

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 Nine months ended December 31, 2014

(₹ in Lakhs)

		Quarter ended			Nine months ended		Year ended
		Dec 31,	Sept 30,	Dec 31,	Dec 31,	Dec 31,	March 31,
		2014	2014	2013	2014	2013	2014
1	INCOME FROM OPERATIONS						
	a) Information technology and consultancy services	2393551	2335965	2091246	6908800	5899747	8013984
	b) Sale of equipment and software licenses (Net of excise)	56563	45683	38150	134065	126080	166952
	Total income from operations (net)	2450114	2381648	2129396	7042865	6025827	8180936
2	EXPENSES						
	a) Employee benefits expense	933598	905612	770372	2692421	2227853	2986001
	b) Overseas business expense	334450	339647	303910	1002370	845050	1163642
	c) Services rendered by business associates and others	168490	163339	127959	465009	364303	493837
	d) Depreciation and amortisation expense	46186	44921	34927	132856	97429	134915
	e) Other expenses	308775	293010	258479	862969	742238	1022177
	Total expenses	1791499	1746529	1495647	5155625	4276873	5800572
3	PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (1-2)	658615	635119	633749	1887240	1748954	2380364
4	OTHER INCOME (NET) (Refer Note 4)	64391	66263	68307	209369	91585	163674
5	PROFIT BEFORE FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (3+4)	723006	701382	702056	2096609	1840539	2544038
6	FINANCE COSTS	1798	6649	705	9314	2647	3852
7	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (5-6)	721208	694733	701351	2087295	1837892	2540186
8	EXCEPTIONAL ITEM (Refer Note 3)	-	-	-	48975	-	-
9	PROFIT BEFORE TAX (7+8)	721208	694733	701351	2136270	1837892	2540186
10	TAX EXPENSE	182374	163506	163620	505745	445670	606999
11	PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST (9-10)	538834	531227	537731	1630525	1392222	1933187
12	MINORITY INTEREST	6079	6799	4388	16574	11596	16800
13	NET PROFIT FOR THE PERIOD (11-12)	532755	524428	533343	1613951	1380626	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 ₹)	27.20	26.78	27.20	82.40	70.40	97.67
17	Dividend per share (par value ₹ 1 each)						
	Interim dividend on equity shares (in ₹)	5.00	5.00	4.00	55.00	12.00	12.00
	Final dividend on equity shares (in ₹)	-	-	-	-	-	20.00
	Total dividend on equity shares (in ₹)	5.00	5.00	4.00	55.00	12.00	32.00
	Total equity dividend percentage	500.00	500.00	400.00	5500.00	1200.00	3200.00
	Dividend on redeemable preference shares (in ₹)	-	-	-	-	-	0.29
	Preference dividend percentage	-	-	-	-	-	29.00

PART II: Selected Information for the quarter and nine months ended December 31, 2014

(A) PARTICULARS OF SHAREHOLDING

	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31,	Sept 30,	Dec 31,	Dec 31,	Dec 31,	March 31,
		2014	2014	2013	2014	2013	2014
1	Total Public Shareholding						
	- Number of shares	511306869	511306869	511286869	511306869	511286869	511306869
	- Percentage of shareholding	26.10	26.10	26.10	26.10	26.10	26.10
2	Promoters and promoter group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	28590000	28673232	26533232	28590000	26533232	26073232
	- Percentage of shares (as a % of the total equity shareholding of promoter and promoter group)	1.98	1.98	1.83	1.98	1.83	1.80
	- Percentage of shares (as a % of the total equity share capital of the company)	1.46	1.46	1.35	1.46	1.35	1.33
	b) Non-Encumbered						
	- Number of shares	1418831110	1418747878	1420907878	1418831110	1420907878	1421347878
	- Percentage of shares (as a % of the total equity shareholding of promoter and promoter group)	98.02	98.02	98.17	98.02	98.17	98.20
	- Percentage of shares (as a % of the total equity share capital of the company)	72.44	72.44	72.55	72.44	72.55	72.57

(B) Information on investors' complaints for the 3 months ended December 31, 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
-	36	35	1

(C) Consolidated Segment Information

(₹ in Lakhs)

