is undergoing transformation and evolving new operating models with a focus on rebuilding profitability. The industry has been impacted by (a) tighter regulatory regime, (b) increasing pressures on margins, (c) need for evolving innovative new business models, (d) emergence of non-traditional competitors and (e) emerging new technologies. These offer both opportunities and challenges to transform traditional operating approaches. The need for cost optimisation and efficiency improvements are driving the industry towards increased spending on IT and ITES. Companies in this industry are focusing on strengthening risk management, core system modernisation and data management capabilities. This has resulted in increased focus on adoption of emerging technologies such as digital, channel integration, big data, analytics and social media to enable assisted self-services, financial health checks, telematics and branch process optimisation / digitisation.

In fiscal 2013, BFSI revenue contributed 43.10% of Company's total revenue (43.09% in fiscal 2012). The segment result constituted 44.87% of total segment result (45.35% in fiscal 2012) with a margin of 29.66% in fiscal 2013 (30.71% in fiscal 2012).

Retail and consumer packaged goods (Retail &CPG)

(In millions of USD)

	Fiscal 2013	% of segment revenue	% growth	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**1,542.9**		**24.72**	1,237.1		37.38	900.5	
Segment result	**474.0**	**30.72**	**31.45**	360.6	29.15	53.25	235.3	26.13

The retail & CPG industry has been rapidly changing from a product centric value chain to customer centric value chain. This change is being driven by a rapidly changing customer buying behaviour which is influenced by widespread adoption of smartphones, tablets, digital and social media. The traditional physical store is no longer the only medium through which the consumers shop. Retailers are transforming their enterprise to stay relevant to the rapid changes in the segment. The key technology initiatives among the retailers are (a) big data to tap the power of personalisation, (b) platform for cross channel commerce, (c) consumerisation of IT and (d) service orientation.

During fiscal 2013, retail & CPG has (1) won several multi-year transformational infrastructure support and managed services engagements using the Company's deep domain capabilities as well as technology strengths in traditional and new technologies, (2) offered non-linear solutions using the Company's domain driven 'full services offerings' for certain large customers and (3) used the Company's rich repository of intellectual properties to drive growth.

TCS has invested in creating 'Centers of Excellence' to build competencies and develop new solutions and offerings around the emerging technologies. TCS continued to engage with its customers and enabled them to realise customer centric value, using digital technologies to deliver cross-channel experience to the consumers.

In fiscal 2013, retail & CPG segment revenue contributed 13.34% of the Company's total revenue (12.16% in fiscal 2012). The segment result constituted 14.38% of total segment result (12.15% in fiscal 2012) with a margin of 30.72%in fiscal 2013 (29.15% in fiscal 2012).

Telecom, media & entertainment

(In millions of USD)

	Fiscal 2013	**% of segment revenue**	**% growth**	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**1,384.5**		**6.99**	1,294.0		11.51	1,160.4	
Segment result	**356.9**	**25.78**	**(9.26)**	393.3	30.39	(2.70)	404.2	34.83

The telecom industry's existing business models are under stress as the popularity of substitute products (such as 'Skype', 'WhatsApp' and other 'Over-the-Top' services) have seriously affected the traditional voice and messaging services revenues. Although data services revenues have grown impressively, the increase in overall revenue growth from data services as compared to the traffic growth was at lower margins. Emerging market growth opportunities though attractive, require much higher cost efficiencies. These trends have been driving the industry towards (a) operational cost and efficiency management and (b) renewed focus on segmented customer experience management.

The launch of 3G and 4G networks and high speed broadband access enabling the easy access of video content on demand is driving innovation in bundling of media and entertainment services with broadband networks.

TCS has aligned its services and offerings for the telecom industry with these emerging trends in order to address the challenges faced by its customers and has a number of key initiatives underway. These include:

(a) Development of cloud-based platforms such as (i) telecom-in-a-box (ii) device management platform (iii) next generation analytics. We expect continued non-linear growth through these platforms.

(b) TCS has made investments in laboratory infrastructure to support network operation services. These investments have created opportunities to partner with telecom enterprise vendors in the services businesses.

(c) Cross-industry collaboration in areas like infrastructure services, mobility, cloud , SMB platforms and other applications for industry verticals like banking, retail, and health care.

The media and entertainment industry is undergoing transformation as companies in this industry transition from being largely in the physical goods business to digital products and services. The factors driving this transformation include (a) inexpensive internet bandwidth (b) rapid proliferation of smartphone (c) the explosive growth of digital tablets rapidly replacing the personal computer and (d) lowered cost of digital production of the audio, video and textual content. Revenue and business models in this industry have been disrupted as print product revenue growth is in decline and companies in this industry are rushing to replace these declining major revenue streams by digital product revenue.

For digital transformation of media and entertainment industry, TCS has built industry-specific solutions. These solutions are enabling publishers to create and distribute digital products across multiple channels, while making their content production processes more effective, efficient and agile. TCS is helping broadcasters to manage and monetise their digital assets.

In fiscal 2013, telecom, media and entertainment segment revenue contributed 11.97% of the Company's total revenue (12.72% in fiscal 2012). The segment result constituted 10.83% of total segment result (13.25% in fiscal 2012) with a margin of 25.78% in fiscal 2013 (30.39% in fiscal 2012).

Manufacturing

(In millions of USD)

	Fiscal 2013	**% of segment revenue**	**% growth**	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of revenue
Segment revenue	**957.9**		**21.25**	790.0		30.88	603.6	
Segment result	**250.3**	**26.13**	**22.46**	204.4	25.87	32.30	154.5	25.60

The manufacturing industry vertical has shown relatively more buoyancy in client spending in fiscal 2013 as compared to fiscal 2012. The recovery of this industry continues as is evident from the robust growth that TCS has achieved for the second year in a row. There are four sub-segments in the manufacturing industry which the Company serves. These are (1) automotive industry (b) aerospace and defense industry (c) chemical and process industry and (d) industrial and diversified manufacturing industry.

Automotive Industry

In fiscal 2013 the automotive markets in North America and Latin America recovered whereas the European and Asian markets continued to struggle. The auto companies leveraged technology for enabling product and service differentiation. They focused on (a) reducing product introduction time (b) increasing service levels to customers by optimising parts supply chain and (c) enabling increased connect with customers. The technology spending by automotive companies were in the areas of modernising product lifecycle management for manufacturing systems and global distribution systems, in order to make operations efficient. They also invested in business intelligence, big data and advanced analytics, in order to gain insights about the drivers of their customer buying patterns. There was an increased shift to IT outsourcing and BPO services by companies in this industry as they focused on cost optimisation strategies.

Aerospace and defense industry

North American aerospace companies had a good year in fiscal 2013, driven by robust long-term demand for commercial airplanes. Focus of these companies on their core business around avionics, NextGen air traffic control systems and product development programmes drove them to explore outsourcing non-core businesses like IT and ITES services. The cut-backs in US defense expenditure in fiscal 2013 and beyond is likely to impact future spending as companies are preparing for a tighter budgetary situation and reduced spending.

Chemical and process industry

This industry is attempting to avoid the commodatisation trap by focusing on specialty chemicals to improve margins. In fiscal 2013 the industry spending was on large ERP transformation programmes, primarily driven by cost optimisation, supplier consolidation, strengthening of customer experience and focused deployment in emerging markets like Asia-Pacific and Latin America.

Industrial and diversified manufacturing industry

This sub-segment of the manufacturing industry is looking at a flat to negative growth outlook and is curtailing direct IT spend. This has resulted in project delays. While traditional IT services remain the focus area, customers are showing increasing interest in Cloud and SaaS services and solutions. Cash constraints are driving players in this industry to look for ways and means to convert Capex spending to Opex spending.

In fiscal 2013, manufacturing segment revenue contributed 8.28% of the Company's total revenue (7.77% in fiscal 2012). The segment result constituted 7.59% of total segment result (6.89% in fiscal 2012) with a margin of 26.13%in fiscal 2013 (25.87% in fiscal 2012).

Other segments

(In millions of USD)

	Fiscal 2013	**% of segment revenue**	**% growth**	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**2,697.4**		**9.35**	2,466.8		30.02	1,897.2	
Segment result	**735.7**	**27.27**	**10.85**	663.7	26.91	33.19	498.3	26.27

Segments combined in 'others' comprised (1) life sciences & healthcare (2) energy, resources & utilities (3) travel, transportation & hospitality (4) hi-tech and (5) others. All the segments clubbed in 'others' showed revenue growth over the prior year, reflecting the Company's growing domain expertise in these industries.

In fiscal 2013, other segments revenue contributed 23.31% of the Company's total revenue (24.26% in fiscal 2012). The segment result constituted 22.33% of total segment result (22.36% in fiscal 2012) with a margin of 27.27% in fiscal 2013 (26.91% in fiscal 2012).Some of the significant industry verticals in 'others' are discussed below.

Life sciences & healthcare

(In millions of USD)

	Fiscal 2013	**% of segment revenue**	**% growth**	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**603.3**		**12.51**	536.2		26.14	425.1	
Segment result	**190.1**	**31.51**	**7.58**	176.7	32.95	20.20	147.0	34.58

The pharmaceutical industry has been facing constraints since (a) many of its patents have been expiring and the pipeline of new patented products is limited, (b) increased regulations have been making the process of getting government approvals for new drugs more difficult and (c) cut backs in R&D expenditure and budgets has been impacting future pipeline of products.

As a result of these pressures in their home markets pharmaceutical firms are increasingly focusing on (a) growth opportunities in emerging markets, (b) acquisition of generic pharmaceutical manufacturers and (c) use of genomics and technology as major tools to streamline their molecule discovery and transform the drug development process.

TCS has built strong domain knowledge in the life sciences and pharmaceutical industry. In addition, the Company has built process outsourcing and industry specific technology capabilities. This has enabled the Company to serve its customers in this industry across the value chain in (i) drug discovery (ii) drug development and (iii) manufacturing and sales initiatives across the globe. TCS has also been helping its clients in this industry to adapt and leverage the new emerging digital technologies like mobility, big data and digital marketing to expand and optimise their business. TCS was ranked as a leader by leading analysts in life sciences drug safety services and genomics in fiscal 2013.

Far reaching regulatory changes and healthcare reform legislation in the healthcare industry in the USA have led to increased focus on the adoption of technology by companies in this industry to counter increasing healthcare costs and realignment of their business for the emerging healthcare landscape. In the USA, the industry has been moving towards patient-centric health care system as a result of (a) increasing demand for preventive care and wellness management, (b) the introduction of 40 million plus uninsured Americans into the US health insurance system and (c) expansion of social media and mobile technology making healthcare related information available to all.This has resulted in the US Health care system transforming rapidly from the traditional business-to-business model to a business-to-consumer model.

In fiscal 2013, life sciences and healthcare segment revenue was 5.22% of the Company's total revenue (5.27% in fiscal2012). The segment result constituted 5.77% of total segment result (5.95% in fiscal 2012) with a margin of 31.51%in fiscal 2013 (32.95% in fiscal 2012).

Hi-tech

(In millions of USD)

	Fiscal 2013	**% of segment revenue**	**% growth**	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**676.2**		**12.91**	598.9		49.05	401.8	
Segment result	**183.4**	**27.12**	**26.48**	145.0	24.21	34.76	107.6	26.78

The hi-tech industry is undergoing transformation as personal computers are being replaced with new digital devices like tablets and smart phones. The user experience with digital devices is also undergoing transformation as the ease of use of such devices is being enhanced with new user interfaces like touch and gesture based devices coupled with speech and contextual awareness, making its appearance in the marketplace. Global economic uncertainty is forcing the hi-tech firms to focus on cost optimisation strategy and risk management strategy.

TCS' hi-tech vertical grew across service lines in fiscal 2013 with significant momentum in infrastructure and BPO services as well as enterprise solutions services. There is an increased demand for transformational services from customers in the hi-tech vertical and the Company continues to make investments and create industry specific solutions for these customers.

In fiscal 2013, hi-tech segment revenue was 5.85% of the Company's total revenue (5.89% in fiscal2012). The segment result constituted 5.56% of total segment result (4.89% in fiscal 2012) with a margin of 27.12%in fiscal 2013 (24.21% in fiscal 2012).

Energy, resources & utilities (ERU)

(In millions of USD)

	Fiscal 2013	**% of segment revenue**	**% growth**	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**429.8**		**5.29**	408.2		19.01	343.0	
Segment result	**146.6**	**34.11**	**37.01**	107.0	26.21	34.93	79.3	23.12

The business focus of ERU vertical remained on (a) asset reliability, (b) operations predictability and (c) agility in terms of time to market and time to produce.

TCS has been able to create credibility in the marketplace and also create significant mindshare, which led to winning major deals across oil & gas, oil field services and metals & mining sectors. The domain expertise of the Company in the areas of petro-technical integration, downstream operations, supply chain and analytics provided competitive advantage.

Investments made by TCS to drive future growth in this industry are in the areas of (a) template solutions in customer service transformations, (b) joint labs with academia to develop power system network and smart grid related niche applications, (c) fundamental research in bio-refining to deliver value to power and smart water networks and (d) building solution framework for energy management as a service.

In fiscal 2013, ERU segment revenue was 3.72% of the Company's total revenue (4.01% in fiscal2012). The segment result constituted 4.45% of total segment result (3.60% in fiscal 2012) with a margin of 34.11%in fiscal 2013 (26.21% in fiscal 2012).

Travel, transportation & hospitality (TTH)

(In millions of USD)

	Fiscal 2013	**% of segment revenue**	**% growth**	Fiscal 2012	% of segment revenue	% growth	Fiscal 2011	% of segment revenue
Segment revenue	**409.4**		**7.29**	381.6		36.24	280.1	
Segment result	**140.6**	**34.34**	**12.93**	124.5	32.63	36.21	91.4	32.63

In fiscal 2013 TTH companies across the globe were attempting to overcome industry specific challenges and also address the global macro-economic conditions by consolidation and adopting cost control and cost optimisation measures.

Investment in IT continued in fiscal 2013 regardless of these cost management measures adopted by companies in this industry. They made investments in (i) replacing their core systems (ii) upgrading their enterprise platforms and (iii) adopting mobile application and merchandising technologies. Solutions that helped improve efficiency and profitability were among the top priority areas for the transportation industry.

TCS captured a fair share of opportunities in this segment and acquired a number of new clients in fiscal 2013. There was an all-round growth from most of the client relationships. TCS continued to make investments to develop industry specific offerings and domain capabilities in order to serve its clients better.

