

TATA CONSULTANCY SERVICES LIMITED

Registered Office : 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021

PART I : Statement of Audited Consolidated Financial Results for the Quarter and Six months ended September 30, 2014

(₹ in Lakhs)

		Quarter ended			Six months ended		Year ended
		Sept 30,	June 30,	Sept 30,	Sept 30,	Sept 30,	March 31,
		2014	2014	2013	2014	2013	2014
1	INCOME FROM OPERATIONS						
	a) Information technology and consultancy services	2335965	2179284	2053323	4515249	3808501	8013984
	b) Sale of equipment and software licenses (Net of excise)	45683	31819	44401	77502	87930	166952
	Total income from operations (net)	2381648	2211103	2097724	4592751	3896431	8180936
2	EXPENSES						
	a) Employee benefits expense	905612	853211	760956	1758823	1457481	2986001
	b) Overseas business expense	339647	328273	291318	667920	541140	1163642
	c) Services rendered by business associates and others	163339	133180	130118	296519	236344	493837
	d) Depreciation and amortisation expense	44921	41749	32787	86670	62502	134915
	e) Other expenses	293010	261184	252037	554194	483759	1022177
	Total expenses	1746529	1617597	1467216	3364126	2781226	5800572
3	PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (1-2)	635119	593506	630508	1228625	1115205	2380364
4	OTHER INCOME (NET) (Refer Note 4)	66263	78715	(2571)	144978	23278	163674
5	PROFIT BEFORE FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (3+4)	701382	672221	627937	1373603	1138483	2544038
6	FINANCE COSTS	6649	867	1267	7516	1942	3852
7	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (5-6)	694733	671354	626670	1366087	1136541	2540186
8	EXCEPTIONAL ITEM (Refer Note 3)	-	48975	-	48975	-	-
9	PROFIT BEFORE TAX (7+8)	694733	720329	626670	1415062	1136541	2540186
10	TAX EXPENSE	163506	159865	159465	323371	282050	606999
11	PROFIT AFTER TAXES BUT BEFORE MINORITY INTEREST (9-10)	531227	560464	467205	1091691	854491	1933187
12	MINORITY INTEREST	6799	3696	3872	10495	7208	16800
13	NET PROFIT FOR THE PERIOD (11-12)	524428	556768	463333	1081196	847283	1916387
14	Paid up equity share capital (Face Value : ₹ 1 per share)	19587	19587	19587	19587	19587	19587
15	Reserves excluding Revaluation Reserves						4899889
16	Basic and diluted earnings per share (in ₹)	26.78	28.42	23.63	55.20	43.20	97.67
17	Dividend per share (par value ₹ 1 each)						
	Interim dividend on equity shares (in ₹)	5.00	45.00	4.00	50.00	8.00	12.00
	Final dividend on equity shares (in ₹)	-	-	-	-	-	20.00
	Total dividend on equity shares (in ₹)	5.00	45.00	4.00	50.00	8.00	32.00
	Total equity dividend percentage	500.00	4500.00	400.00	5000.00	800.00	3200.00
	Dividend on redeemable preference shares (in ₹)						0.29
	Preference dividend percentage						29.00

PART II: Selected Information for the quarter and six months ended September 30, 2014

(A) PARTICULARS OF SHAREHOLDING

	Particulars	Quarter ended			Six months ended		Year ended
		Sept 30,	June 30,	Sept 30,	Sept 30,	Sept 30,	March 31,
		2014	2014	2013	2014	2013	2014
1	Total Public Shareholding						
	- Number of shares	511306869	511306869	509697786	511306869	509697786	511306869
	- Percentage of shareholding	26.10	26.10	26.04	26.10	26.04	26.10
2	Promoters and promoter group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	28673232	32073232	35233232	28673232	35233232	26073232
	- Percentage of shares (as a % of the total equity shareholding of promoter and promoter group)	1.98	2.22	2.43	1.98	2.43	1.80
	- Percentage of shares (as a % of the total equity share capital of the company)	1.46	1.64	1.80	1.46	1.80	1.33
	b) Non-Encumbered						
	- Number of shares	1418747878	1415347878	1412289978	1418747878	1412289978	1421347878
	- Percentage of shares (as a % of the total equity shareholding of promoter and promoter group)	98.02	97.78	97.57	98.02	97.57	98.20
	- Percentage of shares (as a % of the total equity share capital of the company)	72.44	72.26	72.16	72.44	72.16	72.57

(B) Information on investors' complaints for the 3 months ended September 30, 2014

Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining unresolved at the end of the quarter
3	52	55	-

(C) Consolidated Segment Information

(₹ in Lakhs)

