

**ANNUAL REPORT 2007-08**



**YEARS OF LEADERSHIP**

### **TCS Siruseri, Chennai**

*This campus will be the single largest of its kind in Asia, coming up in Chennai and would showcase the technical and engineering capabilities of TCS. This facility will accommodate over 22,000 IT Professionals in a built-up area of 5 million sq.ft.*







### **TCS Banyan Park, Mumbai**

*This site originally housed a chemical factory and was bought by TCS in 2002. It now has 1,400 trees in its 22-acre spread. Every tree in the campus has been mapped. The campus is divided into five zones and subdivided into endemic (these cannot be disturbed) and exotic (these can be transplanted) areas. Wooden signposts provide information on Banyan Park's bio-diversity. TCS has mapped a 'nature trail' that highlights the wildlife found in Banyan Park. This includes 51 species of butterflies, around 2,500 bats and 44 kinds of birds, which amounts to about 14 per cent of the bird species found in Mumbai.*

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*The Annual General Meeting will be held on Tuesday, July 1, 2008, at Birla Matushri Sabhagar, Sir V. T. Marg, Mumbai, at 3.30 p.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.*

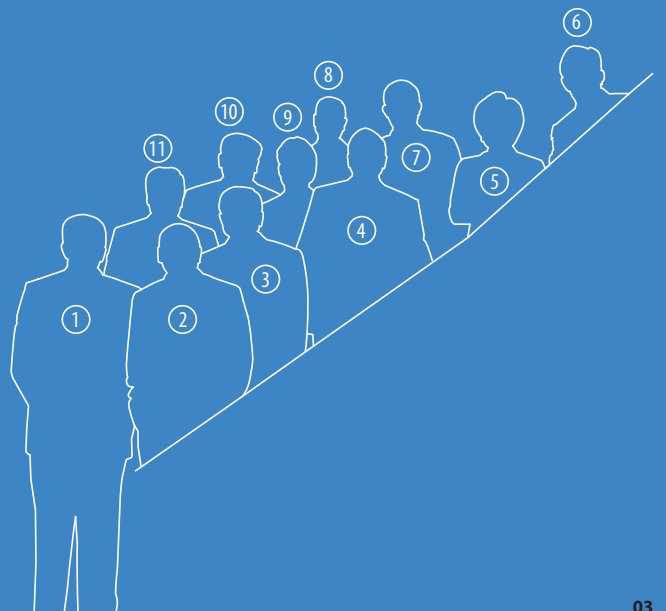






## Board of Directors

- 11 R N Tata**  
Chairman
- 8 A Mehta**  
Independent Director
- 10 N Chandra**  
Independent Director
- 6 V Thyagarajan**  
Independent Director
- 1 C M Christensen**  
Independent Director
- 5 Laura Cha**  
Independent Director
- 9 Ron Sommer**  
Independent Director
- 2 S Ramadorai**  
Chief Executive Officer and Managing Director
- 3 N Chandrasekaran**  
Chief Operating Officer and Executive Director
- 4 S Mahalingam**  
Chief Financial Officer and Executive Director
- 7 P A Vandrevale**  
Executive Director and Head, Global Corporate Affairs









## Our Leadership Team

(Standing - Left to Right)

**S Mahalingam**

Chief Financial Officer and Executive Director

**A Mukherjee**

VP and Head, Global Human Resources

**P A Vandrevala**

Executive Director and Head, Global Corporate Affairs

(Sitting - Left to Right)

**S Ramadorai**

Chief Executive Officer and Managing Director

**N Chandrasekaran**

Chief Operating Officer and Executive Director



**S Ramadorai**

Chief Executive Officer and Managing Director

## Letter from CEO

*Dear Shareholders,*

I am pleased to report that your Company continues to perform on a sustained basis and it has been able to demonstrate its robust business model with strong, satisfactory results for the year 2007-08. During this period, your Company's consolidated revenues have grown by 22% to Rs 22,863 crore or US\$ 5.7 billion. We have, therefore, added Rs.4,178 crore to our revenues during 2007-08. Your Company's Board of Directors has also recommended a final dividend of Rs 5, thereby taking the total proposed dividend of the year to Rs 14 per share.

Your Company's consolidated profits were at Rs 5,026 crore or US\$ 1.25 billion, a growth of 19.3 %, and this performance came against the backdrop of the Indian Rupee's rapid appreciation by 11 % against the US dollar during FY08. Despite this, your Company has maintained its profitability with net margins stable at around 22 %.

A slowing of the US economy in 2007-08, led by the banking and financial services sector, has made the IT industry more circumspect about growth in demand in the short term. Your Company has demonstrated its leadership under challenging circumstances again. A nimble organisation, an agile structure and long-term investments in market and domain diversification has helped TCS emerge stronger and more focused in a dynamic business context. This ability to think ahead of its time has been the hallmark of TCS from the time your Company began operations 40 years ago in 1968.

The decision of the Tata Group to set up TCS was indeed visionary, as we all now know, it led to the creation of the IT industry in India. Your Company was led for a substantial period of its history by F.C.Kohli, who not only laid the foundations for this industry, but also infused your Company with its core strengths. Your Company has benefited immensely by the support it enjoyed from great Tata group visionaries like JRD Tata and Nani Palkhivala and later, Ratan Tata. Their guidance was the key reason that your Company was able to build a reputation for India's technology skills single-handedly during the first two decades of its existence, thereby paving the way for the rest of the industry to follow. Today, corporate governance standards at TCS continue to be of the highest level with a Board of Directors comprising of eminent Indian and global business and academic leaders with a wide range of experience and expertise.

TCS and the Tata group have always invested with a keen eye on the long-term. Initiatives like the launch of the Tata Research, Design and Development Centre in Pune in 1981 was the first attempt by the Indian private sector to spur innovation in the software sector on a broad-based framework. Today, that centre is part of a network of 20 Innovation Labs across the world that works in collaboration with partners in academia, start-up companies, and technology product firms co-innovating for customers. This early adoption of various forms of technology and its ability to remain technologically agnostic has helped today's TCS have an unmatched expertise in a range of technologies from mainframes to PDAs, embedded systems to electronics and Cobol to Java. Your Company can tune the core banking engine for a bank and tweak the Formula 1 engine for a racing car, without missing a beat.

Your Company has also been a pioneer when it comes to opening up new markets and geographies or introducing new business models. These investments in new growth markets which have been made since 2002-03, can act as a bulwark against global economic headwinds. The investments your Company has made in new growth markets like India, Asia-Pacific, Latin America and now Middle East and Africa since 2002 are attaining scale, size and a meaningful presence with revenues crossing US\$1.1 billion and growing at over 40 % in the year under review. Major markets also continue to grow: North America remains our biggest market, while others like United Kingdom and Europe have crossed the one billion dollar and 500 million dollar mark respectively. The fast growing presence in multiple markets is important for your Company to ensure diversification of its revenue base and continue to sustain its growth momentum.





#### **TCS House, Mumbai**

*A silent witness to Mumbai's historic commercial development, TCS House stands proudly in the tree-lined avenue of Mumbai's commercial district since 1922. This essence of history is now at the core of the heritage building that is the corporate headquarters of Tata Consultancy Services.*

*Within the original stone shell, walls of glass not only bring down barriers between the past and the future but among people too, encouraging seamless collaboration. Providing arresting views of surrounding areas as well as a 360 degree pictorial history of the city that impatiently surges ahead and never sleeps.*

From a business perspective, your Company's strong core business of application development and maintenance continues to grow. Revenue from new growth services like BPO, Assurance, Infrastructure Services and Consulting was up 52% to US\$ 1.1 billion in 2007-08, indicating a strong market acceptance of our full-services play. To enter new customer segments, like the small and medium business sector in India initially, your Company has launched a new strategic business unit that is offering "IT as a service" to smaller enterprises – creating a one-stop shop for all their technology needs. We believe that such initiatives can be replicated, once they are mature, into multiple global markets.

When it comes to people, TCS has always been at the forefront with the highest retention rates in the industry. The Company's human capital development initiatives start from programmes to raise the level of the scientific education on campus by developing and mentoring teachers and students and providing experiential facilities through labs and internships on an ongoing basis. Our most recent initiative, Ignite, that transforms science graduates into software professionals through a 7-month training programme, is yet another example of how we continue to innovate and invest in building talent. Having evolved through 2007-08, we are scaling it up and have made over 4,000 offers to science graduates to join us next year.

The immense talent, professionalism, dedication and support of over 108,000 TCSers, including over 10,000 TCSers of foreign nationality, continues to be your Company's greatest asset. This dynamic population with an average age of 27 is helping chart your Company's future progress path not only in terms of its business but also in its impact on the communities we live and work in. Volunteering under the "TCS Maitree" umbrella is thriving in your Company. Children, schools, colleges, even entire villages are being positively impacted by TCS volunteers who have spent over 100,000 man hours working on education, health and environment issues. These are some initiatives that make your Company a preferred employer because of the "work-life" balance it offers.

Your Company's commitment to the environment and conservation aims to minimise waste generation from business operations through renewable and recycling initiatives that include building 'green' facilities, rainwater harvesting and recycling IT hardware among others. Being a global organisation, TCS needs to adopt initiatives that are standard throughout the globe. It is working towards achieving ISO 14001:2004 certification in all its Delivery Centres in India.

TCS continues to invest in high quality, eco-friendly infrastructure and is bringing the IT revolution to new, smaller cities like Bhubaneswar, Ahmedabad, Cochin, and Coimbatore in India, thereby providing more opportunities for India's skilled, young professionals and creating the conditions for further direct and indirect employment creation.

TCS has led the industry for 40 years and continues to be an engine of growth because of its ability to reinvent the organisation. Given the secular long-term growth trend forecast for this industry, your Company is building a customer centric organisation that is agile and poised to take advantage of opportunities across markets. We are building depth in our domain-based approach and are investing in people and technology to attain the global scale required for large end-to-end engagements implemented across multiple markets and countries. This is what has given your Company its rightful place among the top technology companies globally.

With regards,

**S Ramadorai,**

Chief Executive Officer and Managing Director



**S Mahalingam**

Chief Financial Officer and Executive Director

## Building a Multi-dimensional Finance Function

Running a large corporation with operations spread over many parts of the world brings with it a number of unique challenges – and the financial dimension is a very critical one.

As TCS has grown exponentially over the last four decades, the scope of the finance function within the Company has enlarged considerably. As a consultant who has been with the Company since 1970, I have had a ring-side seat – managing projects, country operations and global delivery centres - on the journey which has seen this Company emerge as a global leader by creating disruptions in the way a variety of IT and IT-enabled services can be delivered to global customers from multiple off-shore locations.

A key portion of the finance function is strategic and focused on the long-term prudent financial management and readiness to enable the Company to invest for growth on an on-going basis.

A global organisation requires the right kind of structure in each geography and TCS operates through branches and multiple levels of subsidiaries all over the world. This Company not only has selling operations in over 50 countries, but wherever it makes economic sense, we have built large Delivery Centres as well, outside India. In this Global Network Delivery Model (GNDM™), clients are served from the most suitable locations. We ensure that these new centres operate at the same level of efficiency as the more mature centres in India and the performance measurement systems translate quantitative factors impacting project performance into financial outcomes. These measurement and control systems are standardised across the world. Global operations also result in a large number of inter-unit transactions. Such a configuration requires well established transfer pricing model and in line with the best practice followed by some of the multinationals, transfer pricing documentation has been centralised in India.

Similarly, another topic of utmost importance for the Company is compliance with multiple tax jurisdictions as a result of the Company operating in multiple geographies. So far, India has provided the maximum tax benefits. Therefore, there has been bias in favour of India when it comes to carrying out most of the project operations. However, we have balanced this preference with what is best for the customer. At the same time, we have exercised considerable care in the choice of location and size of each of these centres. Therefore, most of our global delivery centres have cost and tax structures which are not very different from those of India. The taxation department at the Corporate Headquarters provides the right set of guidelines after an expert survey, for which we use internationally reputed consultants.

Another arena where this Company has clearly been the leader has been in the realm of foreign exchange management, where we have hedged our exposure to multiple currencies during a highly volatile period. We have managed through developing clear policies and we have an active Risk Management Board. We have defined our objectives clearly – that of protecting the currency exchange rates at the level we budgeted. We rely on simple structures and we budget the premium expenses in our business plan. We take views, we build up our positions gradually and we attempt to minimize our costs – without resorting to “exotic” structures. The gains from foreign exchange management have been evident in the financial results for FY08 when the Indian Rupee appreciated by 11 %. We also need to present results in a manner which does not result in volatility.





#### **Peepul Park, Thiruvananthapuram**

*Peepul Park is the heart of all people development and learning in TCS. This facility, set up in a sprawling 12 acre facility, has also been constructed in the traditional Kerala style architecture. The ILP Learning Block, a state-of-the-art facility, boasts of 25 classrooms, four labs and three majestic auditoriums. 24/7 lab facilities and an impressive library further add to the learning atmosphere of the location.*

*The LDI block hosts in-house training programs for senior TCS associates including senior management. Regular programs like the Management Development Programme (MDP), Ambassador Corps (a four-week residential programme designed exclusively for experienced TCS associates) and Strategic Thinking and Renewal (STAR) are held here annually.*

We have been following the Cash Flow Hedging principles and providing the requisite level of documentation to satisfy the rigorous needs of US GAAP standards. This is in line with Accounting Standard 30 recently introduced by the Institute of Chartered Accountants of India.