In fiscal 2013, TTH segment revenue was 3.54% of the Company's total revenue (3.75% in fiscal 2012). The segment result constituted 4.27% of total segment result (4.19% in fiscal 2012) with a margin of 34.34%in fiscal 2013 (32.63% in fiscal 2012).

Financial position

Overview

As at March 31, 2013, the Company's balance sheet and liquidity position remains strong and it is well positioned to support its strategy and growth plans. Cash, cash equivalents and bank deposits was $1,700.7 million as at March 31, 2013 ($1,686.2 million as at March 31, 2012), an increase of $14.5 million from the prior year-end position. The Company funds most of its cash requirements from internally generated funds.

As at March 31, 2013 the Company's trade receivables stood at $2,590.9 million (2,258.0 million as at March 31, 2012). Additions to property, plant and equipment in fiscal 2013 were at $402.5 million ($358.9 million in fiscal 2012). Capital work in progress aggregated $440.1 million as at March 31, 2013 ($337.7 million as at March 31, 2012).

The total equity has increased to $7,657.6 million in fiscal 2013 from $6,492.2 million in fiscal 2012 representing a 17.95% rise.

During fiscal 2013, the Company generated $2,265.5 million in cash from operations after tax payments ($1,532.6 million in fiscal 2012).

Liquidity and capital resources

The company has consistently generated strong cash flow from operations. The company ensures additional liquidity for the conduct of its business operations by ensuring adequate credit facilities for all its units. As at March 31, 2013, the Company had available lines of credit with multiple banks aggregating $981.8 million interchangeable between fund-based and non fund-based limits ($821.4 million as at March 31, 2012).

Working capital

As at March 31, 2013, the Company had $4,183.6 million in working capital ($3,190.4 million as at March 31, 2012).

Analysis of working capital

(In millions of USD)

	As at March 31, 2013	As at March 31, 2012	increase/ (decrease)
Current assets	**5,831.1**	4,533.7	1,297.4
Current liabilities	**1,647.5**	1,343.3	304.2
Working capital	**4,183.6**	3,190.4	993.2
Current ratio	**3.54**	3.38	0.16
Capital employed (total equity + non-current liabilities)	**7,933.6**	6,733.1	1,200.5
Working capital as a percentage of capital employed	**52.73**	47.38	5.35
Total assets	**9,581.1**	8,076.4	1,504.7
Working capital as a percentage of total assets	**43.67**	39.50	4.17

The improvement in current ratio and working capital as a percentage of capital employed is commensurate with business needs.

Details of major components of current assets and current liabilities are analysed below.

Overview of cash, bank and investments

(In millions of USD)

	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	increase/ (decrease)
	Current		Non-current		Total		
Investments	**200.1**	157.8	**175.4**	132.4	**375.5**	290.2	85.3
Cash and bank balances	**224.4**	233.3	**-**	-	**224.4**	233.3	(8.9)
Deposits with banks	**1,030.3**	910.1	**446.0**	542.8	**1,476.3**	1,452.9	23.4
Inter-corporate deposits	**678.2**	128.0	**4.0**	55.2	**682.2**	183.2	499.0
Total	**2,133.0**	1,429.2	**625.4**	730.4	**2,758.4**	2,159.6	598.8

The Company continues its practice of investing in fixed deposits with banks and inter-corporate deposits with safety as a prime consideration, also focusing on maximising the yield from such investments. The current portion of such invetments has gone up substantially from $1,429.2 million as at March 31, 2012 to $2,133.0 million as at March 31, 2013.

Trade receivables and unbilled revenue

(In millions of USD)

	Fiscal 2013	% of total revenue	Fiscal 2012	% of total revenue	% growth
Trade receivables	**2,590.9**	**22.40**	2,258.0	22.20	14.74
Unbilled revenue	**581.6**	**5.02**	441.3	4.34	31.79
Total	**3,172.5**	**27.42**	2,699.3	26.54	17.53

Trade receivables as a percentage of revenue have remained steady. Unbilled revenue has increased marginally by 0.68% as a percentage of revenue in fiscal 2013.

Trade payables

Trade payables have increased from $638.3 million in fiscal 2012 to $818.8 million in fiscal 2013. As a percentage of revenue, trade payables have increased from 6.28% to 7.08%.

Non – current assets

Property, plant and equipment (PPE)

(In millions of USD)

	Asset addition fiscal 2013	Asset addition fiscal 2012	increase/ (decrease)	PPE as at March 31, 2013	PPE as at March 31, 2012	increase/ (decrease)
Freehold land	**2.0**	-	2.0	**63.3**	65.1	(1.8)
Buildings	**132.4**	92.5	39.9	**446.2**	354.1	92.1
Leasehold improvements	**25.3**	46.4	(21.1)	**95.5**	100.5	(5.0)
Computer equipment	**134.2**	115.0	19.2	**208.8**	189.5	19.3
Automobiles	**1.0**	0.4	0.6	**2.1**	2.0	0.1
Furniture, fixtures, office equipments and other assets	**107.6**	104.6	3.0	**252.3**	218.2	34.1
Total	**402.5**	358.9	43.6	**1,068.2**	929.4	138.8
Capital work-in-progress				**440.1**	337.7	102.4
Total PPE				**1,508.3**	1,267.1	241.2

The Company has embarked on a large scale infrastructure development across various locations in India to meet its growing business needs. The Company has successfully put in place state-of-the-art facilities at Mumbai, Ahmedabad, Chennai, Bengaluru, Hyderabad and Pune for significant capacities across locations in India. The Company has also initiated construction of large delivery centers across 17 locations in India, which are presently at different stages of completion.

Goodwill

(In millions of USD)

	As at March 31, 2013	As at March 31, 2012
Opening balance	**652.5**	722.3
Impairment	**-**	(4.2)
Change attributable to foreign currency exchange (loss) / gain	**(33.4)**	(65.6)
Closing balance	**619.1**	652.5

The Company follows a policy of annual impairment test for goodwill. The most significant amount of goodwill is attributable to the acquisition of TCS e-serve limited ($390.0 million as at March 31, 2013). Detailed note on goodwill is available in note 12 of the Notes to Consolidated Financial Statements.

Short-term and long-term borrowings

(In millions of USD)

	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	increase/ (decrease)
	Current		**Non -current**		**Total**		
Borrowings	**18.6**	2.2	**24.1**	22.7	**42.7**	24.9	17.8
Mandatorily redeemable preference shares	**18.4**	19.6	**-**	-	**18.4**	19.6	(1.2)
Total	**37.0**	21.8	**24.1**	22.7	**61.1**	44.5	16.6

Short-term borrowings were primarily on account of cash credits and overdraft. Long-term borrowings were primarily on account of finance lease obligations.

Shareholders' equity

(In millions of USD)

	As at March 31, 2013	As at March 31, 2012	increase/ (decrease)
Share capital	**43.6**	43.6	-
Share premium	**427.4**	427.4	-
Retained earnings	**8,024.3**	6,515.1	1,509.2
Accumulated other comprehensive losses	**(958.4)**	(597.4)	(361.0)
Equity attributable to TCS Limited	**7,536.9**	6,388.7	1,148.2
Non-controlling interests	**120.7**	103.5	17.2
Total	**7,657.6**	6,492.2	1,165.4

The change in total equity is primarily attributable to the increase in retained earnings offset by increase in accumulated other comprehensive losses.

Summary of cash flows

(In millions of USD)

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Cash and cash equivalents at the begining of the year	**391.4**	348.5	228.2
Net cash provided by operating activities	**2,265.3**	1,532.6	1,517.7
Net cash used in investing activities	**(1,244.1)**	(598.7)	(405.1)
Net cash used in financing activities	**(1,014.3)**	(894.2)	(1,001.1)
Net increase in cash and cash equivalents	**6.9**	39.7	111.5
Effect of foreign exchange on cash and cash equivalents	**(59.0)**	3.2	8.8
Cash and cash equivalents at the end of the year	**339.3**	391.4	348.5

Cash flows from operating activities

(In millions of USD)

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net income	**2588.2**	2238.8	1941.1
Adjustments:			
Depreciation & amortisation	**198.2**	188.4	157.8
Others	**742.5**	644.2	422.5
Adjusted operating income before working capital changes	**3528.9**	3071.4	2521.4
Effect of working capital changes	**(377.7)**	(690.0)	(506.0)
Cash generated from operations	**3,151.2**	2,381.4	2,015.4
Taxes paid	**(885.9)**	(848.8)	(497.7)
Net cash provided by operating activities	**2,265.3**	1,532.6	1,517.7

The increase in cash generated from operations to $3,151.2 million in fiscal 2013 from $2,381.4 million in fiscal 2012 was attributable to an increase in cash operating income and the effect of working capital changes. Net cash provided by operating activities post tax, increased to $2,265.3 million in fiscal 2013 ($1,532.6 million in fiscal 2012).

Cash flows from investing activities

(In millions of USD)

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net (purchase) / sale of investments	**(69.4)**	90.7	454.5
Net purchase of property, plant and equipment	**(474.8)**	(412.0)	(370.2)
Purchase of subsidiaries and businesses, net of cash aquired (including additional consideration and purchase price adjustments)	**(29.2)**	-	13.4
Net (investment)/ redemption of inter-corporate deposits	**(508.7)**	(144.6)	9.3
Net investment in bank deposits	**(159.3)**	(130.4)	(497.2)
Purchase of intangible assets	**(2.7)**	(2.4)	(16.6)
Net sale of commercial paper	**-**	-	1.7
Net cash used in investing activities	**(1,244.1)**	(598.7)	(405.1)

Increase in cash outflows on account of investing activities was primarily attributable to inter-corporate deposits, investments, bank deposits and acquisition of property, plant and equipment.

Cash flows from financing activities

(In millions of USD)

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Dividend paid including dividend tax	**(1,015.9)**	(836.7)	(990.3)
Others	**1.6**	(57.5)	(10.8)
Net cash used in financing activities	**(1,014.3)**	(894.2)	(1,001.1)

In fiscal 2013, dividend paid including dividend tax was $1,015.9 million ($836.7 million in fiscal 2012). The amount of dividend for fiscal 2013, includes final dividend and special dividend paid in fiscal 2013 for fiscal 2012 and also the interim dividends declared and paid in fiscal 2013.

Risks

Enterprise risk management (ERM) deployment in TCS is based on a globally accepted framework defined by the Consortium of Sponsored Organisations (COSO), which addresses all categories of risks covering strategic, operational, financial and compliance risks. ERM involves proactively and periodically identifying various risks, determining the likelihood of occurrence and possible impacts, determining an appropriate risk response, supported by risk mitigation plans. The risk profiling is driven through scenarios in various risk categories which are linked to events that are likely to affect the business performance of the unit. ERM has been fully digitised and deployed globally touching all units of operations.

The major areas of risk identified are given below.

The revenue of the Company is affected by (a) global economic conditions, (b) financial position of the industries serviced by the Company, (c) pace of technological changes, (d) client spending on IT and IT related services and (e) exchange rate fluctuations including those arising from cross currency movements. The revenue of the Company also depends on (a) the ability of the Company to secure business from existing and new clients, (b) delivery of products and services that meet the changing IT needs of clients and (c) the proportion of work performed at overseas locations vis-à-vis the work performed at its offshore locations.

The Company's engagement for providing services to clients is executed either on fixed-price-fixed-time basis or time & material basis. When bidding for turnkey engagements, the Company endeavours to accurately estimate the costs and timing of completion of the projects, primarily based on the processes it plans to use, the employees it plans to deploy and past project experience. For such turnkey contracts, the Company bears the risk of cost and time overruns, including delays caused by factors beyond its control.

Our two large markets are the USA and Europe including the United Kingdom. The economic slowdown in the US and Europe has eased, but uncertainty remains. Unemployment situation is still a worry in US and Europe. Possible sovereign default by some countries in Europe is also an area of concern. Such geography concentration risk is mitigated by focusing on geographies other than US and UK/Europe.

Some of the countries are in the process of bringing in regulations to make labour movement from India difficult. Tightening visa process, increasing rejections for visa and work permit applications, increasing minimum wage requirement may hamper growth prospect in these markets. We mitigate such risk by (a) improving manpower planning and deployment, (b) increasing usage of the global network delivery set up, (c) sourcing local talent and increasing leveraging of offshore delivery, (d) sensitising governments on restrictive regulations/ practices which prevent free flow of goods and services and (e) participating in lobbying with the governments through industry bodies.

The Company's growth is driven primarily by organic means. The Company also pursues inorganic growth route in strategic areas. The Company's post-acquisition challenges include cultural, financial and technology integration, which if not addressed adequately, could result in failure to achieve the strategic objectives of the acquisition and the resultant synergy expectations. To address this risk we prepare detailed integration plans and closely monitor the same.

Subject matter experts with domain and technology expertise are the key to success of the Company. The Company could be impacted by the loss of such critical talent. Inability to attract sufficient number of software engineers, architects and IT specialists with critical skills in demand can impact the Company's ability to deliver. To address this risk the Company is (a) scaling up its delivery footprint in other geographies with large talent pools (b) investing in improving the quality of recruits while strengthening its brand image in campuses (c) recruiting science graduates to expand the available pool of fresh recruits (d) strengthening its mature HR processes to ensure high employee satisfaction and (e) conducting training programmes.

Volatility in currency movements result in transaction risk for the Company. Management of such risk is strategised and monitored by 'Risk Management Committee' through periodic reviews. Risks associated with pressure on costs are addressed through an institutionalised framework for cost management.

Details of financial risks such as currency, liquidity and credit risk are set out in Note 26 to the consolidated financial statements.

Cautionary Statement

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc., whether expressed or implied. Several factors could make significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which the Company does not have any direct control.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Tata Consultancy Services Limited
Mumbai, India

We have audited the accompanying consolidated financial statements of Tata Consultancy Services Limited and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of March 31, 2013 and 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of three years in the period ended March 31, 2013, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tata Consultancy Services Limited and its subsidiaries as of March 31, 2013 and 2012, and the results of their operations and their cash flows for each of three years in the period ended March 31, 2013, in accordance with the International Financial Reporting Standards as issued by International Accounting Standards Board.