	Quarter ended			Nine months ended		Year ended	
	Dec 31,	Sept 30,	Dec 31,	Dec 31,	Dec 31,	March 31,	
	2014	2014	2013	2014	2013	2014	
REVENUE BY INDUSTRY PRACTICE							
Banking, Financial Services and Insurance	991149	961150	909122	2874082	2586330	3511241	
Manufacturing	246429	240175	186413	676211	514044	698936	
Retail and Consumer Packaged Goods	327494	322087	293553	953842	839505	1130906	
Telecom, Media and Entertainment	285315	276822	253932	830833	705807	961374	
Others	599727	581414	486376	1707897	1380141	1878479	
REVENUE FROM OPERATIONS	2450114	2381648	2129396	7042865	6025827	8180936	
SEGMENT RESULTS							
Banking, Financial Services and Insurance	305158	283341	301247	865756	836527	1152277	
Manufacturing	63426	59063	53962	176878	147454	205115	
Retail and Consumer Packaged Goods	92565	89140	97692	272566	272096	367375	
Telecom, Media and Entertainment	86167	78776	77530	235140	199457	274856	
Others	153495	165817	134935	457955	381465	502896	
Total	700811	676137	665366	2008295	1836999	2502519	
Unallocable expenses (net)	43994	47667	32322	130369	90692	126007	
Operating income	656817	628470	633044	1877926	1746307	2376512	
Other income (net)	64391	66263	68307	209369	91585	163674	
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX	721208	694733	701351	2087295	1837892	2540186	
Exceptional Item	-	-	-	48975	-	-	
PROFIT BEFORE TAX	721208	694733	701351	2136270	1837892	2540186	
				As at Dec 31,	As at Sept 30,	As at Dec 31,	As at March 31,
				2014	2014	2013	2014
SEGMENT CAPITAL EMPLOYED							
Banking, Financial Services and Insurance			820475	855644	795135	834364	
Manufacturing			244025	239188	186970	199443	
Retail and Consumer Packaged Goods			320246	307425	277288	292446	
Telecom, Media and Entertainment			327875	334670	302772	297664	
Others			791357	761264	731664	700860	
			2503978	2498191	2293829	2324777	
Unallocable Assets (net)			2890009	2455912	2642363	2665498	
Total Capital Employed (net)			5393987	4954103	4936192	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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Registered Office : 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021

Statement of Audited Financial Results for the Quarter and Nine months ended December 31, 2014

(₹ in Lakhs)

		Quarter ended			Nine months ended		Year ended
		Dec 31, 2014	Sept 30, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	March 31, 2014
1	INCOME FROM OPERATIONS						
	a) Information technology and consultancy services	1851240	1804271	1642670	5375340	4672911	6333283
	b) Sale of equipment and software licenses (Net of excise)	42395	36234	26595	102643	104991	134010
	Total income from operations (net)	1893635	1840505	1669265	5477983	4777902	6467293
2	EXPENSES						
	a) Employee benefits expense	644038	626067	543093	1872589	1611252	2146656
	b) Overseas business expense	295416	301524	265218	885376	735459	1014937
	c) Services rendered by business associates and others	131412	126223	111658	378159	324945	439842
	d) Depreciation and amortisation expense	35051	34071	28036	102648	78334	108055
	e) Other expenses	208647	196553	171377	588778	509378	712486
	Total expenses	1314564	1284438	1119382	3827550	3259368	4421976
3	PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (1-2)	579071	556067	549883	1650433	1518534	2045317
4	OTHER INCOME (NET)	150316	86517	65313	316729	242882	311471
5	PROFIT BEFORE FINANCE COSTS, EXCEPTIONAL ITEM AND TAX (3+4)	729387	642584	615196	1967162	1761416	2356788
6	FINANCE COSTS	1254	5814	400	7441	1886	2341
7	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (5-6)	728133	636770	614796	1959721	1759530	2354447
8	EXCEPTIONAL ITEM	-	-	-	52776	-	-
9	PROFIT BEFORE TAX (7+8)	728133	636770	614796	2012497	1759530	2354447
10	TAX EXPENSE	157018	137602	137120	432527	374890	506955
11	NET PROFIT FOR THE PERIOD (9-10)	571115	499168	477676	1579970	1384640	1847492
12	Reserves excluding Revaluation Reserves						4385601
13	Basic and diluted earnings per share (in ₹)	29.16	25.48	24.36	80.66	70.61	94.15

Select explanatory notes to the statement of Audited Financial Results for the Quarter and Nine months ended December 31, 2014.

1. The audited consolidated financial results and the audited financial results of the Company for the quarter and nine months ended December 31, 2014 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 15, 2015.
2. Other Income (consolidated) for the quarter and nine months ended December 31, 2014 include foreign exchange gain of ₹ 24146 lakhs and a gain of ₹ 64557 lakhs respectively (Previous period: gain of ₹ 29489 lakhs and loss of ₹ 18686 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 nine months ended December 31, 2014 is higher by ₹ 2901 lakhs and ₹ 13160 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 nine months ended December 31, 2013, other income would have been lower by ₹ 13438 lakhs and higher by ₹ 30 lakhs respectively.
5. At their respective meetings held on October 16, 2014 the Boards of the Company and of its subsidiary, CMC Limited have approved a Scheme of Amalgamation (Scheme) of CMC Limited with the Company. The appointed date for the proposed Scheme is April 1, 2015. The Scheme is subject to sanction of the Hon'ble High Courts and all other statutory approvals as may be required under law. As per the Scheme, shareholders of CMC Limited will receive 79 equity shares of ₹1 each of TCS for 100 equity shares of ₹10 each of CMC Limited.
6. The Board of Directors at its meeting held on January 15, 2015, has declared an interim dividend of ₹ 5 per equity share.
7. Previous period/year's figures have been regrouped, wherever necessary.

For and on behalf of the Board of Directors

Mumbai

January 15, 2015

N. Chandrasekaran

CEO & Managing Director