In India, the imminent withdrawal of the tax incentives under the Software Technology Park of India (STPI) scheme after March, 2010 also necessitates forward planning. In this regard, the Company has embarked on a plan to build new capacity in Special Economic Zones – some of these zones are owned by the Company while other facilities are being taken on long-term leases. At present, STPI facilities constitute 67 % of our total capacity while SEZs contribute 23%. By end of March, 2010, the ratio of SEZ facilities is expected to grow to about 50 % of total capacity.

This investment in future infrastructure is a key part of the strategic planning exercise undertaken annually with a sharp focus on cost effectiveness. As the need for space grows, there is a need to complete infrastructure projects faster as well as realise cost savings. To enable this, we have outsourced the development and management of new campuses. This helps us concentrate on core business and also release funds which otherwise would be locked up in physical infrastructure.

Given the backdrop of complexities arising out of global operations, TCS has been an exciting place for finance professionals to build a career with clearly delineated strategic and tactical aspects of the job that provides them not only experience in situations that have an immediate impact on the Company but also invest their time to learn emerging issues. For instance, the ICAI has announced that with effect from April 1, 2011, the Indian GAAP would converge into International Financial Regulation Standards (IFRS). To ensure that it is ready to meet this deadline, TCS is already preparing itself for the substantial changes this will bring to the reporting of financial statements and finance professionals are being given special training to handle this switchover. In order to develop our professionals, we have actively followed the practice of rotating them across different global locations as well as across different areas of financial operation.

When it comes to Corporate Governance, including compliance with Clause 49 of the Listing Agreement, the Company has once again taken the lead. Its Board of eleven Directors includes six Independent Directors with varied expertise and global experience. While there are eight Board Meetings in a year to drive discussion on operations and strategy, TCS also ensures that the Directors interact with the senior leadership team in informal meetings. Multiple committees, both mandatory and non mandatory, have been instituted, with the intention of learning from global best practices in the area of Corporate Governance. We firmly believe that the reporting practices should ensure transparency and fairness, while at the same time sticking to our stand on not giving guidance, but ensuring that we disclose all factors impacting our environment and our operations. We want constant improvement to be the goal.

In 40 years of its existence, TCS has always led the industry – intellectually and operationally. In the realm of prudent financial management, we have and will continue to be the benchmark for others to follow.



## N Chandrasekaran

Chief Operating Officer and Executive Director

# Driving the IT Industry on the Front-Foot

The history of TCS has been a story of firsts. It was the first company to convince customers that doing projects from India, thousands of miles away from their home bases in the United States and United Kingdom made for a compelling value proposition. The business model was built around an India-centric delivery model complemented by having people based at customer sites to ensure seamless delivery of services.

As customers expanded globally, TCS built the capability to leverage its core process and delivery strengths and proactively set up operations across the globe. Specifically, it entered into markets like Europe, Asia Pacific, Latin America as well as Middle East and Africa. It has also created a Global Network Delivery Model (GNDM™) which links Mumbai to Montevideo and Hangzhou to Hyderabad, and delivers a single service standard globally.

The GNDM™ has once again helped TCS become the pioneer in global software development and delivery. It is a unique differentiator for TCS when compared to the traditional global IT service companies. While traditional IT players had always worked in physical proximity of the customer, the GNDM™ allowed the Company to build and test solutions at different remote facilities and put them together before delivering the final solution to the customer. The newest additions to this model have been new centres in Morocco, Mexico and Cincinnati, Ohio.

The second driver of this disruption has been the constant eye on process centricity from the early days. This greater focus on process discipline – TCS was assessed enterprise-wide at CMMI Level 5 in 2007 again - allowed the Company to scale while maintaining high quality levels. Leveraging its core competence and deploying this globally gave the Company the confidence to replicate it at the same high quality regardless of the location or scale.

Since 2002, TCS started a new phase of market expansion by entering new growth markets like Latin America, China, Middle East and Africa as the Company perceived a significant gap in the market place for high quality services. The Company started engaging with regional and national champions in these markets, many of whom have since emerged as our key customers in these newer geographies as well as globally as they have expanded into other major markets. Taken together, these new growth markets (including India) account for over a billion dollars in revenues at the end of 2007-08 and are growing at over 40 per cent annually.

What is also helping the Company's growth across markets is our full-services suite of offerings. There is growing demand for core IT services like application development and maintenance as well as new service lines like BPO, Infrastructure, Assurance and Consulting. The new services touched US\$ 1.1 billion in 2007-08 and are growing at over 52 %. This trend can also be seen from twenty large (US\$ 50 million-plus) deals that were closed during the year. The resource ramp up for these engagements will provide strong momentum for growth in the coming quarters.





**Jamsetji Tata Building, Montevideo, Uruguay**  
*TCS Global Delivery Centre.*

*Pioneering Indian IT's expansion into Latin America, TCS set up a global delivery centre in Montevideo in 2002. Today, the centre has over 1500 multilingual professionals and has been assessed at CMMi Level 5. With Global Test Centre capabilities, the Uruguay GDC now serves over 30 global and regional customers as part of the Global Network Delivery Model™. In 2007-08, TCS set up its regional training centre in Uruguay as well making it the learning and development hub for the region.*

The Company's growth strategy continues to be built around growing key customer accounts by leveraging its full services play and the GNDM™. As a result of this strategy, which has been accepted, validated and adopted by our customer base, key customer accounts have grown faster than the Company average in 2007-08.

It is also heartening to note that the number of new customers added increased to 212 during 2007-08. TCS continued to deepen the relationship with all its key customers which resulted in them moving to higher revenue bands across the spectrum. While the number of US\$ one million customers increased to 358 from 297 a year ago, the number of customers yielding more than US\$ 100 million annually increased to seven from three in 2006-07.

We believe that the significant wins during the last few quarters and a healthy deal pipeline will drive our growth next year. In addition to the major markets, we are also well positioned for growth in emerging markets like Asia-Pacific, India, Middle-East and Latin America.

Despite an ever-increasing base, TCS remains in a position to maintain good profit margins and healthy revenue growth rates. To ensure momentum and sustainability, the Company has decided to create a new operating structure that is more suited to handling the Company's size with US\$ 5.7 billion in revenues and over 108,000 people.

The new structure provides a strong focus on customer centricity. The new units, which are based around customers or industry domains in the major markets, have been given the independence to run like small nimble companies with their own profit and revenue targets. The new structure also allows us to focus on new strategic initiatives like products and new business models for customer segments like small and medium businesses.

TCS has embarked upon a journey to transform itself into a truly global company which delivers one service standard to customers, regardless of where they are based, from multiple locations worldwide. The new organisation structure is a means to ensure that TCS can always live upto the promises it makes and help customers experience a level of certainty no other Company can provide.



**A Mukherjee**

VP and Head, Global Human Resources

## Leadership in Talent Transformation

Without much fanfare, TCS sailed past a milestone in 2007-08 when the total employee strength crossed the 100,000 mark. To reach the landmark, your Company hired, trained, inducted, deployed and integrated over 35,000 skilled professionals during the year – the second consecutive year in which it hired over 32,000 people. This kind of scale is vastly different from 40 years ago, when TCS began its journey in 1968. It took TCS three decades to reach the 10,000 employee mark but rapid growth on an increasing base and global expansion during the last 10 years has witnessed a ten-fold increase in people. Over the last two financial years, the Company's employee base has more than doubled from 50,000 to over 108,000 professionals.

But though the number hired every year has risen swiftly, your Company continues to focus on nurturing talent as well as enhancing its people's skill and capabilities, building new leaders and making continuous learning a way of life in the Company. Your Company continues to be the employer of choice and boasts of the highest employee retention rate in the IT industry based on a relationship of trust and care with its people.

The Tata group's historical leadership in all forms of people development provided a backdrop and an ethical framework for TCS as it embarked on its own program of creating a eco-system for technology talent by working closely with academic institutions and scientific bodies, initially in India and subsequently globally. Last year, over 480 institutes benefited from our Academic Interface Program which provides a regular interface and platform to collaborate on bridging the corporate-campus gap.

Over time, TCS has also helped increase the talent pool for IT. Our holistic and objective accreditation process has helped improve the quality of education in colleges across the country and given the industry access to a vast talent pool beyond Tier I cities. This has successfully helped the Company tap talent from Tier II and III cities which accounts for over 50% of our talent acquisition needs today.

To groom tomorrow's leaders, your Company established a corporate learning academy – the first of its kind in the industry – in Thiruvananthapuram in 1997. Today, TCS has created a scalable training model that allows us to replicate our training programs at other centres in India as well as in US, China, Hungary and Uruguay.

To make a dispersed, global organization like TCS leverage its immense pool of intellect, the Company set up a single borderless network. This intranet helps track deployment, performance and competency development of employees globally and is a medium for two-way communication, collaboration and sharing based on one corporate culture.

Your Company's people are its key strength and one of its key differentiators. As we move forward to the next phase of growth, your Company will continue to ensure excellence in developing tomorrow's talent today.





**P A Vandrevala**

Executive Director and Head, Global Corporate Affairs

## Evolution of the TCS Brand

TCS has always taken a brand position that will not only help the organisation, but will also benefit India and the IT industry. As a pioneer and a market leader, the Company has sought to propagate the wider story of the Indian IT services industry for the last 40 years. In the 70s and 80s, this brand represented a new force in the IT business, a company that was pioneering new disruptive methods of meeting technology needs. By the 90s, it was India's brand that TCS carried on its shoulders, spreading the mantra of India as a base for the required skills and knowledge, as it worked with large global corporations and entered more new markets. Even today, TCS is the sole flag bearer for brand India and the Tata brand in many countries around the world.

The latest phase of evolution of this Company's brand identity began with the creation of a new brand promise and the resulting launch of the "Experience certainty" campaign in the last quarter of 2006-07. An implicit promise remains to provide a level of certainty and excellence to our customers, that no other IT company can match. This premise of certainty, is not based on some boardroom and cafeteria anecdotes but is a notion backed by data and enthusiastically endorsed by our customers across the world.

The advertising campaign that accompanied the new launch was seen in major media outlets in India and major markets like the United States, United Kingdom and Europe and resonated strongly among all stakeholders including customers, investors and employees. This has been supported by new branding collateral including a redesigned [www.tcs.com](http://www.tcs.com) which hosts the certainty success stories of many customers, original research on the impact of certainty on business globally and thought leadership articles and blogs about using technology and innovation to drive business results.

For a large, globally dispersed organisation like TCS, the brand identity in all its forms is becoming a point of reference for all my 108,000-plus colleagues in this Company. The visual aspect of the brand, which is being established at facilities, gives employees a feel of a common culture and identity regardless of whether they are working in Chennai, Chile or China. The brand, therefore, is emerging as a key medium for conveying the Company's mission, vision and values and immersing all of us in TCS into one corporate identity. The Company's efforts in establishing the TCS brand will undertake even greater importance as we increase our global footprint to beyond 50 countries with delivery centres in new growth markets like Morocco and Mexico as well as others like Cincinnati (Ohio, USA) and Dusseldorf (Germany) and spread our operations to new smaller cities in India like Bhubaneswar, Cochin, and Pune.

The positive impact on our large number of employees can already be seen, globally. TCSers have embraced the new brand philosophy of the organisation and have used it to help their stakeholders experience certainty in interactions with the Company. Through video contests and mass medium awareness building, we are using the brand to bind us together as an organisation.

The global brand campaign has been refreshed and will once again carry evidence of the faith that our clients have in our work – clients such as Cummins, Alcoa, Woolworths and the State Bank of India. We conduct our business in order to add value to our client's business and some of these cases have been brought to life in our external communication.

TCS continues to focus on its brand through other medium like reaching out to influencers in different markets, be they in academia, advisory services, think-tanks, governments or the media as it emerges as one of the key global players in the IT industry. In the process, it is doing what it has always done: display leadership and promote change.

# 40

## YEARS OF LEADERSHIP

Great things happen from small beginnings and in 1968, the formation of Tata Consultancy Services signalled the start of India's technology revolution. During the next few decades, TCS cleared the forest for others to follow, effectively creating the Indian IT services industry brand and transforming the country's image from that of snake charmers and elephants to one of cutting-edge technology, skilled professionals and a global outlook.