/s/ Deloitte Haskins & Sells

CHARTERED ACCOUNTANTS

Mumbai, India

Date: June 14, 2013

Consolidated Statements of Financial Position
As of March 31, 2013 and March 31, 2012

	Note	As of March 31, 2013	As of March 31, 2012
		(In millions of USD)	
ASSETS:			
Current assets:			
Cash and cash equivalents	5	**339.3**	391.4
Bank deposits		**915.4**	752.0
Trade receivables	6	**2,590.9**	2,258.0
Investments	7(a)	**200.1**	157.8
Other current financial assets	8(a)	**900.0**	305.0
Unbilled revenue		**581.6**	441.3
Current income tax assets		**0.9**	-
Other current assets	9(a)	**302.9**	228.2
Total current assets		**5,831.1**	4,533.7
Non-current assets:			
Bank deposits		**446.0**	542.8
Investments	7(b)	**175.4**	132.4
Other non-current financial assets	8(b)	**117.3**	170.5
Non-current income tax assets		**341.6**	275.8
Deferred income tax assets	16	**394.3**	346.4
Property, plant and equipment	10	**1,508.3**	1,267.1
Intangible assets	11	**26.3**	34.1
Goodwill	12	**619.1**	652.5
Other non-current assets	9(b)	**121.7**	121.1
Total non-current assets		**3,750.0**	3,542.7
TOTAL ASSETS		**9,581.1**	8,076.4
LIABILITIES AND EQUITY:			
Liabilities:			
Current liabilities:			
Trade and other payables	13	**818.8**	638.3
Borrowings		**18.6**	2.2
Mandatorily redeemable preference shares	17	**18.4**	19.6
Other current financial liabilities	14(a)	**203.0**	171.9
Unearned and deferred revenue		**177.9**	161.6
Employee benefit obligations	20(a)	**148.0**	125.9
Current income tax liabilities		**75.0**	79.6
Other current liabilities	15	**187.8**	144.2
Total current liabilities		**1,647.5**	1,343.3
Non-current liabilities:			
Borrowings		**24.1**	22.7
Other non-current financial liabilities	14(b)	**49.2**	52.1
Employee benefit obligations	20(b)	**64.2**	42.7
Deferred income tax liabilities	16	**89.8**	85.0
Other non-current liabilities		**48.7**	38.4
Total non-current liabilities		**276.0**	240.9
TOTAL LIABILITIES		**1,923.5**	1,584.2
Equity:			
Share capital	18	**43.6**	43.6
Share premium		**427.4**	427.4
Retained earnings		**8,024.3**	6,515.1
Accumulated other comprehensive losses		**(958.4)**	(597.4)
Equity attributable to TCS Limited		**7,536.9**	6,388.7
Non-controlling interests		**120.7**	103.5
TOTAL EQUITY		**7,657.6**	6,492.2
TOTAL LIABILITIES AND EQUITY		**9,581.1**	8,076.4

See accompanying notes to consolidated financial statements

Consolidated Statements of Comprehensive Income
For the years ended March 31, 2013, 2012 and 2011

	Note	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
		(In millions of USD, except shares and per share data)		
Revenue:				
Information technology and consultancy services		**11,243.8**	9,852.1	7,906.7
Sale of equipment and software licences		**324.6**	318.7	280.1
Total revenue		**11,568.4**	10,170.8	8,186.8
Cost of revenue:				
Cost of information technology and consultancy services	21	**5,948.6**	5,231.4	4,245.8
Cost of equipment and software licenses	21	**280.5**	278.0	234.7
Total cost of revenue		**6,229.1**	5,509.4	4,480.5
Gross profit		**5,339.3**	4,661.4	3,706.3
Operating expenses:				
Selling, general and administrative expenses	21	**2,215.7**	1,855.3	1,407.5
Operating income		**3,123.6**	2,806.1	2,298.8
Other income:				
Finance and other income	22	**196.9**	171.9	109.7
Finance costs	23	**(13.0)**	(10.0)	(17.3)
Other gains / (losses), (net)	24	**21.4**	(72.3)	25.1
Other income (net)		**205.3**	89.6	117.5
Income before income taxes		**3,328.9**	2,895.7	2,416.3
Income tax expense	16	**740.7**	656.9	475.2
Net income		**2,588.2**	2,238.8	1,941.1
Other comprehensive (losses) / income, net of taxes:				
Exchange differences on translation of foreign operations		**(393.8)**	(644.2)	65.3
Net (losses) / gains on available-for-sale financial assets		**(0.2)**	0.2	0.6
Net gains / (losses) on cash flow hedges		**27.2**	(38.5)	16.1
Actuarial (losses) / gains on employee benefit plans		**(7.5)**	2.6	1.6
Total other comprehensive (losses) / income, net of taxes		**(374.3)**	(679.9)	83.6
Total comprehensive income for the year, net of taxes		**2,213.9**	1,558.9	2,024.7
Net income attributable to:				
TCS Limited		**2,560.8**	2,214.4	1,915.1
Non-controlling interests		**27.4**	24.4	26.0
		2,588.2	2,238.8	1,941.1
Total comprehensive income attributable to:				
TCS Limited		**2,192.2**	1,545.5	1,997.8
Non-controlling interests		**21.7**	13.4	26.9
		2,213.9	1,558.9	2,024.7
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
Basic and diluted earnings per share in USD		**1.31**	1.13	0.98

See accompanying notes to consolidated financial statements

Consolidated Statements of Changes in Equity
For the years ended March 31, 2011, 2012 and 2013

(In millions of USD, except share data)

	Number of shares	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Cash flow hedging reserve	Investment revaluation reserve	Equity attributable to TCS Limited	Non-controlling interests	Total equity
Balance as of April 1, 2010	1,957,220,996	43.6	427.4	4,229.4	-	(5.9)	0.1	4,694.6	49.1	4,743.7
Net income				1,915.1	-	-	-	1,915.1	26.0	1,941.1
Other comprehensive income				1.4	64.8	16.2	0.3	82.7	0.9	83.6
Total comprehensive income	-	-	-	1,916.5	64.8	16.2	0.3	1,997.8	26.9	2,024.7
Dividend (including tax on dividend of $141.0 million)		-	-	(990.3)	-	-	-	(990.3)	(4.0)	(994.3)
Purchase of shares from non-controlling interests		-	-	(0.2)	0.2	-	-	-	(1.5)	(1.5)
Issue of shares to non-controlling interests		-	-	-	-	-	-	-	0.1	0.1
Balance as of March 31, 2011	1,957,220,996	43.6	427.4	5,155.4	65.0	10.3	0.4	5,702.1	70.6	5,772.7
Balance as of April 1, 2011	1,957,220,996	43.6	427.4	5,155.4	65.0	10.3	0.4	5,702.1	70.6	5,772.7
Net income				2,214.4				2,214.4	24.4	2,238.8
Other comprehensive income				2.5	(634.0)	(37.6)	0.2	(668.9)	(11.0)	(679.9)
Total comprehensive income	-	-	-	2,216.9	(634.0)	(37.6)	0.2	1,545.5	13.4	1,558.9
Dividend (including tax on dividend of $116.8 million)		-	-	(836.7)	-	-	-	(836.7)	(4.3)	(841.0)
Reclassification of non-controlling interests on extinguishment of put-call option liability		-	-	(20.5)	(1.7)	-	-	(22.2)	22.0	(0.2)
Issue of shares to non-controlling interests		-	-	-	-	-	-	-	1.8	1.8
Balance as of March 31, 2012	1,957,220,996	43.6	427.4	6,515.1	(570.7)	(27.3)	0.6	6,388.7	103.5	6,492.2
Balance as of April 1, 2012	**1,957,220,996**	**43.6**	**427.4**	**6,515.1**	**(570.7)**	**(27.3)**	**0.6**	**6,388.7**	**103.5**	**6,492.2**
Net income				**2,560.8**	-	-	-	**2,560.8**	**27.4**	**2,588.2**
Other comprehensive income				**(7.6)**	**(387.5)**	**26.6**	**(0.1)**	**(368.6)**	**(5.7)**	**(374.3)**
Total comprehensive income	**-**	**-**	**-**	**2,553.2**	**(387.5)**	**26.6**	**(0.1)**	**2,192.2**	**21.7**	**2,213.9**
Dividend (including tax on dividend of $141.0 million)		**-**	**-**	**(1,015.9)**	**-**	**-**	**-**	**(1,015.9)**	**(4.5)**	**(1,020.4)**
Excess of consideration transferred over net asset received from entity under common control		**-**	**-**	**(28.1)**	**-**	**-**	**-**	**(28.1)**	**-**	**(28.1)**
Balance as of March 31, 2013	**1,957,220,996**	**43.6**	**427.4**	**8,024.3**	**(958.2)**	**(0.7)**	**0.5**	**7,536.9**	**120.7**	**7,657.6**

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows
For the years ended March 31, 2013, 2012 and 2011

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Cash flows from operating activities:			
Net income	**2,588.2**	2,238.8	1,941.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortisation	**198.2**	188.4	157.8
Loss on disposal of property, plant and equipment	**-**	0.1	0.4
Income tax expense	**740.7**	656.9	475.2
Gain on disposal of available-for-sale investments	**(7.8)**	(6.6)	(18.3)
Interest accrued on investments	**(3.8)**	(9.5)	(11.7)
Non cash interest on put-call option liability	**-**	-	8.3
Impairment of goodwill	**-**	4.2	0.2
Provision for diminution in value of investments	**-**	-	0.2
Purchase price adjustment	**-**	-	(6.0)
Discount on acquisition	**-**	-	(7.3)
Bad debts, provision for trade receivables and advances (net)	**10.3**	5.3	(15.9)
Exchange difference on foreign currency cash and cash equivalents	**3.1**	(6.2)	(2.6)
Net change in:			
Trade receivables	**(438.0)**	(566.6)	(469.2)
Unbilled revenue	**(158.8)**	(161.9)	(27.3)
Other financial assets	**(46.0)**	(95.7)	(34.1)
Inventories	**(0.6)**	1.1	(1.1)
Other assets	**(88.9)**	(34.2)	(89.6)
Trade and other payables	**185.2**	59.4	60.6
Unearned and deferred revenue	**24.3**	1.3	12.0
Other financial liabilities	**42.6**	29.3	17.5
Other liabilities	**102.5**	77.3	25.2
Cash generated from operations	**3,151.2**	2,381.4	2,015.4
Taxes paid	**(885.9)**	(848.8)	(497.7)
Net cash provided by operating activities	**2,265.3**	1,532.6	1,517.7

Consolidated Statements of Cash Flows
For the years ended March 31, 2013, 2012 and 2011

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Cash flows from investing activities:			
Bank deposits placed	**(873.1)**	(858.6)	(1,388.0)
Inter-corporate deposits placed	**(665.2)**	(360.5)	(62.2)
Purchase of commercial paper	**-**	-	(31.5)
Purchase of investments	**(5,207.4)**	(3,474.1)	(10,885.9)
Purchase of property, plant and equipment	**(476.3)**	(416.0)	(374.2)
Purchase of intangible assets	**(2.7)**	(2.4)	(16.6)
Purchase of subsidiaries and business, net of cash acquired (including additional consideration and purchase price adjustment)	**(29.2)**	-	13.4
Proceeds from bank deposits	**713.8**	728.2	890.8
Proceeds from inter-corporate deposits	**156.5**	215.9	71.5
Proceeds from commercial paper	**-**	-	33.2
Proceeds from disposal of investments	**5,138.0**	3,564.8	11,340.4
Proceeds from disposal of property, plant and equipment	**1.5**	4.0	4.0
Net cash used in investing activities	**(1,244.1)**	(598.7)	(405.1)
Cash flows from financing activities:			
Short-term borrowings (net)	**14.0**	(6.8)	(6.8)
Proceeds from issue of long-term borrowings	**0.4**	-	2.3
Repayment of long-term borrowings	**(0.6)**	(0.3)	(0.9)
Issue of shares to non-controlling interests	**-**	1.8	0.1
Dividend paid to non-controlling interests	**(4.5)**	(4.3)	(4.0)
Dividend paid including dividend tax	**(1,015.9)**	(836.7)	(990.3)
Repayment of put-call option liability to non-controlling interests	**-**	(47.9)	-
Purchase of shares from non-controlling interests	**-**	-	(1.5)
Repayment of inter corporate deposits	**(4.2)**	-	-
Repayment of finance lease obligations	**(3.5)**	-	-
Net cash used in financing activities	**(1,014.3)**	(894.2)	(1,001.1)
Net change in cash and cash equivalents	**6.9**	39.7	111.5
Effect of foreign exchange on cash and cash equivalents	**(59.0)**	3.2	8.8
Cash and cash equivalents, beginning of the year	**391.4**	348.5	228.2
Cash and cash equivalents, end of the year	**339.3**	391.4	348.5
Supplementary cash flow information:			
Interest paid	**13.5**	7.0	8.6
Income taxes paid	**147.8**	89.1	87.9
Dividend received	**1.2**	1.3	3.6
Supplementary disclosure of cash flow non-cash investing activities:			
Increase in payables for property, plant and equipment and financial lease obligation	**29.3**	18.7	11.9

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements

1. Background and operations

Tata Consultancy Services Limited (the "Company") and its subsidiaries (collectively "TCS Limited" or the "Group") provides consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. 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.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai 400001. As of March 31, 2013, 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.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on June 14, 2013.

2. Summary of significant accounting policies

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

c. Basis of consolidation

Tata Consultancy Services Limited consolidates all entities which are controlled by it. Control exists when the Company 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 expenses 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.

d. Business combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in net 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 common control are accounted from the date of transaction. The predecessor values method is used to account for 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.

e. Use of estimates and judgments

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenue and expenses for the periods presented.

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

In particular, information about significant area of estimation uncertainty in applying accounting policies is in respect of impairment of goodwill and valuation of deferred tax assets.

TCS Limited performed an annual impairment test on goodwill of $619.1 million as of March 31, 2013. The Group estimated the value in use of the cash generating units (CGUs) and the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate, and anticipated future economic and regulatory conditions. The estimated cash flows were developed using internal forecasts. The discount rates used for the CGUs represented the weighted-average cost of capital based on the historical market returns of comparable companies.

f. 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 statement of financial position; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the statement of financial position.

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 products which do not require significant modification is recognised upon delivery, 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.

g. Leases

Finance lease

Assets taken on lease 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.

Operating lease

Operating lease payments are recognised as an expense on a straight line basis over the lease term in the statement of comprehensive income.

h. 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 and other project related expenses.

Cost of equipment and software licenses

These costs primarily include the cost of resold computer equipment and re-licensed software including 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.

i. Foreign currency

The functional currency of Tata Consultancy Services 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 dates of statements of financial position. 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 date of statements of financial position. Comprehensive income statement items have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

j. Finance and other income

Dividend is 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. Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the 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 by Tata Consultancy Services Limited and its subsidiaries in India for their worldwide operations after taking credit of 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 Tata Consultancy Services Limited's overseas branches and is computed in accordance with the tax laws applicable in the jurisdiction in which each of the branch operates. The amounts paid are generally available for offset as tax credits in India towards the income tax liability computed on Tata Consultancy Services 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.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

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 assets 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, 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 probable evidence that the Company and its indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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

l. Financial instruments

The Group 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, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and uses.