	Quarter ended			Six months ended		Year ended
	Sept 30,	June 30,	Sept 30,	Sept 30,	Sept 30,	March 31,
	2014	2014	2013	2014	2013	2014
REVENUE BY INDUSTRY PRACTICE						
Banking, Financial Services and Insurance	961150	921783	904410	1882933	1677208	3511241
Manufacturing	240175	189607	175647	429782	327631	698936
Retail and Consumer Packaged Goods	322087	304261	292533	626348	545952	1130906
Telecom, Media and Entertainment	276822	268696	241632	545518	451875	961374
Others	581414	526756	483502	1108170	893765	1878479
REVENUE FROM OPERATIONS	2381648	2211103	2097724	4592751	3896431	8180936
SEGMENT RESULTS						
Banking, Financial Services and Insurance	283341	277257	300298	560598	535280	1152277
Manufacturing	59063	54389	50291	113452	93492	205115
Retail and Consumer Packaged Goods	89140	90861	101834	180001	174404	367375
Telecom, Media and Entertainment	78776	70197	69886	148973	121927	274856
Others	165817	138643	137827	304460	246530	502896
Total	676137	631347	660136	1307484	1171633	2502519
Unallocable expenses (net)	47667	38708	30895	86375	58370	126007
Operating income	628470	592639	629241	1221109	1113263	2376512
Other income (net)	66263	78715	(2571)	144978	23278	163674
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX	694733	671354	626670	1366087	1136541	2540186
Exceptional Item	-	48975	-	48975	-	-
PROFIT BEFORE TAXES	694733	720329	626670	1415062	1136541	2540186
			As at	As at	As at	As at
			Sept 30,	June 30,	Sept 30,	March 31,
			2014	2014	2013	2014
SEGMENT CAPITAL EMPLOYED						
Banking, Financial Services and Insurance			855644	840238	846600	834364
Manufacturing			239188	213277	185449	199443
Retail and Consumer Packaged Goods			307425	308539	257490	292446
Telecom, Media and Entertainment			334670	321569	291275	297664
Others			761264	732896	731200	700860
			2498191	2416519	2312014	2324777
Unallocable Assets (net)			2455912	2091928	2160019	2665498
Total Capital Employed (net)			4954103	4508447	4472033	4990275

The Group has identified business (industry practice) as its primary segment and geography as its secondary segment.

Business segments comprise (1) banking, financial services and insurance, (2) manufacturing, (3) retail and consumer packaged goods, (4) telecommunication, media and entertainment and (5) others such as energy, resources and utilities, Hi-Tech, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

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(D) Audited Consolidated Statement of Assets and Liabilities as at September 30, 2014

(₹ in Lakhs)

		As at September 30, 2014	As at March 31, 2014
(A)	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	a) Share capital	19587	19587
	b) Reserves and surplus	4826584	4899889
	Shareholders' funds	4846171	4919476
2	Minority interest	107932	70799
3	Non- current liabilities		
	a) Long-term borrowings	14097	12726
	b) Deferred tax liabilities (net)	33358	30880
	c) Other long-term liabilities	78650	74307
	d) Long-term provisions	45721	38559
	Non- current liabilities	171826	156472
4	Current liabilities		
	a) Short- term borrowings	5769	12709
	b) Trade payables	642532	553602
	c) Other current liabilities	388393	362124
	d) Short- term provisions	336492	638596
	Current liabilities	1373186	1567031
	TOTAL - EQUITY AND LIABILITIES	6499115	6713778
(B)	ASSETS		
1	Non- current assets		
	a) Fixed assets	1187783	1044403
	b) Goodwill on consolidation	223515	226878
	c) Non- current investments	16734	227527
	d) Deferred tax assets (net)	51504	42006
	e) Long-term loans and advances	663577	728662
	f) Other non-current assets	57892	154533
	Non- current assets	2201005	2424009
2	Current assets		
	a) Current investments	43489	115847
	b) Inventories	2453	1521
	c) Unbilled revenue	454988	400561
	d) Trade receivables	1990808	1823040
	e) Cash and bank balances	1210143	1444184
	f) Short-term loans and advances	501040	431080
	g) Other current assets	95189	73536
	Current assets	4298110	4289769
	TOTAL- ASSETS	6499115	6713778

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Statement of Audited Financial Results for the Quarter and Six months ended September 30, 2014

(₹ in Lakhs)