TCS began the revolution by importing IBM mainframe computers into India, winning and executing assignments for corporations in the US and UK, thereby creating the biggest



TCS begins  
operations

1968

First international  
assignment

1971

First mainframe  
computer

1974

Tata Research  
Development &  
Design Centre, Pune

1981

Tandem centre

1985

2000

TCS Calcutta,  
Bangalore,  
Lucknow,  
Hyderabad, GEDC,  
Ambattur and  
Ahmedabad centres  
certified at SEI-CMM  
Level 5

2001

TCS completes  
acquisition of public  
sector unit, CMC

2002

Expansion into new  
growth markets like  
China/Uruguay

2003

TCS becomes first  
Indian IT company  
to cross \$ 1 billion in  
revenue

2004

TCS IPO – India's  
largest private  
sector public issue  
of shares




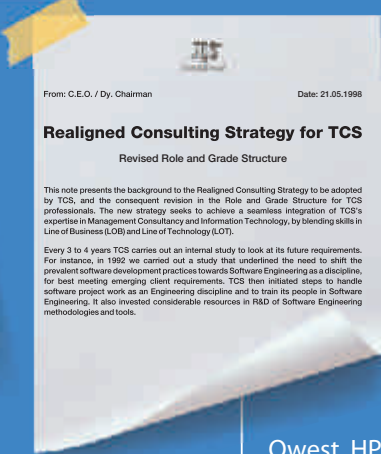



disruption in the industry by introducing the off-shore model of software development. To build the industry, the Company invested to create an eco-system with academic institutions to ensure that we nurture technical talent to global standards and established a software engineering research centre in 1981.

Having established the India advantage globally, TCS focussed on expanding its global presence and service offering capabilities. The Company expanded its sales and delivery footprint in India and across continents by setting up centres in Hungary, China, Uruguay, Brazil and Japan. TCS was restructured into a domain-led organisation in 1998 to create further compelling

value proposition for customers by distilling our business domain expertise and evolving the capabilities for end-to-end solutions and asset leveraged solutions, backed by organisation-wide uniform quality processes.

The Company, which became the first Billion Dollar Indian IT services company in 2003, is now focussed on enhancing its profile and visibility globally, and is expanding and consolidating its leadership position in major markets as well as new growth markets.

	 TCS' first big international capital markets project for the Switzerland depository (SEGA) goes live	 New corporate training facility opened at Thiruvananthapuram	 TCS starts verticalisation of business	Qwest, HP, SEEPZ & Sholinganallur centres assessed at SEI-CMM Level 5
1988	1993	1997	1998	1999
Acquisition of FNS in Australia and Comicro in Chile; Merger of Tata Infotech and TCS; Launch of Chinese JV	Launch of Ignite. TCS unveils unique programme to transform science graduates into software professionals	Launch of Experience certainty. India's first global marketing campaign from the private sector; TCS emerges as the Largest Private sector employer with over 100,000 employees.	Crosses US \$ 1.25 billion in profits	
2005	2006	2007	2008	





*Far left: Students at the science lab during the inauguration of the new school block at Waze Secondary School, Panvel (near Mumbai).*

*Wooden signposts highlighting the bio-diversity at TCS Banyan Park, Mumbai.*

## Corporate Sustainability

### Volunteers make the difference!

Just off the Mumbai-Pune Highway near Panvel, lies the village of Wazapur in the Raigad district of Maharashtra. This village has been transformed by the time and effort of hundreds of volunteers from TCS who have worked under the "TCS Maitree" banner. These volunteers have travelled and invested time over the past three years to help sustain, holistic development based on partnerships. A sustainable model has been built to improve education, healthcare and the environment in the area.

What started as a children's education program in Vaze, now reaches more than 600 students from multiple villages in the area. Apart from meeting the need of primary and secondary school students, the mid-day meal scheme has been extended to the Balwadi kids. A computer literacy program was launched in 2006 and more than 450 children from seven surrounding villages have benefited from the computer lab set up by TCS. This year, a course in computer programming will start for the secondary school kids. During 2007-08, TCS volunteers built a state-of-the-art Science Lab which will be of immense benefit to children. All these have been built with an eye on renewable energy, with the school labs now powered by uninterrupted solar power.

It's not only the children who have benefitted from TCS' involvement. More than 25 women from three villages in the area have been trained in embroidery, stitching and other textile craftwork over the last one year with help from the Women's India Trust. A new Gram Vikas Abhiyaan Kendra was recently inaugurated to facilitate income generation for the women.

The TCS family has also made strides in health education, conducting HIV+ sensitisation clinics as well as health check-up camps for the villagers and school children.

The villages in the area are also embracing environment-friendly initiatives like rain water harvesting, deepening wells, building check dams to store rain water and digging bore wells, where required, to provide water. These measures have helped more than 2,000 villagers in the area.

Throughout India and the world, more than 10,000 TCS volunteers spent over 100,000 hours during 2007-08 towards sustainable initiatives in the community - by educating people, providing them with healthcare support, training differently-abled people and touching lives of thousands of people in rural and urban settings to make it a little better in a myriad ways.

### Environment Matters!

- This year we have achieved 5% savings in electricity consumption and thus brought down our CO<sub>2</sub> emission levels.
- We have recycled 44,713 cubic metres of wastewater and are re-utilising the same for gardening and air conditioners.
- We have introduced rainwater harvesting in our new facilities and are trying to extend it to older facilities as well.
- All suitable PCs available for donation are donated to charitable causes.
- We are progressively working towards achieving zero carbon footprint.
- We are now examining renewable energy resources such as solar cookers, solar water heaters, wind turbines, biodigesters, and tree plantations, which could be replicated throughout TCS centres.



## **Board of Directors**

R N Tata (*Chairman*)

S Ramadorai (*CEO & Managing Director*)

Aman Mehta

Naresh Chandra

V Thyagarajan

Clayton M Christensen

Ron Sommer

Laura M Cha

S Mahalingam (*CFO & Executive Director*)

N Chandrasekaran (*COO & Executive Director*)

Phiroz Vandrevala (*Executive Director*)

## **Company Secretary**

Suprakash Mukhopadhyay

## **Statutory Auditors**

S B Billimoria & Co.

## **US GAAP Auditors**

Deloitte Haskins & Sells

## **Registered Office**

9th Floor, Nirmal Building

Nariman Point

Mumbai 400 021.

Tel : 91 22 6778 9595

Fax : 91 22 6778 9660

Website : [www.tcs.com](http://www.tcs.com)

## **Corporate Office**

TCS House

Raveline Street, Fort,

Mumbai 400 001.

Tel : 91 22 6778 9999

Fax : 91 22 6778 9000

Email: [investor.relations@tcs.com](mailto:investor.relations@tcs.com)

## **Registrars & Transfer Agents**

TSR Darashaw Limited

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai 400 011.

Tel : 91 22 6656 8484

Fax : 91 22 6656 8494

E-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

## Management Team

Function	Name
<b>Corporate</b>	
CEO	S Ramadorai
CFO	S Mahalingam
COO	N Chandrasekaran
Corporate Affairs	Phiroz Vandrevalla
Global Human Resources	Ajoyendra Mukherjee
<b>Geography Heads</b>	
Major Markets	
North America	Surya Kant
United Kingdom	A S Lakshminarayanan
Europe	Girish Ramachandran
New Growth Markets	
APAC	Girija Pande
	Johnson Lam
	Masahiko Kaji
Emerging Markets (Latin America, MEA and Eastern Europe)	Gabriel Rozman
India	S Venkatramani
<b>Governance Functions</b>	
Marketing	J V Pendharkar
	Keith Sharp
	John Lenzen
	Jim Thomas
R&D	K Ananth Krishnan
	K V Nori
	M Vidyasagar
	Gautam Shroff
	Sunil Sherlekar
Human Resources	Ritu Anand
	Ashok Mukherjee
	K Ganesan
	Thomas Simon
	S Narasimhan
Legal	Satya Hegde
	Madhav Anchan
Finance	Vishwanathan Iyer
	B Sanyal
	V Ramakrishnan
	Pauroos Karkaria
	Alberto Arana
Company Secretary	Suprakash Mukhopadhyay



Function	Name
<b>Industry Service Units</b>	
Banking & Financial Services	Ramanamurthy Magapu K Krithivasan Susheel Vasudevan Sudheer Warriar Sunil Chopra
Insurance	Vijaya Deepti Suresh Muthuswami
Telecom	Ravi Viswanathan
Manufacturing	Milind Lakkad
Hi Tech	Nagaraj Ijari, Carol Wilson
Government	Tanmoy Chakrabarty
Retail & Distribution	Pratik Pal
Life Sciences & Healthcare	Debashis Ghosh
Energy, Resources & Utilities	Hasit Kaji
Media and Information Services	Kamal Bhadada
Travel & Hospitality	S Sukanya
<b>Strategic Growth Units</b>	
TCS Financial Solutions	N G Subramaniam
Small & Medium Business	Venguswamy Ramaswamy
Platform BPO	Raj Agrawal
<b>Service Units</b>	
Global Consulting Practice	J Rajagopal
Engineering & Industrial Services	Regu Ayyaswamy
Infrastructure Services	P R Krishnan
BPO	V K Raman
<b>Organisational Infrastructure Units</b>	
Process Excellence Group	Abid Ali Neemuchwala
Technology Excellence Group	Santosh Mohanty
Resource Management Group	Yogesh Thakoor
Internal IT	Alok Kumar

## Notice

Notice is hereby given that the thirteenth Annual General Meeting of Tata Consultancy Services Limited will be held on Tuesday, July 1, 2008 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2008 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividends on Equity Shares for the year 2007-08 and to declare a Final Dividend for the year 2007-08 on Equity Shares.
3. To declare dividend for the year 2007-08 on Redeemable Preference Shares.
4. To appoint a Director in place of Mr. R.N. Tata, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. V. Thyagarajan, who retires by rotation, and being eligible offers himself for re-appointment.

6. **Appointment of Auditors**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, in place of the retiring Auditors Messrs S.B. Billimoria & Co., Chartered Accountants, to examine and audit the accounts of the Company for the financial year 2008-09, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, plus service tax, out-of-pocket, travelling and living expenses, etc."

7. **Appointment of Mr. N. Chandrasekaran as a Director of the Company**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. N. Chandrasekaran who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 6, 2007 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

8. **Appointment of Mr. S. Mahalingam as a Director of the Company**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. S. Mahalingam who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 6, 2007 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

9. **Appointment of Mr. Phiroz Vandrevala as a Director of the Company**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Phiroz Vandrevala who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 7, 2007 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

10. **Appointment of Mr. N. Chandrasekaran as Executive Director and Chief Operating Officer of the Company**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves of the appointment and terms of remuneration of Mr. N. Chandrasekaran as the Executive Director and Chief Operating Officer of the Company for a period of five years with effect from September 6, 2007 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. N. Chandrasekaran."

11. **Appointment of Mr. S. Mahalingam as Executive Director and Chief Financial Officer of the Company**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves of the appointment and terms of remuneration of Mr. S. Mahalingam as the Executive Director and Chief Financial Officer of the Company for a period of five years with effect from September 6, 2007 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. S. Mahalingam."

12. **Appointment of Mr. Phiroz Vandrevala as an Executive Director of the Company**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves of the appointment and terms of remuneration of Mr. Phiroz Vandrevala as an Executive Director of the Company for a period of five years with effect from September 7, 2007 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Phiroz Vandrevala."



**13. Appointment of Mr. S. Padmanabhan as Executive Director of the Company**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves of the appointment and terms of remuneration of Mr. S. Padmanabhan as an Executive Director of the Company for the period from September 6, 2007 upto February 5, 2008 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting."

**14. Appointment of Branch Auditors**

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 ("Act"), the Board be and is hereby authorised to appoint as Branch Auditors of any branch office of the Company, whether existing or which may be opened/acquired hereafter, in India or abroad, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of Section 228 of the Act and to fix their remuneration."

**Notes:**

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 to 14 above, are annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 4, 5, 7, 8 and 9 above, are also annexed.
2. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution/authority, as applicable.
3. The Register of Members and Transfer Books of the Company will be closed from Friday, June 20, 2008 to Tuesday, July 1, 2008, both days inclusive. If the final dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after July 2, 2008 as under:
  - a) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on June 19, 2008;
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on June 19, 2008.In respect of Redeemable Preference Shares, dividend will be paid to the Shareholders on the Company's Register of Members as on July 1, 2008 (Record Date).
4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

5. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agents.

6. For Shareholders of erstwhile Tata Infotech Limited ("TIL"):

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits (relating to the erstwhile TIL) as at March 31, 2008 remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's Registrar and Share Transfer Agents, for payment in respect of unclaimed/unpaid dividends declared by the erstwhile TIL on or after August 13, 2001.

By Order of the Board of Directors,

**SUPRAKASH MUKHOPADHYAY**

*Vice President and Company Secretary*

Mumbai, April 21, 2008

**Registered Office:**

9th Floor, Nirmal Building,  
Nariman Point,  
Mumbai 400 021.

## Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

As required by Section 173 of the Companies Act, 1956 ("Act"), the following explanatory statements set out all material facts relating to the business mentioned under Item Nos. 6 to 14 of the accompanying Notice dated April 21, 2008.

1. Item No. 6:

Presently the Company's accounts are being audited by Messrs S.B. Billimoria & Co., (SBB). SBB is an associate of Messrs Deloitte Haskins & Sells (DHS). SBB have informed the Company that they do not wish to seek re-appointment as statutory auditors of the Company for the financial year 2008-09.