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 cost. Subsequently these are measured at fair value and unrealised gains or losses are recognised directly in other comprehensive income, net of tax in the statement of changes in equity. On disposal or impairment of such assets, the gains or losses in other comprehensive income are recycled into the net income.

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

Held-to-maturity 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 Group 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. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in statement of changes in equity 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 statement of changes in equity is transferred to the net income for the year.

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.

m. 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 as mentioned below:

Type of asset	Methods	Useful lives
Buildings, including leasehold buildings	Declining balance	60 years
	Straight line	Lower of lease period and 10-60 years
Computer equipments	Straight line	2-10 years
Automobile	Declining balance	10 years
	Straight line	3-10 years
Furniture, fixtures, office equipments and other assets	Declining balance	20 years
	Straight line	1-20 years

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.

n. Goodwill and intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. 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 licenses. Following table summarises the nature of intangibles and the estimated useful lives.

Nature of intangibles	**Useful lives**
Customer-related intangibles	3 years
Acquired contract rights	12 years
Technology-related intangibles	2-5 years
Software licenses	Lower of license period and 2-5 years
Intellectual property rights and others	License period

o. Impairment

A. Financial assets

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

(i) Available-for-sale financial assets

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

(ii) Held-to-maturity 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

(i) Tangible and intangible assets

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

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

(ii) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a 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.

p. 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 or amortised on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position 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.

Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

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.

q. Earnings per share

Basic earnings per share are computed by dividing net income attributable to equity 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.

3. Recent accounting standards

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[4]
IFRS 10	Consolidated Financial Statements[2]
IFRS 11	Joint Arrangements[2]
IFRS 12	Disclosure of Interests in Other Entities[2]
IFRS 13	Fair Value Measurement[2]
Amendments to IFRS 7 and IAS 32	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[4]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of of Interests in Other Entities: Transition Guidance[2]
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income[1]
	Clarification of the requirements for comparative information [2]
Amendments to IAS 16	Property, Plant and Equipment[2]
IAS 19 (as revised in 2011)	Employee Benefits[2]
IAS 27 (as revised in 2011)	Separate Financial Statements[2]
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[3]
	Financial Instruments: Presentation[2]

[1] Effective for annual periods beginning on or after July 1, 2012.

[2] Effective for annual periods beginning on or after January 1, 2013.

[3] Effective for annual periods beginning on or after January 1, 2014.

[4] Effective for annual periods beginning on or after January 1, 2015.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in net income.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in net income. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to net income. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in net income.

IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

The full impact of this standard will not be known until the phases addressing hedging and impairments have been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below:

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

Amendments to IFRS 10 transition guidance of Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities issued in June 2012, which clarify the transition guidance in IFRS 10 and also provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, these amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

These five standards together with the amendments regarding the transition guidance are effective for annual periods beginning on or after January 1, 2013, with earlier application is permitted provided that all of these five standards are applied early at the same time. TCS Limited does not expect the adoption of these standards together with the amendments regarding the transition guidance to have a material impact on its consolidated results of operations, financial condition and cash flows.

Amendments to IFRS 10, IFRS 12 and IAS 27 issued on October 31, 2012, which apply to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. These amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. These amendments are effective for annual periods beginning on or after January 1, 2014 and the Group does not anticipate these amendments will have effect to the Group's financial statements as the Group does not engage in such activities.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

TCS Limited does not anticipate changes to its fair value measurements and related disclosures as result of this standard.

Amendments to IFRS 7 and IAS 32 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after January 1, 2014, with retrospective application required.

TCS Limited anticipates that the application of these amendments to IAS 32 and IFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 retain the option to present net income and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to net income; and (b) items that will be reclassified subsequently to net income when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to IAS 19 Employee Benefits

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

4. Acquisitions

Diligenta Limited, a wholly owned subsidiary of Tata Consultancy Services Limited, acquired 100 percent equity interest in Diligenta 2 Limited (formerly known as Unisys Insurance Services Limited), a business process outsourcing (referred to as BPO) provider within the life and pension services from Unisys Limited, on August 31, 2010, for a consideration of $1.5 (£1). This acquisition will expand the Company's existing presence in the United Kingdom market and strengthen the business capabilities.

Fair value of assets and liabilities acquired include an intangible asset relating to customer relationships of $4.3 million. Excess of fair value of net assets over purchase consideration of $7.3 million has been recognised in earnings as bargain purchase discount on acquisition.

On August 16, 2012, the Company acquired 100% equity share capital of Computational Research Laboratories Limited ("CRL") along with its subsidiary Computational Research Laboratories Inc. from Tata Sons Limited. The transaction has been accounted using the historical cost method because it is a combination of entities under common control. The excess of consideration paid over the net asset value received of $28.1 million has been accounted in the statement of changes in equity. Prior period amounts have not been adjusted because the amounts are not material.

Proforma information has not been included, as the effect of the acquisition on TCS Limited's consolidated results of operations is not material.

5. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Cash at banks and in hand	**224.4**	233.3
Bank deposits (original maturities less than three months)	**114.9**	158.1
Total	**339.3**	391.4
Held within India	**24.3**	33.3
Held outside India	**315.0**	358.1
Total	**339.3**	391.4

6. Trade receivables

Trade receivables consist of the following:

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Trade receivables, gross	**2,626.0**	2,296.0
Less: Allowances for doubtful trade receivables	**(35.1)**	(38.0)
Total	**2,590.9**	2,258.0

Movements in allowance for doubtful trade receivables are as follows:

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Balance at the beginning of the year	**38.0**	52.4	75.0
Common control transfer	**0.3**	-	-
Expense incurred during the year	**12.2**	4.1	44.7
Amounts written off as uncollectable	**(9.1)**	(4.4)	(0.5)
Amounts recovered during the year	**(4.9)**	(9.4)	(67.1)
Foreign currency exchange (gain) / loss	**(1.4)**	(4.7)	0.3
Balance at the end of the year	**35.1**	38.0	52.4

7. Investments

Investments consist of the following:

(a) Investments – Current

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Available-for-sale financial assets, carried at fair value		
Corporate debentures and bonds	**1.4**	1.6
Mutual fund units	**109.0**	47.3
	110.4	48.9
Held-to-maturity financial assets, carried at amortised cost		
Corporate debentures and bonds	**5.9**	-
	5.9	-
Loans and receivables, carried at amortised cost	**83.8**	108.9
Total investments - Current	**200.1**	157.8

(b) Investments – Non-current

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Available-for-sale financial assets		
Mutual fund units, carried at fair value	**1.0**	0.4
Unquoted equity shares, carried at cost	**5.2**	4.9
	6.2	5.3
Held-to-maturity financial assets, carried at amortised cost		
Corporate debentures and bonds	**125.2**	37.2
Government securities	**7.3**	7.8
	132.5	45.0
Loans and receivables, carried at amortised cost	**36.7**	82.1
Total investments - Non current	**175.4**	132.4

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 carry an interest rate of 8.50% and are redeemable at par in three equal installments at the end of second, third and fourth year, respectively from the date of allotment. The first two installments of the debentures issued by Tata Sons Limited have been redeemed during the year ended March 31, 2012 and 2013, respectively. The debentures issued by Panatone Finvest Limited due for redemption on March 31, 2013 have been renewed for a further period of three years with a revised interest rate of 9.50% during the year ended March 31, 2013.

During the fiscal 2013, Tata Consultancy Services Limited, purchased debentures issued by Tata Sons Limited for a consideration of $54.5 million, maturing in fiscals 2015 to 2018. These debentures carry an interest rate ranging from 9.78% to 9.98%.

During the fiscal 2013 and 2012, TCS e-Serve Limited, a majority owned subsidiary of Tata Consultancy Services Limited, purchased debentures issued by Tata Sons Limited for a consideration of $5.6 million and $7.1 million, respectively, maturing in fiscals 2014 to 2021. These debentures carry an interest rate ranging from 8.35% to 10.25%.

Debt securities, classified as held to maturity, are quoted in active markets and the Group has the intent and ability to hold these securities to maturity.

The contractual maturities of investments as of March 31, 2013 are as follows:

Loans and receivables:

Year ending March 31,	**Carried at amortised cost**
	(In millions of USD)
2014	**83.8**
2015	**-**
2016	**36.7**
Total	**120.5**

Held-to-maturity financial assets:

Year ending March 31,	**Carried at amortised cost**
	(In millions of USD)
2014	**5.9**
2015	**14.1**
2016	**20.3**
2017	**1.3**
2018	**29.8**
Thereafter	**67.0**
Total	**138.4**

8. Other financial assets

Other financial assets consist of the following:

(a) Other current financial assets

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Accrued interest	**120.2**	81.5
Employee loans and advances (net of allowances of $7.0 million and $6.6 million, respectively)	**37.3**	33.6
Inter-corporate deposits	**678.2**	128.0
Foreign currency derivative assets	**34.6**	29.9
Restricted cash	**3.0**	3.1
Others (net of allowances of $0.9 million and $0.1 million, respectively)	**26.7**	28.9
Total	**900.0**	305.0

Restricted cash mainly includes unclaimed equity dividend.

(b) Other non-current financial assets

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Accrued interest	**7.1**	9.9
Premises deposits	**85.2**	82.1
Employee loans and advances	**1.5**	1.9
Inter-corporate deposits	**4.0**	55.2
Others (net of allowances of $0.1 million and $0.2 million, respectively)	**19.5**	21.4
Total	**117.3**	170.5

9. Other assets

Other assets consist of the following:

(a) Other current assets

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Prepaid expenses	**208.2**	160.3
Indirect tax recoverable	**51.0**	31.8
Advances to suppliers	**12.8**	14.5
Others	**30.9**	21.6
Total	**302.9**	228.2

(b) Other non-current assets

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Prepaid expenses	**65.9**	67.1
Prepaid rent	**42.3**	40.0
Others	**13.5**	14.0
Total	**121.7**	121.1

10. Property, plant and equipment

Property, plant and equipment consist of the following:

	Freehold land	Buildings	Leasehold improve-ments	Computer equipment	Auto-mobiles	Furniture, fixtures, office equipments and other assets	Total
				(In millions of USD)			
Gross block as of April 1, 2012	**65.1**	**429.0**	**192.3**	**568.5**	**5.2**	**452.4**	**1,712.5**
Additions	**2.0**	**132.4**	**24.9**	**120.1**	**1.0**	**106.8**	**387.2**
Common control transfer	**-**	**-**	**0.4**	**14.1**	**-**	**0.8**	**15.3**
Disposal	**-**	**(0.5)**	**(1.9)**	**(16.7)**	**(0.9)**	**(10.0)**	**(30.0)**
Translation exchange difference	**(3.8)**	**(25.9)**	**(14.5)**	**(34.3)**	**(0.3)**	**(22.8)**	**(101.6)**
Gross block as of March 31, 2013	**63.3**	**535.0**	**201.2**	**651.7**	**5.0**	**527.2**	**1,983.4**
Accumulated depreciation as of April 1, 2012	**-**	**(74.9)**	**(91.8)**	**(379.0)**	**(3.2)**	**(234.2)**	**(783.1)**
Common control transfer	**-**	**-**	**(0.4)**	**(11.2)**	**-**	**(0.2)**	**(11.8)**
Disposal	**-**	**0.4**	**1.3**	**13.9**	**0.7**	**7.3**	**23.6**
Depreciation for the year	**-**	**(18.9)**	**(21.6)**	**(89.3)**	**(0.6)**	**(59.4)**	**(189.8)**
Translation exchange difference	**-**	**4.6**	**6.8**	**22.7**	**0.2**	**11.6**	**45.9**
Accumulated depreciation as of March 31, 2013	**-**	**(88.8)**	**(105.7)**	**(442.9)**	**(2.9)**	**(274.9)**	**(915.2)**
Net carrying amount as of March 31, 2013	**63.3**	**446.2**	**95.5**	**208.8**	**2.1**	**252.3**	**1,068.2**
Capital work-in-progress (including capital advances)							**440.1**
Total							**1,508.3**

	Freehold land	Buildings	Leasehold improvements	Computer equipment	Automobiles	Furniture, fixtures, office equipments and other assets	Total
	(In millions of USD)						
Gross block as of April 1, 2011	73.9	389.3	167.8	545.7	6.3	404.7	1,587.7
Additions	-	92.5	46.4	115.0	0.4	104.6	358.9
Disposal	-	-	(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)
Gross block as of March 31, 2012	65.1	429.0	192.3	568.5	5.2	452.4	1,712.5
Accumulated depreciation as of April 1, 2011	-	(67.5)	(83.2)	(355.5)	(3.5)	(214.8)	(724.5)
Disposal	-	-	2.9	18.9	0.6	2.8	25.2
Depreciation for the year	-	(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
Accumulated depreciation as of March 31, 2012	-	(74.9)	(91.8)	(379.0)	(3.2)	(234.2)	(783.1)
Net carrying amount as of March 31, 2012	65.1	354.1	100.5	189.5	2.0	218.2	929.4
Capital work-in-progress (including capital advances)							337.7
Total							1,267.1

	Freehold land	Buildings	Leasehold improve-ments	Computer equipment	Auto-mobiles	Furniture, fixtures, office equipments and other assets	Total
	(In millions of USD)						
Gross block as of April 1, 2010	73.4	330.3	126.4	424.0	6.9	342.6	1,303.6
Additions	-	55.3	37.0	127.3	0.8	75.3	295.7
Acquisitions through business combinations	-	-	4.6	-	-	-	4.6
Disposal	-	(0.1)	(3.0)	(12.7)	(1.5)	(20.0)	(37.3)
Translation exchange difference	0.5	3.8	2.8	7.1	0.1	6.8	21.1
Gross block as of March 31, 2011	73.9	389.3	167.8	545.7	6.3	404.7	1,587.7
Accumulated depreciation as of April 1, 2010	-	(52.0)	(62.7)	(286.6)	(3.5)	(187.5)	(592.3)
Acquisitions through business combinations	-	-	(3.3)	-	-	-	(3.3)
Disposal	-	0.1	2.5	11.8	1.0	17.0	32.4
Depreciation for the year	-	(14.9)	(18.3)	(75.9)	(1.0)	(40.2)	(150.3)
Translation exchange difference	-	(0.7)	(1.4)	(4.8)	-	(4.1)	(11.0)
Accumulated depreciation as of March 31, 2011	-	(67.5)	(83.2)	(355.5)	(3.5)	(214.8)	(724.5)
Net carrying amount as of March 31, 2011	73.9	321.8	84.6	190.2	2.8	189.9	863.2
Capital work-in-progress (including capital advances)							302.9
Total							1,166.1