	Quarter ended			Six months ended		Year ended
	Sept 30, 2014	June 30, 2014	Sept 30, 2013	Sept 30, 2014	Sept 30, 2013	March 31, 2014
1 INCOME FROM OPERATIONS						
a) Information technology and consultancy services	1804271	1719829	1621459	3524100	3030241	6333283
b) Sale of equipment and software licenses (Net of excise)	36234	24014	39313	60248	78396	134010
Total income from operations (net)	1840505	1743843	1660772	3584348	3108637	6467293
2 EXPENSES						
a) Employee benefits expense	626067	602484	542879	1228551	1068159	2146656
b) Overseas business expense	301524	288436	254483	589960	470241	1014937
c) Services rendered by business associates and others	126223	120524	115977	246747	213287	439842
d) Depreciation and amortisation expense	34071	33526	26174	67597	50298	108055
e) Other expenses	196553	183578	172588	380131	338001	712486
Total expenses	1284438	1228548	1112101	2512986	2139986	4421976
3 PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (1-2)	556067	515295	548671	1071362	968651	2045317
4 OTHER INCOME (NET)	86517	79896	151363	166413	177569	311471
5 PROFIT BEFORE FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (3+4)	642584	595191	700034	1237775	1146220	2356788
6 FINANCE COSTS	5814	373	983	6187	1486	2341
7 PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (5-6)	636770	594818	699051	1231588	1144734	2354447
8 EXCEPTIONAL ITEM	-	52776	-	52776	-	-
9 PROFIT BEFORE TAX (7+8)	636770	647594	699051	1284364	1144734	2354447
10 TAX EXPENSE	137602	137907	138276	275509	237770	506955
11 NET PROFIT FOR THE PERIOD (9-10)	499168	509687	560775	1008855	906964	1847492
12 Reserves excluding Revaluation Reserves						4385601
13 Basic and diluted earnings per share (in ₹)	25.48	26.02	28.60	51.51	46.25	94.15

Select explanatory notes to the statement of Audited Financial Results for the Quarter and Six months ended September 30, 2014.

1. The audited consolidated financial results and the audited financial results of the Company for the quarter and six months ended September 30, 2014 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on October 16, 2014.
2. Other Income (consolidated) for the quarter and six months ended September 30, 2014 includes foreign exchange gain (net) of ₹ 16440 lakhs and a gain (net) of ₹ 40411 lakhs respectively (Previous period: loss (net) of ₹ 37734 lakhs and loss (net) ₹ 48175 lakhs respectively).
3. The Group has revised its policy of providing depreciation on fixed assets effective April 1, 2014. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis for some assets and straight line basis for others. Further the remaining useful life has also been revised wherever appropriate based on an evaluation. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the quarter and six months ended September 30, 2014 is higher by ₹ 4196 lakhs and ₹ 10259 lakhs respectively and the effect relating to the period prior to April 1, 2014 is net credit of ₹ 48975 lakhs (excluding deferred tax of ₹ 11890 lakhs) which has been shown as an 'Exceptional Item' in the statement of profit and loss.
4. The accounting for change in fair value of the time value of options and forwards, which were previously recognised immediately in the statement of profit and loss, was revised in the quarter ended March 31, 2014 retrospectively with effect from April 1, 2013 to be accumulated in hedging reserve, a component of shareholders' funds and is reclassified to statement of profit and loss when the forecast transaction occurs. Had this change in accounting been given effect to in the quarter and six months ended September 30, 2013, other income would have been lower by ₹ 4790 lakhs and higher by ₹ 13468 lakhs respectively.
5. At their respective meetings held on July 17, 2014, the Boards of the Company and of its wholly owned subsidiary, WTI Advanced Technology Limited (WTI) have approved a Scheme of Amalgamation of WTI with the Company. The appointed date for the proposed Scheme is April 1, 2014. Pending sanction of the Hon'ble High Courts and other approvals, no effect has been given in the financial results for the quarter and six months ended September 30, 2014.
6. On July 1, 2014, the Company through its wholly owned subsidiary Tata Consultancy Services Asia Pacific Pte Ltd., acquired a controlling interest (51%) in IT Frontier Corporation (referred to as ITF) from Mitsubishi Corporation in Japan in exchange for a total purchase consideration of USD 57.90 million (₹ 34748 lakhs) consisting of a transfer of 49% ownership interest in Tata Consultancy Services Japan Ltd. to Mitsubishi Corporation and a cash consideration of USD 48.10 million (₹ 28882 lakhs).
7. On September 16, 2014, the Company acquired additional 40 per cent ownership interest in Tata Consultancy Services (Africa) (PTY) Ltd., for a purchase consideration of USD 10 million (₹ 6083 lakhs) from Tata Africa Holdings (SA) Proprietary Limited and thereby making it a wholly owned subsidiary of the Company.
8. During the quarter, Tata Consultancy Services Morocco SARL AU, a wholly owned subsidiary, has been voluntarily liquidated.
9. The Board of Directors at its meeting held on October 16, 2014, has declared an interim dividend of ₹ 5 per equity share.
10. Previous period/year's figures have been regrouped, wherever necessary.

For and on behalf of the Board of Directors

Mumbai

October 16, 2014

N. Chandrasekaran

CEO & Managing Director