In view of the above, and based on the recommendations of the Audit Committee, the Board of Directors, has, at its meeting held on April 21, 2008 proposed the appointment of DHS as the statutory auditors in place of SBB for the financial year 2008-09.

The Company has received a special notice from a Member of the Company, in terms of the provisions of the Act, signifying its intention to propose the appointment of DHS as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. DHS have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

The Members' approval is being sought for the appointment of DHS as the Statutory Auditors and to authorise the Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

The Directors commend the Resolution at Item No. 6 for approval by the Members.

None of the Directors is concerned or interested in the Resolution at Item No.6 of the Notice.

2. Item Nos. 7 to 12:

Mr. N. Chandrasekaran and Mr. S. Mahalingam were appointed as Additional Directors of the Company with effect from September 6, 2007 and Mr. Phiroz Vandrevalla was appointed as Additional Director with effect from September 7, 2007. As per the provisions of Section 260 of the Act, these three Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Act, in respect of the candidates, proposing their appointment as a Director of the Company, along with the requisite deposit.

The Board had also appointed Mr. N. Chandrasekaran as Executive Director & Chief Operating Officer and Mr. S. Mahalingam as Executive Director with effect from September 6, 2007 and Mr. Phiroz Vandrevalla as Executive Director with effect from September 7, 2007, subject to the approval of the Members. The appointments are for a period of five years each. Further, Mr. S. Mahalingam will also continue to act as the Chief Financial Officer of the Company.

Mr. N. Chandrasekaran has a Bachelor's degree in Applied Sciences and a Master's Degree in Computer Applications. He joined the Company on January 27, 1987 and has over 20 years of experience in the software industry and business operations. He is in charge of the Company's global sales, delivery, quality, operations, industry and service offerings, and information systems. In April 2006, Mr. Chandrasekaran was named by Consulting Magazine, USA, as one of the top 25 most influential consultants in the world.

Mr. S. Mahalingam has a Bachelor's degree in Commerce (Honours) and is a qualified Chartered Accountant. He joined the Company on November 9, 1970 and has over 35 years of experience in the software industry. Prior to his appointment as Executive Director, Mr. Mahalingam was the Chief Financial Officer of the Company and will continue to be so. Mr. Mahalingam was conferred the 'CFO of the Year' award 2006 by IMA, India.

Mr. Phiroz Vandrevalla has a Bachelor's degree in Commerce (Honours) and is a qualified Chartered Accountant. He rejoined the Company on September 8, 1992 and has over 29 years of experience of which 26 years are in



the software industry. He is the head of the Company's corporate affairs function. Mr. Vandrevale is a former Chairman of NASSCOM.

On the recommendation of the Remuneration Committee, the Board, at its meeting held on October 15, 2007, approved the terms and conditions of the above appointments, subject to the approval of the shareholders.

The main terms and conditions of the appointment of Mr. N. Chandrasekaran, Mr. S. Mahalingam and Mr. Phiroz Vandrevale (hereinafter referred to as "Appointee(s)") are as follows:

A. Tenure of Agreement:

The appointments of Mr. N. Chandrasekaran and Mr. S. Mahalingam are effective September 6, 2007 and the appointment of Mr. Phiroz Vandrevale is effective September 7, 2007. The appointments are for a period of five years in each case.

B. Nature of Duties:

The Appointees shall devote their whole time and attention to the business of the Company and carry out such duties as may be entrusted to them by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to them, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Managing Director and/or the Board from time to time, by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

C. Remuneration:

- (i) Remuneration - (a) Basic Salary upto a maximum of Rs.5,00,000/- per month, with annual increments effective April 1, every year, as may be decided by the Board, based on merit and taking into account the Company's performance; (b) incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; (c) benefits, perquisites and allowances as may be determined by the Board from time to time.
- (ii) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointees, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites and allowances and incentive remuneration, as specified above.

D. Other terms of Appointment:

- (i) The Appointees shall not become interested or otherwise concerned, directly or through their spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of the appointment of the Appointee(s) may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the concerned Appointee, subject to such approvals as may be required.
- (iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- (iv) The employment of the Appointee may be terminated by the Company without notice or payment in lieu of notice:
  - (a) if the Appointee is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - (b) in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Appointee of any of the stipulations contained in the Agreement to be executed between the Company and the Appointee; or

- (c) in the event the Board expresses its loss of confidence in the Appointee.
- (v) In the event the Appointee is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- (vi) Upon the termination by whatever means of the Appointee's employment:
  - (a) the Appointee shall immediately tender his resignation from office as Director of the Company and from such other offices held by him in the Company, in any subsidiaries and associated companies and other entities without claim for compensation for loss of office.
  - (b) the Appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.
- (vii) The Appointee is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1) (l) of the Act.
- (viii) The terms and conditions of appointment of the Appointees also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.
- (ix) If and when the Agreement expires or is terminated for any reason whatsoever, the Appointee will cease to be the Executive Director, and also cease to be a Director. If at any time, the Appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director, and the Agreement shall forthwith terminate. If at any time, the Appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.

Details regarding the persons proposed to be appointed as Directors and their brief resume have been given in the Annexure attached to the Notice.

An abstract of the terms of remuneration of the Appointees pursuant to Section 302 of the Act was sent to the Members in October, 2007.

The Directors are of the view that the appointment of Mr. N. Chandrasekaran, Mr. S. Mahalingam and Mr. Phiroz Vandrevala as Executive Directors will be beneficial to the operations of the Company and the remuneration payable to them is commensurate with their abilities and experience.

In compliance with the provisions of Sections 269 and 309 read with Schedule XIII of the Act, the terms of remuneration of the Appointees specified above, are now placed before the Members in the Annual General Meeting for their approval.

The Resolutions at Item Nos. 7 to 12 of the Notice are commended for approval by the Members.

Mr. N. Chandrasekaran, Mr. S. Mahalingam and Mr. Phiroz Vandrevala are concerned or interested in the Resolutions at Item Nos. 7 to 12 of the accompanying Notice relating to their own appointment.

3. Item No. 13:

Mr. S. Padmanabhan was appointed as Additional Director of the Company with effect from September 6, 2007. The Board had also appointed Mr. S. Padmanabhan as Executive Director with effect from September 6, 2007. The terms and conditions of his appointment are the same as those of Mr. N. Chandrasekaran, Mr. S. Mahalingam and Mr. Phiroz Vandrevala as stated above.

Mr. S. Padmanabhan has a Bachelor's degree in Electronics and Communication Engineering and a Post Graduate Diploma in Business Management from the Indian Institute of Management, Bangalore. He joined the Company on May 17, 1982 and has over 25 years of experience in the software industry.

An abstract of the terms of remuneration of Mr. S. Padmanabhan pursuant to Section 302 of the Act was sent to the Members in October, 2007.

Mr. Padmanabhan has moved over as Executive Director of another Tata company and has ceased to be an Executive Director and a Director of the Company with effect from February 6, 2008.

In compliance with the provisions of Sections 269 and 309 read with Schedule XIII of the Act, the terms of remuneration of Mr. S. Padmanabhan as the Executive Director of the Company during the period September 6, 2007 to February 5, 2008, are now placed before the Members in the Annual General Meeting for their approval.

The Directors are of the view that the appointment of Mr. S. Padmanabhan as Executive Director was in the interest of the Company and the remuneration payable to him is commensurate with his abilities and experience.

The Resolution is commended for approval by the Members.

4. Item No. 14:

The Company has branches in India and abroad and may also open/acquire new branches in India and abroad in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorise the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and to fix their remuneration.

The Board commends the Resolution for approval by the Members.

None of the Directors is concerned or interested in the Resolution at Item No. 14 of the Notice.

By Order of the Board of Directors,

**SUPRAKASH MUKHOPADHYAY**

*Vice President and Company Secretary*

Mumbai, April 21, 2008

**Registered Office:**

9th Floor, Nirmal Building,  
Nariman Point,  
Mumbai 400 021.

## Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting

Particulars	Mr. R.N. Tata	Mr. V. Thyagarajan	Mr. N. Chandrasekaran	Mr. S. Mahalingam	Mr. Phiroz Vandrevala
Date of Birth	December 28, 1937	April 19, 1946	June 2, 1963	February 10, 1948	December 8, 1953
Date of Appointment	May 5, 2004	September 5, 2005	September 6, 2007	September 6, 2007	September 7, 2007
Qualifications	Bachelor of Science degree in Architecture from Cornell University. Completed the Advanced Management Program conducted by Harvard University	B. Tech (Elec) and M.B.A. from the Indian Institute of Management, Ahmedabad	Bachelor's degree in Applied Sciences and Master's Degree in Computer Applications	Bachelor's degree in Commerce (Honours), ACA	Bachelor's degree in Commerce (Honours), ACA
Expertise in specific functional area	Eminent industrialist with wide business experience across a variety of industries	Wide experience in Marketing & Corporate Management in India and Overseas	Wide experience in the software industry	Wide experience in the software industry	Wide experience in the software industry
Directorships held in other Public companies (excluding foreign companies and Section 25 companies)	<ul style="list-style-type: none"> <li>• Tata Sons Limited</li> <li>• Tata Industries Limited</li> <li>• Tata Steel Limited</li> <li>• Tata Motors Limited</li> <li>• Tata Chemicals Limited</li> <li>• The Indian Hotels Company Limited</li> <li>• The Tata Power Company Limited</li> <li>• Tata Tea Limited</li> <li>• Tata Autocomp Systems Limited</li> <li>• The Bombay Dyeing &amp; Manufacturing Company Limited</li> <li>• Tata Teleservices Limited</li> <li>• Tata Teleservices (Maharashtra) Limited</li> <li>• Hindustan Aeronautics Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Glaxo Smithkline Pharmaceuticals Limited</li> </ul>	<ul style="list-style-type: none"> <li>• C-Edge Technologies Limited</li> <li>• Tata Business Support Services Limited</li> </ul>	<ul style="list-style-type: none"> <li>• APOnline Limited</li> <li>• WTI Advanced Technology Limited</li> <li>• Tata Realty and Infrastructure Limited</li> </ul>	Nil
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	NIL	NIL	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• C-Edge Technologies Limited</li> </ul>	NIL	NIL
Number of shares held in the Company	7,61,628	NIL	44,264	80,840	50,304



## Directors' Report

To the Members,

The Directors submit the Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2008.

### 1. Financial Results

	Financial Year	
	<b>2007-2008</b> <b>(Rs. in crore)</b>	2006-2007 (Rs. in crore)
(i) Income from Sales and Services	<b>18533.72</b>	14939.97
(ii) Other Income	<b>445.95</b>	216.55
(iii) Total Income	<b>18979.67</b>	15156.52
(iv) Operating Expenditure	<b>13513.61</b>	10639.00
(v) Profit before Interest, Depreciation and Tax	<b>5466.06</b>	4517.52
(vi) Interest	<b>3.42</b>	3.43
(vii) Depreciation	<b>458.78</b>	343.41
(viii) Profit before Taxes	<b>5003.86</b>	4170.68
(ix) Provision for Taxes	<b>495.10</b>	413.39
(x) Net Profit for the Year	<b>4508.76</b>	3757.29
(xi) Balance Brought Forward from Previous Year	<b>4919.99</b>	2833.30
(xii) Amount Available for Appropriation	<b>9428.75</b>	6590.59
<b>Appropriations</b>		
(a) Interim Dividends on Equity Shares	<b>880.74</b>	733.95
(b) Proposed Final Dividend on Equity Shares	<b>489.31</b>	391.44
(c) Proposed Dividend on Redeemable Preference Shares	<b>0.08</b>	-
(d) Tax on Dividends	<b>232.85</b>	169.48
(e) General Reserve	<b>450.88</b>	375.73
(f) Balance carried to Balance Sheet	<b>7374.89</b>	4919.99

(1 crore = 10 million)

### 2. Issue of Redeemable Preference Shares and change in Authorised and Paid-up Share Capital

Pursuant to the resolution passed by the Members under a Postal Ballot, the results of which were announced on March 21, 2008, the Authorised Share Capital of the Company has increased from Rs.120,00,00,000/- to Rs.220,00,00,000/- by the creation of 100,00,00,000 Redeemable Preference Shares of Re.1/- each. Further, all the Redeemable Preference Shares aggregating Rs.100,00,00,000/- have been allotted to the Promoters, Tata Sons Limited on March 28, 2008. This resulted in the paid-up share capital of the Company increasing from Rs.97,86,10,498/- to Rs.197,86,10,498/- consisting of 97,86,10,498 Equity Shares of Re.1/- each and 100,00,00,000 Redeemable Preference Shares of Re.1/- each.