Net carrying amount of property, plant and equipment under finance lease arrangements were as follows:

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Leasehold improvements	**19.4**	21.7
Computer equipment	**13.9**	4.2
Leased assets	**33.3**	25.9
Less: Accumulated depreciation	**(7.1)**	(3.6)
Leased assets (net)	**26.2**	22.3

11. Intangible Assets

	Customer-related intangibles	Technology-related intangibles	Acquired contract rights	Software licenses	Intellectual property rights and Others	Total
	(In millions of USD)					
Gross cost as of April 1, 2012	**4.5**	**2.5**	**40.4**	**11.6**	**11.6**	**70.6**
Additions	**-**	**-**	**-**	**3.2**	**-**	**3.2**
Common control transfer	**-**	**-**	**-**	**-**	**0.7**	**0.7**
Disposal	**-**	**-**	**-**	**(0.6)**	**-**	**(0.6)**
Translation exchange difference	**(0.2)**	**(0.2)**	**(2.1)**	**(0.8)**	**(0.7)**	**(4.0)**
Gross cost as of March 31, 2013	**4.3**	**2.3**	**38.3**	**13.4**	**11.6**	**69.9**
Accumulated amortisation as of April 1, 2012.	**(2.7)**	**(2.3)**	**(20.3)**	**(9.5)**	**(1.7)**	**(36.5)**
Amortisation for the year	**(1.7)**	**-**	**(3.3)**	**(2.7)**	**(0.7)**	**(8.4)**
Common control transfer	**-**	**-**	**-**	**-**	**(0.6)**	**(0.6)**
Disposal	**-**	**-**	**-**	**0.3**	**-**	**0.3**
Translation exchange difference	**0.1**	**0.1**	**0.8**	**0.5**	**0.1**	**1.6**
Accumulated amortisation as of March 31, 2013	**(4.3)**	**(2.2)**	**(22.8)**	**(11.4)**	**(2.9)**	**(43.6)**
Net carrying amount as of March 31, 2013	**-**	**0.1**	**15.5**	**2.0**	**8.7**	**26.3**
Gross cost as of April 1, 2011	4.5	2.8	40.7	23.5	13.3	84.8
Additions	-	-	-	2.4	-	2.4
Disposal	-	-	-	(12.8)	-	(12.8)
Translation exchange difference	-	(0.3)	(0.3)	(1.5)	(1.7)	(3.8)
Gross cost as of March 31, 2012	4.5	2.5	40.4	11.6	11.6	70.6
Accumulated amortisation as of April 1, 2011	(1.0)	(2.5)	(17.0)	(21.1)	(0.5)	(42.1)
Amortisation for the year	(1.7)	(0.1)	(3.4)	(2.7)	(1.4)	(9.3)
Disposal	-	-	-	12.8	-	12.8
Translation exchange difference	-	0.3	0.1	1.5	0.2	2.1
Accumulated amortisation as of March 31, 2012	(2.7)	(2.3)	(20.3)	(9.5)	(1.7)	(36.5)
Net carrying amount as of March 31, 2012	1.8	0.2	20.1	2.1	9.9	34.1

	Customer-related intangibles	Technology-related intangibles	Acquired contract rights	Software licenses	Intellectual property rights and Others	Total
	(In millions of USD)					
Gross cost as of April 1, 2010	-	2.4	38.3	19.2	0.4	60.3
Additions	-	0.4	-	3.1	13.1	16.6
Acquisitions through business combinations	4.3	-	-	-	-	4.3
Disposal	-	-	-	(0.3)	(0.4)	(0.7)
Translation exchange difference	0.2	-	2.4	1.5	0.2	4.3
Gross cost as of March 31, 2011	4.5	2.8	40.7	23.5	13.3	84.8
Accumulated amortisation as of April 1, 2010	-	(2.4)	(12.8)	(18.0)	(0.4)	(33.6)
Amortisation for the year	(1.0)	(0.1)	(3.3)	(2.6)	(0.5)	(7.5)
Disposal	-	-	-	0.3	0.4	0.7
Translation exchange difference	-	-	(0.9)	(0.8)	-	(1.7)
Accumulated amortisation as of March 31, 2011	(1.0)	(2.5)	(17.0)	(21.1)	(0.5)	(42.1)
Net carrying amount as of March 31, 2011	3.5	0.3	23.7	2.4	12.8	42.7

Function wise amortisation of intangible assets is as follows:

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Cost of information technology and consultancy services	**2.4**	2.9	6.1
Selling, general and administrative expenses	**6.0**	6.4	1.4
Total	**8.4**	9.3	7.5

The estimated amortisation for each of the five fiscal years subsequent to March 31, 2013 is as follows:

Year ending March 31,	**Amortisation expenses**
	(In millions of USD)
2014	**5.2**
2015	**5.8**
2016	**4.5**
2017	**4.4**
2018	**4.3**
Thereafter	**2.1**
Total	**26.3**

12. Goodwill

	Year ended March 31, 2013	Year ended March 31, 2012
	(In millions of USD)	
Balance at the beginning of the year	**652.5**	722.3
Impairment	**-**	(4.2)
Foreign currency exchange (loss) / gain	**(33.4)**	(65.6)
Balance at the end of the year	**619.1**	652.5

TCS Limited tests goodwill annually for impairment. Acquired subsidiaries to which goodwill relates have been identified as CGUs.

The goodwill of the Group includes $390.0 million and $416.0 million on account of the investment in TCS e-Serve Limited (subsidiary of the Company) as of March 31, 2013 and 2012, respectively. TCS Limited estimated the value in use of TCS e-Serve Limited based on future cash flows of this subsidiary and using a 3.00% annual growth rate for periods subsequent to the forecast and discount rate of 15.00%. An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. The remaining amount of goodwill of $229.1 million (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

Allocation of goodwill by segments as of March 31, 2013 and 2012 is as follows:

Industry Practice	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Banking, Financial Services and Insurance	**600.5**	632.8
Others	**18.6**	19.7
Total	**619.1**	652.5

13. Trade and other payables

Trade and other payables consist of the following:

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Trade payables	**679.1**	529.4
Accrued payroll	**137.6**	108.1
Others	**2.1**	0.8
Total	**818.8**	638.3

14. Other financial liabilities

(a) Other current financial liabilities

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Foreign currency derivative liabilities	13.3	47.2
Capital creditors	46.0	32.9
Others	143.7	91.8
Total	203.0	171.9

On February 22, 2013, the Company entered into an agreement to settle a class action suit filed in the United States of America Court relating to payments to employees on deputation for an amount of $29.8 million. The Court has granted preliminary approval to the settlement agreement. The amount of settlement has been included in 'Others' in other current financial liabilities and 'Other expenses' in selling, general and administrative expenses (Refer note 21).

(b) Other non-current financial liabilities

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Foreign currency derivative liabilities	-	10.3
Capital creditors	10.0	6.2
Others	39.2	35.6
Total	49.2	52.1

15. Other current liabilities

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Indirect tax payable and other statutory liabilities	160.8	121.4
Advances received from customers	20.3	14.1
Others	6.7	8.7
Total	187.8	144.2

16. Income taxes

The income tax expense consists of the following:

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Current tax:			
Current tax expense for current year	**793.3**	805.6	455.7
Under / (over) provision of current tax expense pertaining to prior years	**10.7**	(8.3)	(65.1)
	804.0	797.3	390.6
Deferred tax:			
Deferred income tax (benefit)/expense for current year	**(54.7)**	(124.7)	84.6
Over provision of deferred tax expense pertaining to prior years	**(8.6)**	(15.7)	-
	(63.3)	(140.4)	84.6
Total income tax expense recognised in current year	**740.7**	656.9	475.2

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of comprehensive income is as follows:

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Income before income taxes	**3,328.9**	2,895.7	2,416.3
Indian statutory income tax rate	**32.45%**	32.45%	33.22%
Expected income tax expense	**1,080.2**	939.7	802.7
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:			
Tax holidays	**(437.1)**	(376.5)	(487.2)
Income exempt from tax	**(4.5)**	(4.0)	(6.7)
Undistributed earnings in branches and subsidiaries	**44.2**	52.1	52.6
Tax on income at different rates	**24.4**	51.1	148.6
Tax pertaining to prior years	**2.1**	(24.0)	(65.1)
Operating losses carried forward	**7.3**	7.9	12.1
Others (net)	**24.1**	10.6	18.2
Total income tax expense	**740.7**	656.9	475.2

Under Section 10A of the Indian Income Tax Act, 1961, Tata Consultancy Services Limited and its subsidiaries in India were entitled to tax holidays for their various Software Technology Park (STP) units located across India. These tax holidays were available for a period of ten fiscal years from the date of commencement of operations. However, the tax holidays are not available effective from April 1, 2011.

In addition, Tata Consultancy Services Limited and its certain subsidiaries in India benefit from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen fiscal years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profits or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. From April 1, 2011 units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2013 are as follows:

	Opening balance	Recognised in net income	Recognised in / reclassified from other comprehensive income	Acquisitions/ disposals	Exchange difference	Closing balance
	(In millions of USD)					
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(10.3)	(17.9)	-	-	0.9	(27.3)
Retirement benefits and compensated absences	25.3	6.4	1.9	-	(1.4)	32.2
Cash flow hedges	5.9	-	(6.5)	-	(0.4)	(1.0)
Receivables, loans and advances	13.9	0.8	-	-	(0.7)	14.0
MAT credit entitlement	289.8	67.4	-	-	(17.7)	339.5
Operating loss carry forward	0.3	0.7	-	-	-	1.0
Branch profit tax	(20.2)	(10.5)	-	-	1.2	(29.5)
Undistributed earnings of subsidiaries	(48.1)	0.4	-	-	2.7	(45.0)
Unrealised gain on available-for-sale securities	(0.3)	-	0.1	-	-	(0.2)
Others	5.1	16.0	-	-	(0.3)	20.8
Net deferred tax assets / (liabilities)	261.4	63.3	(4.5)	-	(15.7)	304.5

Gross deferred tax assets and liabilities are as follows:

As of March 31, 2013	Assets	Liabilities	Net
	(In millions of USD)		
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and intangible assets	(15.1)	12.2	(27.3)
Retirement benefits and compensated absences	32.1	(0.1)	32.2
Cash flow hedges	0.4	1.4	(1.0)
Receivables, loans and advances	14.0	-	14.0
MAT credit entitlement	339.5	-	339.5
Operating loss carry forward	1.0	-	1.0
Branch profit tax	-	29.5	(29.5)
Undistributed earnings of subsidiaries	-	45.0	(45.0)
Unrealised gain on available-for-sale securities	(0.1)	0.1	(0.2)
Others	22.5	1.7	20.8
Net deferred tax assets / (liabilities)	394.3	89.8	304.5

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2012 are as follows:

	Opening balance	Recognised in net income	Recognised in / reclassified from other comprehensive income	Acquisitions/ disposals	Exchange difference	Closing balance
	(In millions of USD)					
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(6.5)	(4.2)	-	-	0.4	(10.3)
Retirement benefits and compensated absences	16.1	11.2	0.1	-	(2.1)	25.3
Cash flow hedges	(3.3)	-	9.3	-	(0.1)	5.9
Receivables, loans and advances	10.8	4.3	-	-	(1.2)	13.9
MAT credit entitlement	231.4	92.2	-	-	(33.8)	289.8
Operating loss carry forward	1.7	(0.4)	-	-	(1.0)	0.3
Branch profit tax	(13.5)	(9.4)	-	-	2.7	(20.2)
Undistributed earnings of subsidiaries	(99.5)	42.5	-	-	8.9	(48.1)
Unrealised gain on available-for-sale securities	(0.3)	-	(0.1)	-	0.1	(0.3)
Others	1.1	4.2	-	-	(0.2)	5.1
Net deferred tax assets / (liabilities)	138.0	140.4	9.3	-	(26.3)	261.4

Gross deferred tax assets and liabilities are as follows:

As of March 31, 2012	Assets	Liabilities	Net
	(In millions of USD)		
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment and intangible assets	(5.5)	4.8	(10.3)
Retirement benefits and compensated absences	26.5	1.2	25.3
Cash flow hedges	6.0	0.1	5.9
Receivables, loans and advances	13.9	-	13.9
MAT credit entitlement	289.8	-	289.8
Operating loss carry forward	0.3	-	0.3
Branch profit tax	-	20.2	(20.2)
Undistributed earnings of subsidiaries	-	48.1	(48.1)
Unrealised gain on available-for-sale securities	(0.2)	0.1	(0.3)
Others	15.6	10.5	5.1
Net deferred tax assets / (liabilities)	346.4	85.0	261.4

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2011 are as follows:

	Opening balance	Recognised in net income	Recognised in / reclassified from other comprehensive income	Acquisitions/ disposals	Exchange difference	Closing balance
	(In millions of USD)					
Deferred tax assets / (liabilities) in relation to:						
Property, plant and equipment and intangible assets	(13.0)	7.8	-	(1.5)	0.2	(6.5)
Retirement benefits and compensated absences	17.6	(0.5)	(1.3)	-	0.3	16.1
Cash flow hedges	(4.7)	-	1.4	-	-	(3.3)
Receivables, loans and advances	17.9	(7.1)	-	-	-	10.8
MAT credit entitlement	244.0	(15.5)	-	0.6	2.3	231.4
Operating loss carry forward	4.8	0.4	-	-	(3.5)	1.7
Branch profit tax	(9.8)	(3.5)	-	-	(0.2)	(13.5)
Undistributed earnings of subsidiaries	(51.6)	(47.0)	-	-	(0.9)	(99.5)
Unrealised gain on available-for-sale securities	-	-	(0.3)	-	-	(0.3)
Others	23.8	(19.2)	-	-	(3.5)	1.1
Net deferred tax assets / (liabilities)	229.0	(84.6)	(0.2)	(0.9)	(5.3)	138.0

Under the Indian Income Tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses. These losses will expire based on the year of origination as follows:

March 31,	**Unabsorbed business losses**
	(In millions of USD)
2016	**5.2**
2017	**4.0**
2018	**3.1**
2019	**3.6**
Thereafter	**113.0**
	128.9

Under the Indian Income Tax Act, 1961, Tata Consultancy Services Limited and its subsidiaries in India are liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 10 years and can be set off against the future tax liabilities. Consequently, Tata Consultancy Services Limited and its subsidiaries in India have recognised a deferred tax asset of $339.5 million as of March 31, 2013.

Deferred tax liability on temporary differences of $676.4 million of certain subsidiaries has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian Income Tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company and its subsidiaries in India as deductions, and computation of, or eligibility of, certain tax incentives or allowances. As of March 31, 2013, the Company and its subsidiaries in India have contingent liability in respect of demands from direct tax authorities in India, which are being contested by the Company and its subsidiaries in India on appeal amounting $508.7 million. In respect of tax contingencies of $70.8 million, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, its acquired subsidiary, which is to be adjusted to the purchase price consideration.

Tata Consultancy Services Limited believes that its position on these claims made by tax authorities will more likely than not sustain upon examination by the relevant authorities.

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2010 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2009 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2011 and earlier.

17. Mandatorily redeemable preference shares to Tata Sons Limited

In fiscal 2008, Tata Consultancy Services Limited arranged an unsecured long-term debt of $24.9 million (₹ 1,000.0 million) by issuance and allotment of 1,000,000,000 Redeemable preference shares of face value of $0.02 (₹ 1) each to Tata Sons Limited. This debt would be redeemable at par at the end of six years from the date of allotment but may be repayable at any time after 3 years from the date of allotment at par at the option of the debt holder. This debt carries a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the par value of equity shares of Tata Consultancy Services Limited and the average rate of dividend declared on the par value of equity shares of Tata Consultancy Services Limited for three years preceding the year of issue of the above debt.

18. Authorised and issued share capital

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
(a) Authorised		
2,250,000,000 equity shares of ₹ 1 each	**50.1**	50.1
	50.1	50.1
(b) Issued, Subscribed and Paid up		
1,957,220,996 equity shares of ₹ 1 each	**43.6**	43.6
Total	**43.6**	43.6

Fully paid equity shares, which have a par value of $0.02 (₹ 1) each, carry one vote per share and have a right to dividend. Dividend can be declared out of accumulated profits only after the transfer to a general reserve of a specified percentage of net profit computed in accordance with the Indian Companies Act, 1956. Subject to the buy-back of shares, under the Indian Companies Act, equity shares are not redeemable. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

19. Other components of equity

(a) Investment revaluation reserve

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Balance at the beginning of the year	**0.6**	0.4	0.1
Net gain arising on revaluation of available-for-sale financial assets	**1.3**	1.8	2.1
Deferred tax relating to gain arising on revaluation of available-for-sale financial assets	**(0.4)**	(0.5)	(0.5)
Cumulative gain reclassified to net income on sale of available-for-sale financial assets	**(1.6)**	(1.5)	(1.2)
Deferred tax relating to cumulative gain reclassified to net income on sale of available-for-sale financial assets	**0.5**	0.4	0.2
Transferred to non controlling interests	**0.1**	-	(0.3)
Balance at the end of the year	**0.5**	0.6	0.4

(b) Cash flow hedging reserve

Refer note 26(b) for movements in hedging reserve.

(c) Foreign currency translation reserve

Refer statements of change in equity for movements in foreign currency translation reserve.

20. Employee benefits

Function wise employee cost is as follows:

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Cost of information technology and consultancy services	**4,377.3**	3,916.6	3,184.5
Selling, general and administrative expenses	**1,475.9**	1,226.3	943.1
Total	**5,853.2**	5,142.9	4,127.6

(a) Current employee benefit obligations

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Leave liability	**145.9**	119.4
Other employee benefit obligations	**2.1**	6.5
Total	**148.0**	125.9

(b) Non-current employee benefit obligations

	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Gratuity liability	**48.3**	31.8
Other employee benefit obligations	**15.9**	10.9
Total	**64.2**	42.7

Defined benefit plan

Gratuity and pension

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India provide to the eligible employees defined benefit plans such as gratuity and pension plan. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

	Year ended March 31, 2013					Year ended March 31, 2012					Year ended March 31, 2011				
	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total
	(In millions of USD)														
Change in benefit obligations:															
Benefit obligation, beginning of the year	**141.9**	**0.3**	**52.6**	**1.1**	**195.9**	134.8	0.4	49.9	-	185.1	110.5	0.2	38.5	-	149.2
Exchange (gain) / loss on translation	**(8.8)**	**-**	**(3.6)**	**-**	**(12.4)**	(18.2)	(0.1)	(0.1)	-	(18.4)	1.3	-	7.4	-	8.7
Plans assumed on acquisitions	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	0.2	-	-	0.2
Plan participants' contribution	**-**	**-**	**1.4**	**-**	**1.4**	-	-	1.4	-	1.4	-	-	1.3	-	1.3
Service cost	**21.6**	**0.1**	**4.0**	**1.2**	**26.9**	21.0	0.2	4.1	0.9	26.2	19.7	0.2	4.0	-	23.9
Interest cost	**12.2**	**-**	**2.0**	**0.2**	**14.4**	11.3	-	2.0	0.1	13.4	9.0	-	1.7	-	10.7
Actuarial loss / (gain)	**3.4**	**0.1**	**9.1**	**-**	**12.6**	0.5	(0.2)	(0.8)	0.3	(0.2)	1.4	(0.2)	(1.2)	-	-
Past Service Cost / (credit)	**-**	**-**	**(0.4)**	**0.7**	**0.3**	-	-	-	-	-	0.9	-	0.1	-	1.0
Benefits paid	**(8.3)**	**-**	**(2.6)**	**(0.3)**	**(11.2)**	(7.5)	-	(3.9)	(0.2)	(11.6)	(8.0)	-	(1.9)	-	(9.9)
Benefit obligation, end of the year	**162.0**	**0.5**	**62.5**	**2.9**	**227.9**	141.9	0.3	52.6	1.1	195.9	134.8	0.4	49.9	-	185.1

	Year ended March 31, 2013					Year ended March 31, 2012					Year ended March 31, 2011				
	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total
	(In millions of USD)														
Change in plan assets:															
Fair value of plan assets, beginning of the year	**111.7**	**-**	**52.9**	**-**	**164.6**	116.4	-	47.9	-	164.3	97.2	-	34.6	-	131.8
Exchange (loss) / gain on translation	**(7.0)**	**-**	**(3.0)**	**-**	**(10.0)**	(15.1)	-	-	-	(15.1)	1.1	-	6.6	-	7.7
Expected return on plan assets	**9.1**	**-**	**2.2**	**-**	**11.3**	8.9	-	2.2	-	11.1	8.3	-	1.9	-	10.2
Employers' contributions	**8.4**	**-**	**4.1**	**-**	**12.5**	7.6	-	4.4	-	12.0	15.8	-	4.5	-	20.3
Plan participants' contribution	**-**	**-**	**1.4**	**-**	**1.4**	-	-	1.4	-	1.4	-	-	1.3	-	1.3
Benefits paid	**(8.3)**	**-**	**(2.6)**	**-**	**(10.9)**	(7.5)	-	(3.9)	-	(11.4)	(8.0)	-	(1.9)	-	(9.9)
Actuarial gain	**0.7**	**-**	**2.5**	**-**	**3.2**	1.4	-	0.9	-	2.3	2.0	-	0.9	-	2.9
Fair value of plan assets, end of the year	**114.6**	**-**	**57.5**	**-**	**172.1**	111.7	-	52.9	-	164.6	116.4	-	47.9	-	164.3

	As of March 31, 2013					As of March 31, 2012				
	Domestic plans-Funded	**Domestic plans-Unfunded**	**Foreign plans-Funded**	**Foreign plans-Unfunded**	**Total**	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total
	(In millions of USD)									
Funded status:										
Deficit of plan assets over obligations	**(47.8)**	**(0.5)**	**(5.8)**	**(2.9)**	**(57.0)**	(31.5)	(0.3)	(5.0)	(1.1)	(37.9)
Surplus of plan assets over obligations	**0.4**	**-**	**0.8**	**-**	**1.2**	1.3	-	5.3	-	6.6
	(47.4)	**(0.5)**	**(5.0)**	**(2.9)**	**(55.8)**	(30.2)	(0.3)	0.3	(1.1)	(31.3)

	As of March 31, 2013					As of March 31, 2012				
	Domestic plans-Funded	**Domestic plans-Unfunded**	**Foreign plans-Funded**	**Foreign plans-Unfunded**	**Total**	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total
	(In millions of USD)									
Category of assets:										
Corporate bonds	**-**	**-**	**20.8**	**-**	**20.8**	-	-	23.5	-	23.5
Equity shares	**-**	**-**	**11.0**	**-**	**11.0**	-	-	10.3	-	10.3
Government Securities	**-**	**-**	**5.3**	**-**	**5.3**	-	-	-	-	-
Index linked gilt	**-**	**-**	**12.9**	**-**	**12.9**	-	-	11.1	-	11.1
Insurer managed funds	**114.6**	**-**	**3.5**	**-**	**118.1**	111.7	-	3.3	-	115.0
Cash and bank balances	**-**	**-**	**0.9**	**-**	**0.9**	-	-	0.2	-	0.2
Others	**-**	**-**	**3.1**	**-**	**3.1**	-	-	4.5	-	4.5
Total	**114.6**	**-**	**57.5**	**-**	**172.1**	111.7	-	52.9	-	164.6

Net periodic gratuity / pension cost, included in employee cost (refer note 21), consists of the following components:

	Year ended March 31, 2013					Year ended March 31, 2012					Year ended March 31, 2011				
	Domestic plans-Funded	**Domestic plans-Unfunded**	**Foreign plans-Funded**	**Foreign plans-Unfunded**	**Total**	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total	Domestic plans-Funded	Domestic plans-Unfunded	Foreign plans-Funded	Foreign plans-Unfunded	Total
	(In millions of USD)														
Service cost	**21.6**	**0.1**	**4.0**	**1.2**	**26.9**	21.0	0.2	4.1	0.9	26.2	19.7	0.2	4.0	-	23.9
Interest cost	**12.2**	**-**	**2.0**	**0.2**	**14.4**	11.3	-	2.0	0.1	13.4	9.0	-	1.7	-	10.7
Past service cost/ (Credit)	**-**	**-**	**(0.4)**	**0.7**	**0.3**	-	-	-	-	-	0.9	-	0.1	-	1.0
Expected return on plan assets	**(9.1)**	**-**	**(2.2)**	**-**	**(11.3)**	(8.9)	-	(2.2)	-	(11.1)	(8.3)	-	(1.9)	-	(10.2)
Net periodic gratuity / pension cost	**24.7**	**0.1**	**3.4**	**2.1**	**30.3**	23.4	0.2	3.9	1.0	28.5	21.3	0.2	3.9	-	25.4
Actual return on plan assets	**9.8**	**-**	**4.7**	**-**	**14.5**	10.3	-	3.1	-	13.4	10.3	-	2.8	-	13.1

The assumptions used in accounting for the gratuity plan are set out below:

	Year ended March 31, 2013		Year ended March 31, 2012		Year ended March 31, 2011	
	Domestic plans	**Foreign plans**	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	**8.00%**	**2.25% -7.00%**	8.25%-8.50%	2.50% -7.00%	8.00%	3.00% -5.50%
Rate of increase in compensation levels of covered employees	**4.00% -7.00%**	**1.50% - 4.64%**	4.00%-9.00%	1.50%-3.60%	4.00%-12.00%	1.50%-3.60%
Rate of return on plan assets	**8.60% - 8.70%**	**2.25% - 4.70%**	8.00%-9.00%	3.50%-5.45%	8.00%	4.00%-5.45%

TCS Limited's overall expected long-term rate of return on assets has been determined based on a consideration of assessed risks of asset management, available market information, historical results of the return on plan assets and the provisions of the prevailing laws which specify the instruments in which investments can be made.

Particulars	**Domestic plans**			**Foreign plans**		
	March 31, 2013	March 31, 2012	March 31, 2011	**March 31, 2013**	March 31, 2012	March 31, 2011
	(In millions of USD)					
Experience adjustment:						
On plan liabilities (gain)/loss	**(3.3)**	9.2	6.8	**(0.4)**	(0.1)	(0.8)
On plan assets gain	**0.7**	1.4	2.0	**2.5**	0.9	0.1

Particulars	**Domestic plans**		**Foreign plans**	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012
	(In millions of USD)			
Present value of benefit obligation	**162.5**	142.2	**65.4**	53.7
Fair value of plan assets	**114.6**	111.7	**57.5**	52.9
Excess of obligation over plan assets	**(47.9)**	(30.5)	**(7.9)**	(0.8)

The expected benefits are based on the same assumptions as are used to measure TCS Limited's defined benefit plan obligations as of March 31, 2013. TCS Limited is expected to contribute $36.5 million to defined benefit plan obligations funds in fiscal 2014 comprising domestic component of $32.7 million and foreign component of $3.8 million.

The net actuarial loss recognised in other comprehensive income for the fiscal 2013 is $9.4 million and gains recognised in other comprehensive income for the fiscals 2012 and 2011 are $2.5 million and $2.9 million, respectively.

Defined contribution plans

Superannuation

In addition to gratuity benefits, all eligible employees are entitled to benefits under Superannuation, a defined contribution plan. TCS Limited makes monthly contributions until retirement or resignation of the employee. TCS Limited recognises such contributions as an expense when incurred. TCS Limited has no further obligation beyond its monthly contribution.

TCS Limited contributed $31.0 million, $24.9 million and $21.9 million to the Employees' Superannuation Fund in fiscals 2013, 2012 and 2011, respectively.

Provident fund

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited and its subsidiaries are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly. Tata Consultancy Services Limited and its subsidiaries in India are liable for future provident fund benefits to the extent of its annual contribution and any shortfall in fund assets based on government specified minimum rates of return relating to current period service and recognises such contributions and shortfall, if any, as an expense in the year incurred.

Tata Consultancy Services Limited and its subsidiaries contributed $97.9 million, $86.1 million and $70.3 million to the provident fund in fiscals 2013, 2012 and 2011, respectively.

Foreign Defined Contribution Plan

Tata Consultancy Services Limited and its subsidiaries contributed $45.7 million, $41.8 million and $32.0 million in fiscals 2013, 2012 and 2011, respectively, towards foreign defined contribution plan.

21. Expenses by nature

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Employee cost	**5,853.2**	5,142.9	4,127.6
Fees to external consultants	**695.8**	511.2	349.5
Facility expenses	**426.6**	407.8	340.5
Cost of equipment and software licenses	**280.5**	278.0	234.7
Travel expenses	**297.9**	254.0	202.8
Depreciation and amortisation	**198.2**	188.4	157.8
Communication	**140.8**	135.7	121.3
Education, recruitment and training	**44.7**	46.3	45.0
Marketing and sales promotion	**46.2**	46.8	38.4
Bad debts, provision for trade receivable and advances (net)	**10.3**	5.3	(15.9)
Other expenses	**450.6**	348.3	286.3
Total	**8,444.8**	7,364.7	5,888.0

Research and development expenditure aggregating $29.6 million, $27.5 million and $ 23.4 million, incurred during the years ended March 31, 2013, 2012 and 2011, respectively, is included in the above expenses.