### 3. Dividend

Based on the Company's performance, the Directors are pleased to recommend, for approval of the Members a Final Dividend of Rs.5/- per share on 97,86,10,498 Equity Shares of Re.1/- each of the Company for the

financial year 2007-08. The Final Dividend on the Equity Shares, if declared as above, would involve an outflow of Rs.489.31 crore towards dividend and Rs.83.18 crore towards dividend tax, resulting in a total outflow of Rs.572.49 crore. The total outflow on dividend on Equity Shares of the Company for the year 2007-08 would translate to 35.55% of the profits of the Company. A table on the dividends paid by the Company on Equity Shares during the year and during the previous year is given below:

(Rs. in Crore)

	2007-08					2006-07		
	No. of shares	Dividend per share (Rs.)	Dividend Amount	Dividend Tax	Total Outflow	No. of shares	Dividend per share (Rs.)	Total Outflow (incl. Dividend Tax)
First Interim Dividend	97,86,10,498	3.00	293.58	49.89	343.47	48,93,05,249	3.00	167.38
Second Interim Dividend	-do-	3.00	293.58	49.89	343.47	97,86,10,498	3.00	334.76
Third Interim Dividend	-do-	3.00	293.58	49.89	343.47	-do-	3.00	334.76
<b>Sub-total</b>	-	-	880.74	149.67	1030.41	-	-	836.90
Final Dividend	97,86,10,498	5.00	489.31	83.18	572.49	97,86,10,498	4.00	457.97
<b>Total</b>	-	14.00	1370.05	232.85	1602.90	-	-	1294.87

The Redeemable Preference Shares which have been allotted on March 28, 2008 are entitled to pro-rata dividend for the year 2007-08, from the date of their allotment. The Redeemable Preference Shares are entitled to 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 Equity Shares of the Company and the average rate of dividend declared on the Equity Shares of the Company for the three years preceding the year of issue of the said Redeemable Preference Shares. Accordingly, the Directors have recommended, for approval of the Members, a Dividend of Re.0.07 per share on 100,00,00,000 Redeemable Preference Shares of Re.1/- each on a pro-rata basis for the Financial Year 2007-08.

#### 4. Transfer to Reserves

The Company proposes to transfer Rs.450.88 crore to the General Reserve out of the amount available for appropriations and an amount of Rs.7374.89 crore is proposed to be retained in the Profit and Loss Account.

#### 5. Operating Results and Business

The Company continued to see strong and profitable growth in the financial year 2007-08 across all markets driven by good performance in existing and new areas of business.

For the year ended March 31, 2008, the Company earned a total income of Rs.18979.67 crore, an increase of 25.22 % over previous year's Rs.15156.52 crore. As per the Consolidated Accounts the total income was Rs.23349.45 crore, an increase of 23.45% over the previous year's Rs.18914.26 crore.

The net profit of the Company for the year increased to Rs.4508.76 crore (23.76% of the total income) as compared to Rs.3757.29 crore (24.79% of total income) in the previous year. As per the Consolidated Accounts the net profit for the year was Rs.5026.02 crore (21.53% of total income) as compared to Rs.4212.63 crore (22.27% of total income) in 2006-07.

The Company is among the leading global IT companies, and continues to retain its leadership position in the Indian IT Industry. It has continued to win new engagements and grow existing relationships in the traditional area of Application Development and Maintenance and is strengthening its presence in areas such as Consulting, Infrastructure Management Services, Asset Based Solutions, Engineering & Industrial Services, IT Enabled Services, Assurance and Business Intelligence Services. The broad range of services enables the Company to provide “end-to-end” services to its clients, in line with its position as a Global IT and Consulting Services company. Combined with its Industry focus and its geographical spread, the Company is able to provide comprehensive and high value added services to its clientele.

The Company has been growing at a substantial pace. With Revenues at Rs.18533.72 crore for the year ended March 31, 2008, TCS has, over the last four years as a listed company, recorded a CAGR of 23.8% . Considering the need to deepen relationships with customers in each Industry segment, to acquire new customers in markets where TCS is already a significant force and to expand in emerging markets, the Company has during the year, chalked out a new strategy and has realigned its operating structure. The revised organisational operating structure paves the way for more accountability and performance and there is a P&L responsibility cast on Heads of Operations. These measures will help the Company to retain its leading position amidst growing intense competition globally.

The Company's Indian and global operations have shown growth. In India, the Company is also partnering with the Central and various State Governments in many e-governance initiatives, some of which have won accolades. The Company/its subsidiaries have won many high-value and strategic contracts in India and across the globe.

The Company's continued investments in innovation and technology have enabled it to undertake a number of large, end-to-end, mission critical projects in diverse business areas and technology domains.

The Company has 155 offices globally. In addition, the Company also has Delivery Centres in a number of countries. Major Delivery Centres outside India are in Hungary, Brazil, Chile, Uruguay and China. During the year, the Company has opened a Centre in Cincinnati, USA, and a large centre in India at Hyderabad and laid the foundation for a large centre in Pune. The Company services the needs of its global clients by linking the clients to one or more of these Delivery Centres. Through the establishment of Delivery Centres in different parts of the globe with the same high quality processes and by enabling customers to make use of a group of these Centres depending on their needs, the Company enables each of its customers to Experience certainty, which has been the theme of its branding exercise during the year. TCS has pioneered the Global Network Delivery Model™, which the customers see as a key differentiator.

USA continued to be the largest market and contributed 50.77% to the Company's consolidated revenues while other established markets like the UK and Europe contributed 28.99% of the consolidated revenues. The Company's decision to invest in emerging markets like Latin America and Asia Pacific is yielding results with these markets contributing 4.40% and 5.20% respectively to the consolidated revenues of the Company. India remains a strategic market for the Company and continues to demonstrate growth in absolute terms.

Diligenta Limited, the Company's subsidiary in the UK, which was set up in 2005-06 to focus on services in the life insurance and pensions BPO market in the UK, has expanded its services and has signed another contract of significant importance. Tata Consultancy Services (China) Co. Ltd, the strategic joint venture supported and promoted by National Development and Reforms Commission (NDRC) has also been acquiring new customers. These customers are either multinationals with significant operations in China or large Chinese enterprises. During the short period that TCS has been in operation in China, it has created a good track record of executing projects and developing a highly productive local work force. The synergy between the various subsidiaries of the Company and the competitive advantage in terms of niche products and services of the subsidiaries which have been acquired in the past couple of years are yielding results in making the TCS Group of Companies providers of end-to-end comprehensive solutions.

Among the industry verticals, the banking, financial services and the insurance sector contributed 44.14% of consolidated revenues on the back of large product-based engagements in core banking and strong demand for the Company's capital markets and insurance products and solutions. The manufacturing sector, which contributed 9.82% of the Company's consolidated revenues, is being driven by demand for enterprise solutions like ERP and engineering services. Other significant verticals include life sciences & healthcare, retail, telecom and utilities. A significant number of existing customers are now engaging the Company for more than one service offering.

## **6. International Credit Rating**

The Company continues to have from Moody's Investors Services, an investment-grade issuer rating of A3 as well as an indicative foreign currency debt rating of Baa1, with the ratings outlook as stable. The rating is not for any specific debt issuance by TCS.

The Company has also been rated by Dun & Bradstreet at 5A1 (Condition-Strong). The rating is assigned on the basis of tangible network and a composite appraisal of the Company.

Standard and Poor's Ratings Services has assigned to the Company its 'BBB' corporate credit rating with outlook as Positive.

## **7. Branding Initiative**

The Company launched a major brand building initiative during 2007-08 in order to articulate and propagate its new brand positioning. The advertising campaign was launched across prestigious Indian and international magazines and newspapers, as well as online channels, in order to increase the profile of the Company in the global marketplace.

The brand rollout was also carried out internally within the Company, to align the large and diversified workforce of the Company with the brand promise of "Experience certainty".

## **8. Strategic Acquisitions and Alliances**

With the objective of moving towards its goal of being among the top IT companies in the world, the Company has made acquisitions/alliances during the past few years either directly or through its subsidiaries. Companies with track record of successful implementation of large and complex key technology projects, companies with niche products, services, domain knowledge and expertise have been acquired. Strategic alliances have also been entered into in India and abroad. The Company has effectively synergised the capabilities and expertise of the various subsidiaries, acquired entities and strategic alliances and is benefiting from the same. With these strategic acquisitions and alliances, the Company has been able to expand its product and services portfolio and is leveraging these combined strengths to consolidate its position in existing markets, to enter new geographies and new client verticals. TCS BāNCS Core Banking which has been positioned in the Leaders quadrant of Gartner's "Magic Quadrant for International Retail Core Banking, 2008" illustrates this point.

The Company has, with these measures, succeeded in leveraging the complementary strengths of its partners in technology, software development, management, talent acquisition and training. These coupled with the world-class processes and practices of TCS as well as TCS' experience in handling large and industrial scale technology projects, are expected to further strengthen TCS' leading position in the international arena.

## **9. Human Resource Development**

TCS continues to be recognised for its good human resources practices. This year the Company won the Data Quest Best IT Employer of the Year award for the fourth consecutive time. TCS also received the RASBIC – Recruitment and Staffing Best in Class award for the second consecutive year. In this high-growth industry, TCS continues to be the employer of choice, marked by the lowest attrition rate of 12.6%.

The Company has a diverse employee base and is truly global with over 108,000 employees from 62 nationalities. This heterogeneous base is central to sustaining the Company's competitive edge. At the end



of the year, non-Indian nationals working for the Company were 9.1% out of the total employee base. The percentage of women working for the Company increased to 28% from 26% last year. During the year, the Company added a net of 22,116 persons through recruitment. The Company's recruitment practice ensures that suitable candidates with merit are recruited and provided with the right opportunities. The Company received over 11.50 lakh applications for employment during the year.

The HR function in TCS has been re-aligned and closely integrated with business units in order to support operational agility, to be scalable for the Company's future growth, as well as to achieve higher employee satisfaction. Going forward, the new structure will support greater focus for strategic initiatives and also provide more leadership growth in the Company.

In an organisation like TCS where Employees come from various nationalities and ethnicities, understanding other cultures is extremely important, as this translates into better understanding of the global clients. TCS pioneered the concept of a 'Global Village' which is an event essentially providing employees with an opportunity to discover and learn about other cultures. The essence of Global Village is a display of cultures and traditions, country presentations, national costumes, dances, food, in short, everything defining a country.

TCS encourages its employees to seek personal growth and a higher meaning to life, by providing platforms for creativity, expression and social initiatives like Music Club, Yoga Groups, Environment Awareness Sessions, Theatre Workshops, etc. The workplace harmony and bonding that such initiatives build have long-term beneficial effects for both the Company as well as its internal stakeholders.

## 10. Interface with Academia

The pioneering effort of TCS in bridging the gap between the Academia and the Industry continues in full swing. This year, TCS conducted a course on "Information System Auditing and Control" for the MBA program of IIT- Chennai.

In October 2007, TCS organised the 9th Annual TCS Academic Interaction Meet where 65 academic leaders, including academicians from Uruguay, Brazil, China, Singapore and USA had invigorating interactions on various issues facing the industry and the academic world.

## 11. Quality Initiatives

Reinforcing its commitment to high levels of quality, best-in-class service management and robust information security practices, the Company attained a number of milestones during the year.

TCS was re-assessed, enterprise-wide, at maturity level 5 of the CMMI® v1.2 model. TCS was also recommended enterprise-wide for continuation of the ISO 9001:2000, ISO 27001:2005 and ISO 20000:2005 certification. The audit was a Surveillance Audit for ISO 9001:2000, ISO 27001:2005; ISO 20000-1:2005 and expansion audit for ISO 20000-1:2005 for BPO. TCS also continues to maintain the domain specific certifications AS9100, TL9000 and ISO 13485.

An enterprise-wide appraisal endorses the premise of the integrated Quality Management System (*iQMS*) to give a consistent delivery experience to TCS' customers across the globe. It re-iterates the customers' expectations to experience a high degree of certainty in service delivery, as TCS stays focused on improving quality and processes constantly in an environment of rapid growth.

Nineteen centres of TCS were also certified for ISO 14001.

**ISO 14001: 2004** provides a framework for TCS' environmental initiatives, objectives and targets and helps in continually improving its environmental performance. TCS' commitment to environment stems from the Tata Group's abiding concern for the environment and society. TCS being an IT organisation, its nature of operation has a low impact on the environment. TCS aims to provide a healthy work environment to employees and conduct an environment-friendly business.

**TL 9000** is the telecom industry's quality standard that expands the requirements of ISO 9001:20000. This certification provides an opportunity to compare the Company's performance with similar organisations, learn and share best practices in the telecom domain, besides strengthening relationships with customers on a competitive scale.

**AS 9100: Rev B** is a Quality Management System designed specifically for the Aerospace industry and is based around ISO 9001:2000 standard and has been developed by the Society of Automotive Engineers (SAE). AS 9100: Rev B is being implemented across the international Aerospace industry, by the International Aerospace Quality Group (IAQG). IAQG has been established for the purpose of achieving significant improvements in quality and safety and reductions in cost, throughout the value stream within the Aerospace industry. It includes representation from Aerospace companies in the Americas, Asia Pacific and Europe.

**ISO 13485:2003** specifies requirements for a quality management system where an organisation needs to demonstrate its ability to provide medical devices and related services that consistently meet customer requirements and regulatory requirements applicable to medical devices and related services.

The above certifications are testimony to TCS' unstinting commitment to achieve the highest standards of quality and the expertise that the company brings to global clients. The cornerstone of these certifications is the in-house developed integrated Quality Management System (*iQMS*) - a vibrant, process-driven, people-oriented and customer-focussed quality management system which is continuously evolving to cater to the requirements of the Company's varied business offerings and today, is the backbone supporting the Global Network Delivery Model™.