Refer note 20 for function wise bifurcation of employee cost.

22. Finance and other income

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Interest income on bank balances	**123.0**	123.2	64.7
Interest income on held to maturity investments	**8.9**	3.7	2.4
Interest income on loans and receivables	**15.3**	21.5	22.5
Interest income on loans and advances	**42.7**	18.6	14.1
Interest income on commercial papers	**-**	-	0.9
Other interest income	**2.9**	-	-
Rental revenue	**2.9**	3.6	1.5
Dividend received	**1.2**	1.3	3.6
Total	**196.9**	171.9	109.7

23. Finance costs

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Interest on bank overdrafts and loans	**6.5**	4.1	7.6
Other interest expenses	**6.5**	5.9	9.7
Total	**13.0**	10.0	17.3

24. Other gains / (losses), (net)

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Net losses on disposal of property, plant and equipment	**-**	(0.1)	(0.4)
Net gains on disposal of available-for-sale investments	**7.8**	6.6	18.3
Net foreign exchange gain / (losses)	**9.1**	(85.9)	(8.5)
Others	**4.5**	7.1	15.7
Total	**21.4**	(72.3)	25.1

Net foreign exchange gains / (losses) include time value adjustments for options of $16.1 million, $23.3 million and $1.4 million and amounts reclassified from equity to statement of comprehensive income of $14.6 million, $141.0 million and $ 7.2 million for the periods ended March 31, 2013, 2012 and 2011.

Net gain on derivative instruments of $4.6 million, recognised in accumulated other comprehensive income as of March 31, 2013, is expected to be reclassified into earnings by March 31, 2014. The maximum period over which the exposure to cash flow variability has been hedged is through 2014.

Net gains on disposal of available-for-sale investments include cumulative gain of $1.6 million, $1.5 million and $1.2 million reclassified from investment revaluation reserve on disposal of available-for-sale investments for the periods ended March 31, 2013, 2012 and 2011, respectively.

25. Leases

TCS Limited has taken on lease property and equipment under operating lease arrangements. Most of the leases include renewal and escalation clauses. Operating lease rent expenses were $214.5 million, $201.4 million and $161.4 million in fiscals 2013, 2012 and 2011, respectively.

The following is a summary of future minimum lease rental commitments towards non-cancellable operating leases and finance leases:

Operating lease	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Within one year of balance sheet date	**124.3**	104.5
Due in a period between one year and five years	**340.5**	271.2
Due after five years	**187.1**	174.5
Total minimum lease commitments	**651.9**	550.2

Finance lease	**As of March 31, 2013**		As of March 31, 2012	
	Minimum lease commitments	**Present value of minimum lease commitments**	Minimum lease commitments	Present value of minimum lease commitments
	(In millions of USD)			
Within one year of balance sheet date	**6.7**	**3.7**	4.6	1.8
Due in a period between one year and five years	**24.0**	**15.8**	20.9	11.8
Due after five years	**12.4**	**8.1**	15.8	10.3
Total minimum lease commitments	**43.1**	**27.6**	41.3	23.9
Less: Interest	**(15.5)**		(17.4)	
Present value of minimum lease commitments	**27.6**		23.9	

Receivables under sub leases	**As of March 31, 2013**	As of March 31, 2012
	(In millions of USD)	
Within one year of balance sheet date	**2.9**	2.4
Due in a period between one year and five years	**11.7**	9.0
Due after five years	**-**	1.7
Total	**14.6**	13.1

Income from sub leases of $2.9 million, $3.6 million and $1.5 million have been recognised in the statement of comprehensive income for the periods ended March 31, 2013, 2012 and 2011, respectively.

26. Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(l) to the consolidated financial statements.

(a) Financial assets and liabilities

The carrying value and fair value of financial instruments by categories as of March 31, 2013 were as follows:

	Cash and loans and receivables	Available-for-sale financial assets	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Held-to-maturity financial assets	Other financial liabilities	Total carrying value	Total fair value
				(In millions of USD)				
Financial assets:								
Cash and cash equivalents	339.3	-	-	-	-	-	339.3	339.3
Bank deposits	1,361.4	-	-	-	-	-	1,361.4	1,361.4
Trade receivables	2,590.9	-	-	-	-	-	2,590.9	2,590.9
Investments	120.5	116.6	-	-	138.4	-	375.5	390.9
Unbilled revenue	581.6	-	-	-	-	-	581.6	581.6
Other financial assets*	982.7	-	23.2	11.4	-	-	1,017.3	1,017.3
Total	5,976.4	116.6	23.2	11.4	138.4	-	6,266.0	6,281.4
Financial liabilities:								
Trade and other payables	-	-	-	-	-	818.8	818.8	818.8
Borrowings	-	-	-	-	-	42.7	42.7	42.7
Mandatorily redeemable preference shares	-	-	-	-	-	18.4	18.4	18.4
Other financial liabilities	-	-	11.5	1.8	-	238.9	252.2	252.2
Total	-	-	11.5	1.8	-	1,118.8	1,132.1	1,132.1

*Other financial assets include inter-corporate deposits of $682.2 million, with original maturity period within 24 months. The carrying values of these deposits approximate their fair values.

The carrying value and fair value of financial instruments by categories as of March 31, 2012 were as follows:

	Cash and loans and receivables	Available-for-sale financial assets	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Held-to-maturity financial assets	Other financial liabilities	Total carrying value	Total fair value
	(In millions of USD)							
Financial assets:								
Cash and cash equivalents	391.4	-	-	-	-	-	391.4	391.4
Bank deposits	1,294.8	-	-	-	-	-	1,294.8	1,294.8
Trade receivables	2,258.0	-	-	-	-	-	2,258.0	2,258.0
Investments	191.0	54.2	-	-	45.0	-	290.2	293.5
Unbilled revenue	441.3	-	-	-	-	-	441.3	441.3
Other financial assets*	445.6	-	27.2	2.7	-	-	475.5	475.5
Total	5,022.1	54.2	27.2	2.7	45.0	-	5,151.2	5,154.5
Financial liabilities:								
Trade and other payables	-	-	-	-	-	638.3	638.3	638.3
Borrowings	-	-	-	-	-	24.9	24.9	24.9
Mandatorily redeemable preference shares	-	-	-	-	-	19.6	19.6	19.6
Other financial liabilities	-	-	36.1	21.4	-	166.5	224.0	224.0
Total	-	-	36.1	21.4	-	849.3	906.8	906.8

*Other financial assets include inter-corporate deposits of $183.2 million, with original maturity period within 24 months. The carrying values of these deposits approximate their fair values.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

• Level 1— Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2— Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3— Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis:

As of March 31, 2013:	**Level 1**	**Level 2**	**Level 3**	**Total**
		(In millions of USD)		
Financial assets:				
Available for sale - mutual fund units	**110.0**	**-**	**-**	**110.0**
Available for sale - corporate bonds and debentures	**1.4**	**-**	**-**	**1.4**
Derivative financial assets	**-**	**34.6**	**-**	**34.6**
Total	**111.4**	**34.6**	**-**	**146.0**
Financial liabilities:				
Derivative financial liabilities	**-**	**13.3**	**-**	**13.3**
Total	**-**	**13.3**	**-**	**13.3**

As of March 31, 2012:	Level 1	Level 2	Level 3	Total
		(In millions of USD)		
Financial assets:				
Available for sale - mutual fund units	47.7	-	-	47.7
Available for sale - corporate bonds and debentures	1.6	-	-	1.6
Derivative financial assets	-	29.9	-	29.9
Total	49.3	29.9	-	79.2
Financial liabilities:				
Derivative financial liabilities	-	57.5	-	57.5
Total	-	57.5	-	57.5

(b) Derivative financial instruments and hedging activity

TCS Limited's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, TCS Limited also does business in Australian Dollar, Canadian Dollar, South African Rand, Saudi Arabian Riyal, Danish Kroner 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 analysing 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 manage and mitigate its exposure to foreign exchange rates. The counter party is generally a bank. The Company and its subsidiaries 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 committee, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

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

Foreign currency	March 31, 2013		
	No. of contracts	**Notional amount of forward contracts (In millions)**	**Fair value (In millions of USD)**
US Dollar	**4**	**22.7**	**(2.2)**
Sterling Pound	**2**	**0.8**	**-**
Australian Dollar	**8**	**2.8**	**(0.4)**

Foreign currency	March 31, 2012		
	No. of contracts	Notional amount of forward contracts (In millions)	Fair value (In millions of USD)
US Dollar	44	288.0	(19.4)
Sterling Pound	26	9.4	(1.1)
Australian Dollar	44	11.1	(1.5)

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

Foreign currency	March 31, 2013		
	No. of contracts	**Notional amount of currency option contracts (In millions)**	**Fair value (In millions of USD)**
US Dollar	**56**	**1150.0**	**(0.1)**
Sterling Pound	**12**	**123.0**	**11.5**
Euro	**15**	**102.0**	**2.9**

Foreign currency	March 31, 2012		
	No. of contracts	Notional amount of currency option contracts (In millions)	Fair value (In millions of USD)
US Dollar	81	2185.0	5.8
Sterling Pound	33	217.5	2.9
Australian Dollar	6	30.0	0.7
Euro	21	210.0	3.7

The movement in accumulated other comprehensive income for the years ended 2013, 2012 and 2011for derivatives designated as cash flow hedges is as follows:

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Balance at the beginning of the year	**(27.3)**	10.3	(5.9)
Losses transferred to net income on occurrence of forecasted hedge transaction	**14.6**	141.0	7.2
Deferred tax on (gains) / losses transferred to net income on occurrence of forecasted hedge transaction	**(8.5)**	0.2	3.8
Change in the fair value of effective portion of outstanding cash flow hedges	**12.1**	(37.3)	10.3
Deferred tax on fair value of effective portion of cash flow hedges	**2.0**	9.1	(2.4)
Changes in the fair value of effective portion of discontinued / matured cash flow hedges during the year	**7.0**	(151.5)	(2.8)
Amount transferred to non-controlling interests during the year	**(0.6)**	0.9	0.1
Balance at the end of the year	**(0.7)**	(27.3)	10.3

In addition to the above cash flow hedges, TCS Limited has outstanding foreign exchange forward contracts and currency option contracts with notional amounts aggregating $1,963.2 million and $1,669.9 million, whose fair value showed a net gain of $9.6 million and loss of $18.7 million as of March 31, 2013 and 2012, respectively. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

Exchange gain of $49.9 million, exchange loss of $44.1 million and exchange gain of $0.6 million on foreign currency forward exchange contracts and currency option contracts have been recognised in earnings in fiscals 2013, 2012 and 2011, respectively.

10% appreciation of the underlying foreign currencies would have resulted in an approximate loss of $16.7 million in Group's other comprehensive income and an approximate loss of $11.3 million in the statement of comprehensive income for the year ended March 31, 2013.

10% depreciation of the underlying foreign currencies would have resulted in an approximate gain of $132.6 million in Group's other comprehensive income and an approximate gain of $15.8 million in the statement of comprehensive income for the year ended March 31, 2013.

10% appreciation of the underlying foreign currencies would have resulted in an approximate loss of $8.2 million in Group's other comprehensive income and an approximate loss of $26.5 million in the statement of comprehensive income for the year ended March 31, 2012.

10% depreciation of the underlying foreign currencies would have resulted in an approximate gain of $176.5 million in Group's other comprehensive income and an approximate loss of $0.8 million in the statement of comprehensive income for the year ended March 31, 2012.

10% appreciation of the underlying foreign currencies would have resulted in an approximate loss of $40.3 million in Group's other comprehensive income and an approximate loss of $9.2 million in the statement of comprehensive income for the year ended March 31, 2011.

10% depreciation of the underlying foreign currencies would have resulted in an approximate gain of $52.9 million in Group's other comprehensive income and an approximate gain of $0.9 million in the statement of comprehensive income for the year ended March 31, 2011.

(c) Financial risk management:

TCS Limited is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the board of directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

i. (a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound and Australian Dollar against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenue in international business.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as of the date of statements of financial position which could affect the statements of comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 26 (b).

The following table sets forth information relating to foreign currency exposure as of March 31, 2013:

	USD	EUR	GBP	AUD	CAD	ZAR	SAR	Others*
	(In Millions of USD)							
Net financial assets	122.9	28.3	69.6	3.1	4.0	-	26.7	93.0
Net financial liabilities	(149.2)	(0.4)	-	(8.1)	-	(5.9)	-	(5.4)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's net income before tax by approximately $17.9 million for the year ended March 31, 2013.

The following table sets forth information relating to foreign currency exposure as of March 31, 2012:

	USD	EUR	GBP	AUD	CAD	ZAR	SAR	Others*
	(In Millions of USD)							
Net financial assets	106.2	34.6	26.3	38.8	0.1	30.1	20.0	41.4
Net financial liabilities	(17.7)	(3.0)	(0.1)	(0.3)	(2.1)	-	-	(14.7)

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Limited and its subsidiaries would result in decrease / increase in the Group's net income before tax by approximately $25.9 million for the year ended March 31, 2012.

*Others include currencies such as Singapore Dollars, Swiss Franc, Norwegian Kroner, Danish Kroner etc.

i. (b) Interest rate risk

The Group's investments are primarily in fixed rate interest bearing investments. Hence the Group is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counter party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter corporate deposits include an amount of $654.7 million with a financial institution with a high credit-rating assigned by credit-rating agencies. None of the other financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was $6,260.4 million as of March 31, 2013 and $5,145.4 million as of March 31, 2012, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity investments.

TCS Limited's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2013 and 2012.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, available-for-sale financial assets and interest-bearing deposits with corporates are neither past due nor impaired. Cash and cash equivalents with banks and interest-bearing deposits placed with corporates, which have high credit-rating assigned by international and domestic credit-rating agencies. Available-for-sale financial assets substantially include investment in liquid mutual fund units. Regarding trade receivables and other financial assets that are past due but not impaired, there were no indications as of March 31, 2013, that defaults in payment obligations will occur except as described in note 6 and 8 on allowances for impairment of trade receivables and other financial assets, respectively. The Group does not hold any collateral for trade receivables and other financial assets. Trade receivable and other financial assets that are neither past due nor impaired relate to new and existing customers and counter parties with no significant defaults in past.