### **Business Excellence for the year 2007-08**

The year 2007-08 was driven by excellence which was evidenced in TCS winning the prestigious Business Excellence Sustaining award from the Tata Group on the JRD QV Awards Nite on July 29, 2007.

Based on the feedback received from the TBEM Assessment for the year 2007 several improvement initiatives were undertaken:

- 1. Lifeline:** TCS continued with renewed vigour the customer satisfaction determination process using its Lifeline process and received a very good response of 70% on the web-enabled survey from the CXO level respondents of its clients.
- 2. Using External Agency:** After carefully evaluating proposals from 11 world-renowned global organisations, TCS has, selected an independent external agency to carry out the Customer Satisfaction Survey among its Key Customers on a global basis. This is expected to begin towards the end of April 08 and the results are expected by end of June 08.
- 3. Customer Experience Management:** An integrated Customer Complaints and Appreciation Management process is being implemented through the Company's IPMS system. This is expected to be ready by the second quarter of FY 09.
- 4. Succession Planning:** With a clear focus on sustaining business growth the need for leadership development was given renewed focus. In the new operating model of the Company all critical positions have been identified and leaders and deputy leaders have been named.
- 5. Corporate Sustenance:** The CS policy has been formulated with clear themes and processes, and templates have been defined for global deployment. TCS released a report on its CS operations using GRI guidelines.
- 6. Enterprise Risk Management:** To make ERM processes available globally, a section for ERM was created on KNOWMAX, the Company's global knowledge management system.
- 7. Knowledge Management:** This year, TCS made the TATA Knowledge Chain a collaboration portal available to all its 1,00,000 associates on the knowledge management system.

## 12. Corporate Sustainability

The focus of Corporate Sustainability (CS) in TCS is on health and education together with diversity, ethical global sourcing and concern for the environment. The differentiator for CS in TCS is the volunteering by TCSers through "Maitree", while TCS endeavours to use its IT core competence to address societal problems.

"**Maitree**", an association of employees and their families across the globe, is a key vehicle of CS within the Company. "Maitree" also addresses TCS' internal stakeholders and engages TCSers and their families in a variety of meaningful activities including music, dance, trekking and sport. In addition to these activities, "Maitree" creates vehicles for community service and volunteering such as reaching out to the differently abled, AIDS education, and similar initiatives. The initiative at Waze Gram Panchayat near Panvel is now four years old and includes a children's education programme with a science lab, a computer lab powered by renewable energy, women's literacy and healthcare and life skills programme, women's employment generation through sewing programme and a water harvesting programme.

New initiatives include an Advanced Computer Training Centre for the visually impaired that was set up in early 2008 along with MN Banajee Industrial Home for the blind to provide training for the visually impaired in soft skills, BPO specific skills and Infrastructure Services Training (Helpdesk).

In addition to volunteering, some noteworthy on-going CS projects of TCS in India are:

- Project mKrishi, to help farmers access localised information and advice on agricultural issues through graphic and voice formats in local languages on mobile phones including capsules of TCS' Adult Literacy programme.
- Insight, a 72 hour IT and soft skills camp for students of Class 11 (students out of high school studying their pre-university course).
- Rural IT Quiz in collaboration with the Government of Karnataka which saw a record participation of 1.2 million students in 2007.
- TCS IT Wiz, India's largest IT Quiz for urban school students with more than 12,000 students participating across 11 cities.
- The Computer-based Functional Literacy Programme which has served over 1,00,000 learners all over India with its offerings in eight Indian languages. The offering in the ninth language (Kannada) is expected to be completed by end 2008.
- Software for Childline, an organisation that helps children in distress. The software helps linking and monitoring of various Childline centres in India. The improvised version of the software CHILDLINE V.2 integrates new and more powerful functionalities and helps the system which receives more than 2 million calls a year.
- The TCS-EW Teachers Award for teachers from across the country who have exhibited innovative techniques, inspired students and aroused their curiosity.

TCS has been expanding its Corporate Sustainability initiatives within the United States and has participated in projects along with charitable organisations like the United Way and The American Heart Association, and supports educational causes like First Book. During the past year, over 500 TCSers participated in the "Walk of Hope" in support of breast cancer awareness campaign over seven US cities.

TCS has also very effectively participated in corporate sustenance programmes of its customers, finding common cause with the customer's employees beyond work in areas of common social concerns. Recent instances include, amongst others, the cleaning up of the De Witt Clinton Park in New York, a blood donation drive with Morgan Stanley; support of the Leukemia and Lymphoma Society of Delaware Chapter with AIG.

TCS' involvement in corporate sustainability activities across the globe includes the initiative with the UN World Food Program's Walk of Life across Europe, the Downs Syndrome Association in Singapore and Australia and the 'Endeavor' initiative in Uruguay for grooming of local entrepreneurs.

TCS' Environment policy and Green procurement policy demonstrate the Company's commitment towards mitigation of its direct and indirect environmental impacts. TCS is aggressively working towards zero waste disposal, and is executing technologies like vermiculture, bio-digester plants to convert food and garden waste to manure/cooking gas. Nineteen delivery centres are ISO 14001:2004 certified by TUV NORD and three have cleared the adequacy audit. TCS is compliant with applicable and voluntarily adopted environment laws. Being an IT organisation TCS is conscious of its e-waste and ensures environment friendly disposal.

TCS calculates its carbon footprint and takes steps to mitigate the same. The Company also has a Green Office 10-point plan. To reduce greenhouse emissions due to travel by employees to client locations for meetings, TCS promotes the use of video conferencing. TCS is constantly conducting major environment sensitisation drives amongst its employees. TCS is committed towards resource conservation and taking various initiatives to achieve reduction. Rain water harvesting, sewage treatment plants, etc., are being implemented efficiently. All new TCS facilities are being designed and executed to be environment friendly.

TCS is a member of the Per Cent Club of Business in the Community (BitC) by virtue of its social spends.

TCS has also published its Corporate Sustainability Report 2007 based on GRI 3 Guidelines of the Global Reporting Initiative.

### **13. Awards/Recognition**

During the year, the Company received various awards and recognitions, significant amongst which are the following:

- National Award for Excellence in Corporate Governance – 2007 from the Institute of Company Secretaries of India
- Dataquest Best IT Employer for 2007
- Most Admired Knowledge Enterprise (MAKE) Award 2007
- Most Valued Partner – awarded by Cisco's Worldwide Sales Processes and Systems IT
- BEST Award from The American Society for Training and Development, for the third time
- Dataquest Best e-Governance Vendor Award
- 'Silver Band' in UK's BITC Corporate Responsibility Index
- Three Business Partner Excellence Awards at IBM Partner World 2007
- SAP Pinnacle Award in the Industry Solution Go-To-Market category
- Excellence in Education Award from Life Office Management Association
- Corporate Citizen of the Year – 2007 from the Rotary Club, Chennai
- Securities Strategist Award
- 2007 Eaton Premier Supplier Award in the Indirect Supplier for Information Technology Services category



#### 14. Corporate Governance Report and Management Discussion and Analysis Statement

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis statement.

#### 15. Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act"), and based on the representations received from the operating management, the Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts for the year 2007-08, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis.

#### 16. Subsidiary Companies and Consolidated Financial Statements

The Company had 56 subsidiaries at the beginning of the year.

The following four subsidiaries were set up during the year:

- Tata Consultancy Services Morocco SARL AU
- Tata Consultancy Services (Africa) (PTY) Ltd
- TCS Financial Management LLC (set up by Tata America International Corporation)
- Tata Consultancy Services (South Africa) (PTY) Ltd (set up by Tata Consultancy Services (Africa) (PTY) Ltd)

The following subsidiary was de-registered during the year:

- IT Consulting Company (formerly known as Tata Consultancy Services France SAS)

During the year, the Company acquired GT Participacoes S.A. which was merged with Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda.

The following subsidiaries were merged during the year with other subsidiaries of the Company:

- Swedish Indian IT Resources AB was merged with Tata Consultancy Services Sverige AB
- Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda (formerly known as TCS Brasil S/C Ltda) was merged with Tata Consultancy Services Do Brasil S.A. which is now known as Tata Consultancy Services Do Brasil Ltda.
- TKS Services S.A. was merged with Tata Consultancy Services Switzerland Ltd. (formerly known as TKS – Teknosoft S.A.)
- Quartz Software Technology S.A. was merged with Tata Consultancy Services Switzerland Ltd.
- Tata Consultancy Services Financial Solutions Ltd (formerly known as TKS – Banking Solutions S.A.) was merged with Tata Consultancy Services Switzerland Ltd.

The following companies have ceased to be subsidiaries due to disinvestment:

- Pentacrom S.A.
- Pentacrom Servicios S.A.

Consequently, the Company has 52 subsidiaries as on March 31, 2008.

The names of the following subsidiaries were changed during the year:

- Tata Consultancy Services Do Brasil S.A. was changed to Tata Consultancy Services Do Brasil Ltda.
- Financial Network Services (Holdings) Pty. Limited was changed to TCS Financial Solutions Australia Holdings Pty Limited
- Financial Network Services Pty. Limited was changed to TCS Financial Solutions Australia Pty Limited
- TKS – Teknosoft S.A. was changed to Tata Consultancy Services Switzerland Ltd.
- TKS Teknosoft (France) SAS was changed to Tata Consultancy Services France SAS.

There has been no material change in the nature of the business of the subsidiaries. A statement containing brief financial details of the subsidiaries is included in the Annual Report.

As required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statement has been prepared in accordance with Accounting Standards 21, 23 and 27 issued by The Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of the Company, its associate companies, its joint ventures and its subsidiaries after elimination of minority interest, as a single entry.

The Company has been granted exemption for the year ended March 31, 2008 by the Ministry of Corporate Affairs from attaching to its Balance Sheet, the individual Annual Reports of its subsidiary companies. As per the terms of the Exemption Letter, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2008 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company/its subsidiaries at the Corporate Office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices of the respective subsidiary companies.

## **17. Fixed Deposits**

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

## **18. Directors**

During the year, Mr. N. Chandrasekaran and Mr. S. Mahalingam were appointed as Additional Directors and Whole-time Directors (Executive Directors) of the Company with effect from September 6, 2007 and Mr. Phiroz Vandrevala was appointed as Additional Director and Whole-time Director (Executive Director) of the Company with effect from September 7, 2007. Mr. N. Chandrasekaran was also appointed as the Chief Operating Officer while Mr. S. Mahalingam continues to act as the Chief Financial Officer of the Company. The appointments are for a period of five years and are subject to the approval of the shareholders. As per the provisions of Section 260 of the Companies Act, 1956, these Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Act along with the requisite deposit, in respect of the above persons, proposing their appointment as a Director of the Company. Resolutions seeking approval of the Members for the appointment of Mr. N. Chandrasekaran, Mr. S. Mahalingam and Mr. Phiroz Vandrevala as Directors and for their appointment

as Executive Directors of the Company have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details about them.

Mr. S. Padmanabhan who was appointed as Additional Director and Whole-time Director (Executive Director) of the Company with effect from September 6, 2007 has moved over as Executive Director of another Tata Company and hence has ceased to be an Executive Director and a Director of the Company with effect from February 6, 2008.

Mr. R.N. Tata and Mr. V. Thyagarajan, Directors, retire by rotation and being eligible have offered themselves for re-appointment.

## **19. Auditors**

M/s. S.B. Billimoria & Co., Chartered Accountants, who are the Statutory Auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, upto the conclusion of the forthcoming Annual General Meeting. M/s. S.B. Billimoria & Co. have communicated that they are not seeking re-appointment at the ensuing Annual General Meeting. The Company has received a special notice from a Member of the Company, in terms of the provisions of the Companies Act, signifying the intention to propose the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (DHS), as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. DHS have also expressed their willingness to act as Auditors of the Company, if appointed, and have confirmed their eligibility. In this regard, attention of the Members is invited to Item No. 6 of the Notice convening the forthcoming Annual General Meeting.

## **20. Particulars of Employees**

Information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in an Annexure forming part of this report.

## **21. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars as prescribed under section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in an annexure to this report.

## **22. Acknowledgements**

The Directors thank the Company's customers, vendors, investors, business associates, bankers and academic institutions for their support to the Company.

The Directors also thank the Government of India and the Governments of various countries, the concerned State Governments and other Government Departments and Governmental Agencies for their co-operation.

The Directors appreciate and value the contributions made by every member of the TCS family across the world.

*On behalf of the Board of Directors,*

Mumbai  
April 21, 2008

**R. N. Tata**  
Chairman

## **Annexure to the Directors' Report**

**Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.**

### **CONSERVATION OF ENERGY**

The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

### **RESEARCH & DEVELOPMENT (R&D)**

#### **Specific areas in which R&D was carried out by the Company**

Innovation is a key component of the value proposition to our customers.

Our labs build different innovation capabilities, assets and solutions for our businesses and enable them to add value to our customers' present and future needs.