Financial assets that are past due but not impaired

The age wise breakup of the trade receivables, net of allowances that are past due, is given below:

Period (days)	As of March 31, 2013	As of March 31, 2012
	(In millions of USD)	
Trade receivables that are neither past due nor impaired	**1,679.0**	1,434.5
Trade receivables that are past due but not impaired:		
Past due for less than 6 months	**649.1**	616.6
Past due for more than 6 months	**262.8**	206.9
Total Trade receivable that are past due but not impaired	**911.9**	823.5
Total trade receivable	**2,590.9**	2,258.0

TCS Limited also has a geographic concentration of credit risk as given below:

	As of March 31, 2013	As of March 31, 2012
	(In %)	
United States of America	**39.7**	41.2
India	**21.6**	22.1
United Kingdom	**15.3**	14.7

iii. Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

March 31, 2013	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	(In millions of USD)				
Non-derivative financial liabilities:					
Trade and other payables	**818.8**	**-**	**-**	**-**	**818.8**
Borrowings	**18.6**	**4.6**	**11.5**	**8.0**	**42.7**
Mandatorily redeemable preference shares	**18.4**	**-**	**-**	**-**	**18.4**
Other financial liabilities	**189.7**	**8.7**	**40.5**	**-**	**238.9**
Total	**1,045.5**	**13.3**	**52.0**	**8.0**	**1,118.8**
Derivative financial liabilities	**13.3**	**-**	**-**	**-**	**13.3**
Total	**1,058.8**	**13.3**	**52.0**	**8.0**	**1,132.1**

March 31, 2012	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	(In millions of USD)				
Non-derivative financial liabilities:					
Trade and other payables	638.3	-	-	-	638.3
Borrowings	2.2	2.8	9.6	10.3	24.9
Mandatorily redeemable preference shares	19.6	-	-	-	19.6
Other financial liabilities	124.7	7.9	33.9	-	166.5
Total	784.8	10.7	43.5	10.3	849.3
Derivative financial liabilities	47.2	10.3	-	-	57.5
Total	832.0	21.0	43.5	10.3	906.8

27. 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 Group 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 each reporting 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 years ended March 31, 2013, 2012 and 2011 is as follows:

	Year ended March 31, 2013 (In millions of USD)					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, media and entertainment	Others	Total
Revenue	4,985.7	957.9	1,542.9	1,384.5	2,697.4	11,568.4
Segment result	1,478.8	250.3	474.0	356.9	735.7	3,295.7
Depreciation						172.1
Total Unallocable expenses						172.1
Operating income						3,123.6
Other income (net)						205.3
Income before taxes						3,328.9
Income tax expense						740.7
Net income						2,588.2
Depreciation and amortisation	20.9	0.1	0.1	0.2	4.8	26.1
Significant non-cash items	1.6	0.5	0.6	3.3	4.3	10.3
As of March 31, 2013						
Segment assets:						
Allocable assets	2,106.3	289.2	392.8	461.5	1,230.6	4,480.4
Unallocable assets						5,100.7
Total assets						9,581.1
Segment liabilities						
Allocable liabilities	243.4	22.5	16.9	35.2	157.9	475.9
Unallocable liabilities						1,447.6
Total liabilities						1,923.5

	Year ended March 31, 2012 (In millions of USD)					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, media and entertainment	Others	Total
Revenue	4,382.9	790.0	1,237.1	1,294.0	2,466.8	10,170.8
Segment result	1,346.1	204.4	360.6	393.3	663.7	2,968.1
Depreciation						162.0
Total Unallocable expenses						162.0
Operating income						2,806.1
Other income (net)						89.6
Income before taxes						2,895.7
Income tax expense						656.9
Net income						2,238.8
Depreciation and amortisation	19.1	0.1	2.0	0.3	4.9	26.4
Significant non-cash items	4.7	1.1	0.5	0.8	2.4	9.5
As of March 31, 2012						
Segment assets:						
Allocable assets	1,899.4	208.7	288.3	402.5	1,120.9	3,919.8
Unallocable assets						4,156.6
Total assets						8,076.4
Segment liabilities						
Allocable liabilities	170.4	22.9	17.6	32.2	152.3	395.4
Unallocable liabilities						1,188.8
Total liabilities						1,584.2

	Year ended March 31, 2011 (In millions of USD)					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, media and entertainment	Others	Total
Revenue	3,625.1	603.6	900.5	1,160.4	1,897.2	8,186.8
Segment result	1,141.0	154.5	235.3	404.2	498.3	2,433.3
Depreciation						134.5
Total Unallocable expenses						134.5
Operating income						2,298.8
Other income (net)						117.5
Income before taxes						2,416.3
Income tax expense						475.2
Net income						1,941.1
Depreciation and amortisation	19.6	-	1.1	0.2	2.4	23.3
Significant non-cash items	2.9	0.9	-	(26.8)	7.3	(15.7)

Geographical revenue and non-current assets are allocated based on the location of the customers.

Information regarding geographical revenue is as follows:

Geography	**Year ended March 31, 2013**	Year ended March 31, 2012	Year ended March 31, 2011
	(In millions of USD)		
Americas (1)	**6,488.1**	5,734.2	4,705.9
Europe (2)	**3,073.3**	2,575.7	2,029.5
India	**898.6**	875.5	753.2
Others	**1,108.4**	985.4	698.2
Total	**11,568.4**	10,170.8	8,186.8

Geographical non-current assets (property, plant and equipment, goodwill, intangible assets, advance income-tax and other non-current assets) are allocated based on the location of the assets. Information regarding geographical non-current assets is as follows:

Geography	**As of March 31, 2013**	As of March 31, 2012
	(In millions of USD)	
Americas (3)	**364.5**	374.7
Europe (4)	**190.2**	191.6
India	**1,919.3**	1,642.4
Others	**143.0**	141.9
Total	**2,617.0**	2,350.6

i. (1) and (3) are substantially related to operations in the United States.

ii. (2) includes revenue from operations in the United Kingdom of $1,975.7 million, $1,551.1 million and $1,266.0 million for the years ended March 31, 2013, 2012 and 2011, respectively.

iii. (4) includes non- current assets from operations in the United Kingdom of $99.1 million and $98.3 million as of March 31, 2013 and 2012, respectively.

Information about major customers:

No single customer represents 10 percent or more of the Group's total revenue in fiscals 2013, 2012 and 2011.

28. Commitments and contingencies

Commitments and contingent liabilities are as follows:

Capital commitments

As of March 31, 2013, $626.9 million was contractually committed for purchase of property, plant and equipment.

Contingencies

Direct tax matters

Refer note 16.

Indirect tax matters

Tata Consultancy Services Limited and its subsidiaries in India have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. As of March 31, 2013, Tata Consultancy Services Limited and its subsidiaries in India have demands from various indirect tax authorities in Indian jurisdiction, which are being contested by the Company and its subsidiaries in India have on appeal amounting to $36.7 million.

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 March 31, 2013, $22.1 million are claims against the Group not acknowledged as debts.

29. Related party transactions

Tata Consultancy Services Limited's principal related parties consist of its holding company Tata Sons Limited and its subsidiaries, its own subsidiaries, affiliates and its key managerial personnel. TCS Limited routinely enters into transactions with its related parties in the ordinary course of business.

Transactions and balances with its own subsidiaries are eliminated on consolidation. TCS Limited's related party balances and transactions are summarised as follows:

Transactions with related parties are as follows:

	Year ended March 31, 2013				
	With Tata Sons Limited	**With subsidiaries of Tata Sons Limited**	**With associates / joint ventures of Tata Sons Limited**	**With other related parties**	**Total**
	(In millions of USD)				
Revenue from sale of services and licenses	**0.1**	**90.3**	**37.5**	**-**	**127.9**
Other income	**-**	**0.1**	**-**	**-**	**0.1**
Interest income	**18.0**	**6.8**	**2.8**	**-**	**27.6**
Purchases of goods and services (including reimbursement)	**0.1**	**66.8**	**36.8**	**-**	**103.7**
Contribution to employees post employment benefit plans	**-**	**-**	**-**	**100.3**	**100.3**
Brand equity contribution	**20.1**	**-**	**-**	**-**	**20.1**
Dividend paid	**661.6**	**0.9**	**-**	**-**	**662.5**
Purchase of property, plant and equipment	**-**	**10.6**	**12.3**	**-**	**22.9**
Inter-corporate deposits placed	**-**	**34.0**	**9.2**	**-**	**43.2**
Inter-corporate deposits realisation	**-**	**51.2**	**9.2**	**-**	**60.4**
Interest expense	**3.5**	**-**	**-**	**-**	**3.5**
Bad debts written off	**-**	**0.1**	**0.2**	**-**	**0.3**
(Write back) / allowances for doubtful accounts receivables and advances (net)	**-**	**-**	**(0.1)**	**-**	**(0.1)**
Rent expense	**0.2**	**0.8**	**0.8**	**-**	**1.8**
Loans and advances recovered	**-**	**0.6**	**-**	**-**	**0.6**
Purchase of investments	**29.4**	**-**	**-**	**-**	**29.4**
Guarantee	**-**	**-**	**0.1**	**-**	**0.1**
Redemption of investment	**61.8**	**0.9**	**-**	**-**	**62.7**

	Year ended March 31, 2012				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	With other related parties	Total
	(In millions of USD)				
Revenue from sale of services and licenses	0.3	98.0	31.1	-	129.4
Other income	-	0.1	-	-	0.1
Interest income	18.2	6.9	2.3	-	27.4
Purchases of goods and services (including reimbursement)	0.3	63.4	31.6	-	95.3
Contribution to employees post employment benefit plans	-	-	-	81.2	81.2
Brand equity contribution	16.3	-	-	-	16.3
Dividend paid	510.5	0.7	0.1	-	511.3
Purchase of property, plant and equipment	-	5.3	12.3	-	17.6
Inter-corporate deposits placed	-	38.5	23.9	-	62.4
Inter-corporate deposits realisation	-	38.5	20.8	-	59.3
Interest expense	2.3	-	-	-	2.3
Bad debts written off	-	0.8	0.1	-	0.9
(Write back) / allowances for doubtful accounts receivables and advances (net)	-	(1.1)	-	-	(1.1)
Rent expense	0.2	0.9	0.3	-	1.4
Loans and advances recovered	-	0.4	-	-	0.4
Redemption of investment	66.2	-	-	-	66.2

	Year ended March 31, 2011				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	With other related parties	Total
	(In millions of USD)				
Revenue from sale of services and licenses	-	87.8	19.8	-	107.6
Other income	-	0.3	-	-	0.3
Interest income	19.6	7.7	2.6	-	29.9
Purchases of goods and services (including reimbursement)	0.4	27.6	33.2	-	61.2
Brand equity contribution	14.7	-	-	-	14.7
Dividend paid	633.1	0.9	0.4	-	634.4
Purchase of property, plant and equipment	-	7.1	13.6	-	20.7
Inter-corporate deposits placed	-	38.2	-	-	38.2
Inter-corporate deposits realisation	-	39.3	7.6	-	46.9
Contribution to employees post employment benefit plans	-	-	-	71.9	71.9
Interest expense	2.4	-	-	-	2.4
Bad debts written off	-	-	0.1	-	0.1
(Write back) / allowances for doubtful accounts receivables and advances (net)	-	(0.5)	0.2	-	(0.3)
Purchase of commercial paper	-	31.5	-	-	31.5
Commercial paper realisation	-	33.2	-	-	33.2
Purchase of available-for-sale Investments	-	-	4.1	-	4.1
Rent expense	0.2	0.7	0.3	-	1.2
Guarantee	-	-	0.2	-	0.2

Balances receivable from related parties are as follows:

	As of March 31, 2013				
	With Tata Sons Limited	**With subsidiaries of Tata Sons Limited**	**With associates / joint ventures of Tata Sons Limited**	**With other related parties**	**Total**
	(In millions of USD)				
Trade receivables and unbilled revenue (net)	**0.1**	**28.3**	**17.8**	**-**	**46.2**
Loans, advances and deposits	**6.9**	**17.8**	**24.7**	**-**	**49.4**
Investments	**163.7**	**36.9**	**41.6**	**-**	**242.2**
Total	**170.7**	**83.0**	**84.1**	**-**	**337.8**

	As of March 31, 2012				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	With other related parties	Total
	(In millions of USD)				
Trade receivables and unbilled revenue (net)	-	23.4	10.2	-	33.6
Loans, advances and deposits	0.6	31.4	25.7	-	57.7
Investments	172.0	42.5	5.1	-	219.6
Total	172.6	97.3	41.0	-	310.9

Balances payable to related parties are as follows:

	As of March 31, 2013				
	With Tata Sons Limited	**With subsidiaries of Tata Sons Limited**	**With associates / joint ventures of Tata Sons Limited**	**With other related parties**	**Total**
	(In millions of USD)				
Trade payables, unearned and deferred revenue	**20.3**	**6.2**	**9.3**	**-**	**35.8**
Mandatorily redeemable preference shares	**18.4**	**-**	**-**	**-**	**18.4**
Interest payable on preference shares	**3.5**	**-**	**-**	**-**	**3.5**
Total	**42.2**	**6.2**	**9.3**	**-**	**57.7**
Guarantees and commitments	**-**	**8.5**	**23.9**	**-**	**32.4**

	As of March 31, 2012				
	With Tata Sons Limited	With subsidiaries of Tata Sons Limited	With associates / joint ventures of Tata Sons Limited	With other related parties	Total
	(In millions of USD)				
Trade payables, unearned and deferred revenue	15.8	5.5	6.7	-	28.0
Mandatorily redeemable preference shares	19.6	-	-	-	19.6
Interest payable on preference shares	2.2	-	-	-	2.2
Total	37.6	5.5	6.7	-	49.8
Guarantees and commitments	-	8.8	20.2	-	29.0

Compensation of key management personnel is as follows:

	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
		(In millions of USD)	
Short-term benefits	**2.9**	2.4	2.2
Post-employment benefits	**0.1**	0.2	0.1
Dividend paid during the year	**0.1**	0.1	0.1
Total	**3.1**	2.7	2.4

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

30. Dividends

The dividends declared by Tata Consultancy Services Limited are in Indian Rupees and are based on the profits available for distribution as reported in the unconsolidated statutory financial statements of Tata Consultancy Services Limited prepared in accordance with Indian GAAP. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2013, 2012 and 2011, income (net of dividend tax) available for distribution were $5,186.3 million (₹282,494.2 million), $4,672.2 million (₹224,665.2 million) and $3,595.5 million (₹163,718.4 million), respectively. Subsequent to March 31, 2013, Tata Consultancy Services Limited has proposed a final dividend of $0.24 (₹13/-) per share in respect of fiscal 2013. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately $468.1 million, inclusive of corporate dividend tax of $79.6 million. Remittance of dividend within India is generally exempt from tax.

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