Software development tools, productivity tools, performance engineering solution frameworks, security frameworks and domain research from our labs deliver "derivative innovation" that helps our customers get greater value with current offerings in current market segments. Research in Web2.0, Next generation infrastructure management, data privacy, IPTV, sensor networks and other emergent and adjacent technologies deliver "platform innovation" to our customers. We are exploring new approaches and market opportunities with Mobile Agro Advisory Application (mKrishi), hosted SaaS applications on TCS InstantApps technology, various applications in the life sciences area and in embedded systems and devices. These are examples of "disruptive innovation" creating radically new approaches and new market segments.

This year the Company's R&D presence has gained a greater global spread. We have launched a new lab in Peterborough in the UK, two in Chennai and have announced our intent to set up a lab in Cincinnati.

Our reconstituted Technology Advisory and Research Board has recommended ten themes for innovation in TCS. These themes range from Operational Efficiency and Business Agility to Information Ubiquity, Customer Experience and Environment Friendliness.

TCS' Co-Innovation Network (COIN)<sup>TM</sup> has gained a global footprint in sourcing innovation. We work with start-up partners in the USA, Europe and Asia. Over 130 companies have been engaged through (COIN)<sup>TM</sup> since its inception. We continue linking up to renowned academic institutions, strategic partners, and customers to foster research. COIN<sup>TM</sup> members have congregated in the TCS Innovation fora held in UK, USA and Asia.

Our research initiatives have had their share of awards and recognition this year too. The TCS Java Profiling Solution won the "Skoch - The World is open" Award and the TCS WAN Emulator Solution won the FOSS Award. Our Adult Literacy Program won the EMPI Indian Express Innovation Award. TCS filed for 26 patents this year. We were granted 17 patents filed in earlier years. With this TCS has 37 patents to its credit and another 100 are in process.

The launch of the TCS Innovation Awards was an important step towards nurturing a culture of innovation in TCS. Several hundred nominees from across regions, functions and geographies were put through a rigorous selection process and 43 "iOne" Awards (innovators in their first year in TCS), 34 "Yi" winners (young innovators), seven "Best Innovation Initiative" Awards and two "Best Innovation Lab" Awards were distributed. We continued to hire high quality research talent into our labs.

Research was continued to be carried out by the company in its 19 innovation labs during 2007-08.



## Patents

Details of patents granted during the year are:

Sr. No.	Title/Description	Country
1	Method of Quenching	India
2	Object Orientation/A method and control system for enabling user access of data records stored in a relational database in an object Oriented way	India
3	Apparatus to provide Dynamic Applicability and Sequencing of Business Rules to help implement client specific negotiations	India
4	Security Systems for wireless local area network	India
5	A benchmark request Injector device for use in Network system	India
6	A filter media for removal of fluoride ion contamination from water, a device and a method for purifying fluoride ion contaminated water	India
7	A filter media for removing arsenic contamination from water, a device and a method for purifying arsenic contaminated water	India
8	Apparatus and method for automatically migrating client server applications to other architectures and platforms	USA
10	An Automated Query Answering System including method and Computer Program Product thereof	India
11	A Technique for Versioning and Configuration Management of Models	USA
12	Method and Apparatus for manufacturing Cement	Malaysia
13	Method and Apparatus for manufacturing Cement	Indonesia
14	Apparatus and method specifying and Implementing a declarative way to write rules on objects attributes and Association	India
15	A Method To Extend AOP with Models	India
16	A Process and a system for transmission of data in a multi-carrier orthogonal Frequency division multiplexing (OFDM) Communication system	India
17	A method for MDD Tool Integration	India

## Benefits derived

Customers are able to see the benefits resulting from the Company's R&D efforts and are actively exploring the role that the Company can play in their long-term technology and research options. The past R&D efforts of the Company have resulted in the sale of software licenses and usage of these licenses internally, yielding savings of US\$ 12M (R&D Benefits for 06-07 was US\$ 8 M)

## Future Plan of Action

The Corporate Technology Office and the Corporate Technology Board of the Company that govern the R&D and innovation investments of the Company will focus the Company's research efforts on ten outcome oriented themes. Research will focus on five key IT expectations:

- Increase Operational Efficiency
- Promote Business Agility
- Simplify and Transform
- Manage Enterprise Risk and Compliance
- Enable Understanding of Markets and Customers

The other five themes of research outcomes will address business, organisational and social goals, in order to:

- Enrich User Experience
- Optimise Enterprise Knowledge
- Foster Information Ubiquity
- Enhance Healthcare
- Conserve the Environment

The theme based approach will enhance the customer centricity to research at TCS.

### Expenditure on R&D

	Year ended 31.3.2008	(Rs. in crore) Year ended 31.3.2007
(a) Capital	1.84	5.62
(b) Recurring	36.94	28.02
(c) Total	38.78	33.64
(d) Total R&D expenditure as percentage of total income	0.20%	0.22%

### Foreign exchange earnings and outgo

Activities relating to exports, initiatives taken to increase exports: development of new export markets for products and services; and export plans



Mentioned in the  
Directors' Report

	Year ended 31.3.2008	(Rs. in crore) Year ended 31.3.2007
(a) Foreign exchange earnings	16776.48	13785.08
(b) CIF Value of Imports	272.81	367.95
(c) Expenditure in foreign currency	6421.96	6162.95

*On behalf of the Board of Directors,*

Mumbai  
April 21, 2008

**R. N. Tata**  
Chairman

## Annexure to Directors' Report

**Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2008**

Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
1	Abhange, Mr. Nitinkumar*	35	Senior Consultant	1,788,724	1,101,148	BE, M.Tech.	12	16-Aug-07	Infosys Technologies Ltd.
2	Agarwal, Mr. Pankaj	41	Vice President	4,403,203	2,905,950	BE, PGDIE	17	15-Dec-06	Marico Ltd.
3	Agarwal, Mr. Rahul	33	Consultant	2,483,155	1,657,420	M.Tech.	12	21-Mar-96	First Employment
4	Agarwalla, Mr. Manoj*	41	Vice President	2,440,640	1,558,360	B.Com, ACA	17	16-Jul-07	Nicholas Piramal India Ltd.
5	Agrawal, Mr. Raj Kumar	39	Principal Consultant	3,896,924	2,352,813	B.Tech	17	17-Jun-91	First Employment
6	Agrawal, Mr. Sanjay	42	Senior Consultant	2,428,749	1,500,677	BE, M.Tech.	19	6-Mar-89	Haldesign Complex
7	Ahluwalia, Mr. Sudhir	57	Principal Consultant	3,400,331	2,030,815	B.S-F	29	8-Dec-99	Indian Forest Service
8	Aiyer, Ms. Prema	43	Principal Consultant	2,423,375	1,508,445	B.Com, ACA	17	12-Aug-96	CRISIL
9	Akerkar, Mr. Bhushan*	46	Principal Consultant	916,395	613,112	B.Tech., MS	19	1-Jan-08	A. C. Nielsen Research Pvt. Ltd.
10	Amitesh, Mr. Kumar*	34	Associate Vice President	520,356	388,700	BE	11	15-Jan-08	Wipro Ltd.
11	Anand, Dr. Ritu	50	Vice President	4,593,079	2,847,592	MA, PhD	19	18-Dec-89	Academic Staff College
12	Anand, Mr. Dipak	62	Principal Consultant	2,795,044	1,695,631	BE	26	21-Nov-94	Indian Railways
13	Anchan, Mr. Madhav	50	Senior General Manager	4,276,969	2,603,529	B.Com, LLB	25	21-Feb-00	Zee Telefilms Ltd.
14	Aravind, Mr. Srinivas	47	Principal Consultant	2,418,075	1,455,819	BE, M.Tech.	24	23-Jul-84	First Employment
15	Arora, Mr. Vipin	36	Senior Consultant	2,703,012	1,792,686	Dip. in Prod. Engg., AMIE	17	2-Jul-91	First Employment
16	Arunachalam, Mr. Arun	34	Senior Consultant	2,642,338	1,693,958	BE, MBA	12	3-Apr-03	Citibank
17	Ashok, Ms. Indubala	52	Senior Consultant	2,469,969	1,567,621	MA	27	24-Apr-02	Alliance Francaise
18	Athani, Mr. Anandkrishna	42	Principal Consultant	2,447,191	1,545,959	BE, M.Tech.	20	1-Sep-03	Apar Technologies Ltd.
19	Baby, Mr. Aluvalunkel	54	Senior Consultant	2,412,864	1,502,387	ME	29	1-Apr-05	Tata Infotech Ltd.
20	Badal, Mr. Abhay	40	Senior Consultant	2,494,461	1,578,082	BE	18	17-Sep-90	First Employment
21	Bagchi, Mr. Pradipta	39	Senior General Manager	2,728,306	1,647,854	BA (Hons)	16	5-Jan-05	The Times of India
22	Bahl, Mr. Sanjay	46	Principal Consultant	2,590,518	1,602,091	BE, M.Tech.	23	8-Jan-93	PT Infotimur
23	Bahulkar, Mr. Arun Gajanan	52	Principal Consultant	3,273,781	1,946,070	M.Tech.	28	28-Jul-80	First Employment
24	Bajaj, Dr. Kamlesh Kumar	58	Principal Consultant	2,664,964	1,599,444	M.Sc, PhD	33	12-Sep-05	National Informatics Centre
25	Bajaj, Dr. Sanjeevan	52	Senior Consultant	2,617,868	1,657,857	MA, LLB, PhD	28	3-Dec-98	SBOP
26	Bakshi, Mr. Sridhar	50	Principal Consultant	3,181,972	1,914,304	M.Tech.	27	12-May-89	International Data Management
27	Balamuralidhar, Mr. P.	44	Senior Consultant	2,648,710	1,636,225	M.Tech.	18	12-Jan-03	Sasken Communication Tech. Ltd.
28	Balasubramanya, Mr. Shamanna	50	Vice President	4,734,127	2,823,503	BE, M.Tech.	27	16-Dec-05	PSI Data Systems Ltd.
29	Bandyopadhyay, Mr. Debasis	56	Vice President	3,129,948	1,852,760	B.Tech.	31	16-Jul-87	M. N. Dastur & Co.
30	Bansal, Mr. Sushil	43	Senior Consultant	2,545,502	1,635,759	B.Sc (Engg.), PGDIE	20	15-Feb-88	First Employment
31	Baskar, Mr. S.	40	Principal Consultant	2,607,544	1,659,839	BE	18	1-Jun-94	IIT, Madras
32	Basu, Mr. Sanjib	43	Principal Consultant	2,679,147	1,628,153	ME	21	2-Nov-92	Development Consultants Ltd.
33	Bhadang, Mr. Vinod	38	Principal Consultant	2,675,991	1,670,606	BE, M.Tech.	13	14-Jul-04	Etrade Financial
34	Bhalerao, Dr. Manoj	41	Senior Consultant	2,516,825	1,611,547	BE, PhD	17	19-Dec-05	GE India Tech.
35	Bhandari, Mr. Jagdish	56	Vice President	4,487,107	2,660,392	B.Sc, M.Tech.	32	15-Dec-75	First Employment
36	Bhanot, Mr. Sanjay*	44	Principal Consultant	2,770,837	1,193,325	BE, M.Tech.	21	27-Jan-87	First Employment
37	Bhargava, Mr. Ajay*	45	Principal Consultant	761,370	540,675	BE, MS, Masters in Comp. Sc.	18	4-Feb-08	Cococola
38	Bhartiya, Dr. Vivek	50	Senior Consultant	2,704,898	1,745,188	PhD (Statistics), Post Doctorate (Applied Statistics)	29	1-Apr-05	Tata Infotech Ltd.

Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
39	Bhaskar, Mr. H.N.	46	Senior Consultant	2,484,125	1,598,284	BE	20	13-Mar-06	EDS Technologies Pvt. Ltd.
40	Bhaskaran, Mr. K. L.*	60	Senior Consultant	1,755,545	670,264	B.Sc, B.Tech., PGDM	40	1-Apr-05	Tata Infotech Ltd.
41	Bhaskaruni, Mr. Sudhakar	40	Principal Consultant	2,494,781	1,561,886	M.Sc (Tech.), ME	18	5-Feb-90	First Employment
42	Bhatla, Mr. Tej Paul	42	Principal Consultant	3,155,632	1,883,828	M.Tech.	20	15-Feb-88	First Employment
43	Bhatt, Dr. Pankaj	45	Principal Consultant	2,764,145	1,699,849	BE (Hons), PhD	24	12-Oct-87	Hindustan Computers Ltd.
44	Bhattacharya, Mr. Harin	55	Principal Consultant	3,135,912	1,867,291	BE	32	1-Apr-05	Tata Infotech Ltd.
45	Bhattacharya, Mr. Syamal Kanti	55	Vice President	3,082,366	1,856,688	MS	28	14-Dec-92	AT&T
46	Bhavani, Mr. Ramann	38	Principal Consultant	2,590,695	1,562,820	M.Sc, M.Tech.	14	16-Sep-98	ABN AMRO Bank N. V.
47	Bidare, Mr. Prasanna*	54	Principal Consultant	1,849,831	1,155,924	BE, MSc	33	17-Sep-07	Senet Communications Pvt. Ltd.
48	Bilkha, Mr. Yajurvindra	55	Principal Consultant	2,581,001	1,552,686	BA	34	1-Jun-04	Wisden India
49	Biswas, Mr. Amit	56	Senior Consultant	2,722,695	1,667,054	BE	33	1-Apr-05	Tata Infotech Ltd.
50	Biswas, Mr. Biplab	42	Principal Consultant	2,405,988	1,547,886	M.Sc (Engg.), M.Tech.	15	4-May-93	First Employment
51	Biswas, Mr. Subodh	44	Principal Consultant	2,900,733	1,803,606	B.Tech., MBA	20	1-Oct-91	NIIT Ltd.
52	Bulusu, Dr. Gopalakrishnan	47	Senior Consultant	2,447,476	1,527,540	M.Sc, PhD	23	20-May-03	Dr. Reddy's Laboratories Ltd.
53	Chadha, Mr. Mahesh	51	Principal Consultant	2,549,941	1,556,805	B.Tech., MBA	25	1-Apr-05	Tata Infotech Ltd.
54	Chadha, Mr. Rajneesh*	43	Senior Consultant	985,388	739,362	BE	20	14-Nov-07	Nucleus Software Exports Ltd.
55	Chakrabarty, Mr. Tanmoy	47	Vice President	9,747,527	6,173,176	B.Com, DBM,	25	12-Jan-04	EDS Electronics Data Systems
56	Chamarty, Mr. Sitaram	45	Principal Consultant	2,445,513	1,593,058	M.Tech.	21	1-Apr-02	Seranova India
57	Chandrasekaran, Mr. N.	45	COO & Executive Director	13,361,361	8,292,883	B.Sc, MCA	21	27-Jan-87	First Employment
58	Chatterjee, Mr. Somnath	45	Principal Consultant	2,547,233	1,577,003	M.Tech.	21	3-Feb-87	First Employment
59	Chawla, Dr. Anil	50	Principal Consultant	2,468,193	1,522,677	M.Sc	30	19-Jul-96	State Bank of India
60	Chawla, Ms. Alka	45	Principal Consultant	2,516,880	1,518,484	BE, PGDM	22	1-Jul-87	Hindustan Computers Ltd.
61	Chellappa, Mr. Bhaskar	36	Senior Consultant	2,642,079	1,673,483	M.Sc	15	2-Apr-01	Infosys Technologies Ltd.
62	Chellaramani, Mr. Shyam	50	Principal Consultant	2,468,505	1,519,485	M.Sc	29	1-Feb-96	Bank of Baroda
63	Chetal, Mr. Pradeep	52	Senior Consultant	2,682,815	1,665,997	B.Sc (Engg.)	17	1-Apr-05	Tata Infotech Ltd.
64	Chitnis, Mr. Utkarsh	43	Senior Consultant	2,458,390	1,521,359	BE, Dip. in Indl. Elec. Engg.	19	1-Apr-05	Tata Infotech Ltd.
65	Chowdhari, Mr. Rajesh	40	Senior Consultant	2,526,112	1,565,396	BE	18	1-Apr-05	Tata Infotech Ltd.
66	Das, Mr. Dibyendu*	38	Senior Consultant	1,706,309	1,124,923	BE	17	6-Aug-07	Siemens Nixdorf Information System
67	Das, Mr. Swades	52	Senior Consultant	2,473,885	1,568,524	PGDBM	28	1-Apr-05	Tata Infotech Ltd.
68	Datta, Mr. Anjan	46	Principal Consultant	2,416,624	1,520,525	BE	25	14-Dec-94	CESC Ltd.
69	Datta, Mr. Prabal	40	Principal Consultant	2,556,722	1,633,154	Bachelor of Statistics (O), Masters of Statistics	18	16-Jul-90	First Employment
70	De, Mr. Aloke*	60	Senior Consultant	2,125,496	973,534	B.Tech	38	1-Apr-05	Tata Infotech Ltd.
71	Deepti, Mrs. Vijaya	46	Vice President	4,329,828	2,553,901	BE	25	12-Jul-82	First Employment
72	Desai, Dr. Pradeep V.	44	Principal Consultant	4,953,796	3,139,370	ME, PhD	21	1-Jun-06	Philips Innovation Campus
73	Desai, Mr. Nitin	43	Associate Vice President	2,795,388	1,720,783	BE	23	1-Apr-05	Tata Infotech Ltd.
74	Deshpande, Mr. Ajay	43	Senior Consultant	2,489,740	1,599,653	B.Sc	20	7-Feb-92	PCS Data Products Ltd.
75	Desouza, Mr. James	56	Principal Consultant	2,510,540	1,562,637	Dip. in Prod. Engg.	33	1-Apr-77	Indian Standard Metal Co.
76	Dhage, Mr. Dilip	50	Principal Consultant	2,823,089	1,711,699	M.Tech.	27	1-Apr-05	Tata Infotech Ltd.
77	Dhara, Mr. Sastry	34	Consultant	2,795,710	1,893,242	BE, M.Tech.	12	21-Mar-96	First Employment
78	Dias, Mr. Vinay Jude*	37	Senior Consultant	201,007	176,157	BE	15	3-Mar-08	Interglobe Technologies Pvt. Ltd.
79	Dinesh, Mr. P.	43	Principal Consultant	3,326,303	1,998,686	B.Tech, PGDSCA	19	1-Dec-92	Seashore Systems

Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
80	Doreswamy, Mr. Satishchandra	41	Vice President	4,820,763	3,001,656	BE	18	1-Apr-05	TCS Business Transformation Solutions Ltd.
81	Durga Prasad, Mr. M.	48	Associate Vice President	2,531,758	1,645,413	B.Com, ICWA	20	1-Jun-06	J&B Software India Pvt. Ltd.
82	Eappen, Mr. Bonny Kurian	42	Principal Consultant	3,162,238	1,874,589	M.Tech.	18	17-Sep-90	First Employment
83	Gaitonde, Mr. Pradeep	43	Senior General Manager	2,613,655	1,606,783	B.Com, ACA, BGL,ACS	22	1-Apr-05	Tata Infotech Ltd.
84	Galvankar, Mr. Sanjeev	52	Senior General Manager	2,697,053	1,658,338	BA, LLB	29	1-Apr-05	Tata Infotech Ltd.
85	Ganapathy Mr. M.*	41	Senior Consultant	597,140	435,926	AMIE, MS,PMP	18	2-Jan-08	Seal Infotech Pvt. Ltd.
86	Ganapathy, Mr. Balaji*	48	Associate Vice President	519,003	430,333	BA	23	21-Jan-08	First Employment
87	Ganesan, Mr. K.	46	Vice President	3,807,094	2,314,756	MA(SW), PG (Trg. & Dev.)	23	7-Jun-91	TI-Cycles of India
88	Ganesan, Mr. Sivaraman	39	Principal Consultant	3,400,331	2,034,780	BE	18	3-Oct-90	First Employment
89	Ghantasala, Mr. Gandhi	53	Senior Consultant	2,518,389	1,539,586	B.Sc, BE	29	1-Apr-05	Tata Infotech Ltd.
90	Ghosh, Mr. Debashis	42	Vice President	4,493,427	2,725,901	BE, M.Tech.	18	5-Feb-90	First Employment
91	Godbole, Mr. Ram	44	Senior Consultant	2,519,115	1,577,773	ME	21	29-Jan-87	First Employment
92	Goil, Mr. Ajay	48	Principal Consultant	2,670,570	1,671,370	B.Sc, BE	25	1-Apr-05	Tata Infotech Ltd.
93	Gopal, Mr. Balakrishnan	55	Vice President	3,964,024	2,340,450	B.Tech	34	15-Jun-87	Digitron Computers
94	Gopal, Mr. C. K.	43	Principal Consultant	3,470,281	2,138,259	B.Sc, MCA	17	7-Sep-00	IDLX Tech. Partners Pvt. Ltd.
95	Gopal, Ms. Hema	50	Vice President	4,077,726	2,524,270	B.Tech., MS	23	8-Apr-85	First Employment
96	Gopal, Ms. Vijayalakshmi	46	Principal Consultant	2,991,154	1,778,497	M.Sc, M.Tech.	19	8-Sep-04	Cognizant Technology Solutions
97	Gopinathan, Mr. Rajesh	37	Senior Consultant	3,318,314	2,159,815	PGDM	12	22-Jan-01	Tata Industries Ltd.
98	Gotlaseth, Mr. Adil	39	Consultant	3,130,925	2,080,986	B.Com, ACA	15	28-Feb-05	Ernst & Young
99	Govel, Mr. Manoj Kumar	46	Principal Consultant	3,401,052	2,017,940	BE, M.Tech.	22	17-Feb-87	MBM Engg. College
100	Gulati, Mr. Nityan	47	Principal Consultant	3,333,235	1,973,579	BE	26	12-Jul-82	First Employment
101	Gulati, Dr. V. P.	55	Consulting Adviser	2,776,257	1,671,832	PhD	26	1-Apr-05	IDRBT
102	Gupta, Mr. Amit	48	Vice President	3,528,621	2,119,325	BE, M.Tech.	26	15-Jul-82	First Employment
103	Gupta, Mr. Devesh	38	Principal Consultant	3,248,183	2,056,158	M.Tech.	15	19-Sep-06	Computer Sciences Corporation
104	Gupta, Mr. Jitander Kumar	48	Vice President	4,181,778	2,670,893	M.Com., LLB, AICWA, MBA	23	29-Apr-02	Zee Network (Zee TV)
105	Gupta, Mr. Naveen	50	Senior General Manager	2,695,781	1,695,406	B.Com, PGDBM	30	1-Sep-79	Applied Electro-Magnetics Pvt. Ltd.
106	Gupta, Mr. Sanjay Kumar	47	Principal Consultant	3,584,403	2,139,242	ME	25	15-Jul-83	First Employment
107	Gupta, Mr. Surender	45	Principal Consultant	2,500,516	1,560,006	BE	24	5-Apr-04	EDS Electronics Data Systems
108	Gurnani, Mr. Rajesh	45	Principal Consultant	2,657,329	1,659,338	B.Tech	23	28-Sep-87	Hindustan Computers Ltd.
109	Haidale, Mr. Anant*	35	Senior Consultant	688,054	492,159	BE	14	14-Jan-08	Infosys Technologies Ltd.
110	Halder, Mr. Sasthi	43	Principal Consultant	2,486,238	1,542,102	ME	20	2-Apr-93	Gec Alsthom Group of Companies
111	Haridasan, Mr. Thazhathe	59	Senior Consultant	2,665,529	1,628,627	BA	41	9-Jul-97	CRB Share Custodian
112	Hate, Ms. Chanda	56	Senior General Manager	2,727,142	1,653,692	MA	33	1-Apr-05	Tata Infotech Ltd.
113	Hemmadi, Mr. Suhas	42	Principal Consultant	3,405,331	2,043,771	BE, M.Tech.	19	6-Mar-89	First Employment
114	Husami, Mr. Muslim	50	Senior Consultant	2,856,170	1,749,046	B.Tech	27	1-Apr-05	Tata Infotech Ltd.
115	Ijari, Mr. Nagaraj	49	Vice President	4,535,764	2,685,302	B.Tech	22	15-Jan-90	Mafatlal Consultancy
116	Indra, Mr. Parthapratim	44	Senior Consultant	2,909,590	1,861,154	AMIE	19	1-Apr-05	Tata Infotech Ltd.
117	Indulkar, Mr. Manoj Vasant	40	Principal Consultant	3,540,145	2,174,192	BE, M.Tech.	17	18-Feb-91	First Employment
118	Iyer, Mr. R. K. Patham	44	Associate Vice President	2,858,064	1,874,750	BA, Certified Information Systems Auditor	16	12-Mar-07	Fidelity Business Services
119	Iyer, Mr. Vishwanathan	54	Vice President	8,770,250	5,425,617	ACA, ACS	33	16-Oct-06	IBM India Ltd



Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
120	Iyer, Ms. Kalpalatha	47	Principal Consultant	2,548,371	1,565,510	M.Sc	25	14-Jul-94	Vikasa Public School
121	Iyer, Ms. Usha	41	Senior Consultant	2,666,459	1,683,951	M.Sc (Engg.)	20	26-Jul-88	First Employment
122	Jagannathan, Mr. Rajagopal	54	Executive Vice President	7,657,925	4,628,180	B.Com, ACA, ACS, ACMA (UK), MBA(USA), AMP(Harvard)	26	9-Sep-02	Ways India Ltd.
123	Jain, Mr. Kamal*	61	Vice President	1,415,582	874,125	DME	36	1-Apr-05	Tata Infotech Ltd.
124	Jain, Mr. Sandeep	43	Principal Consultant	2,667,943	1,613,814	BE	21	15-Jul-87	First Employment
125	Jayaramakrishnan, Mr. Kannan	54	Vice President	4,055,333	2,428,374	B.Sc, Dip. in Sys. Mgmt.	33	1-Dec-89	S. B. Billimoria & Company
126	Jethani, Dr. Kanhaiya	52	Senior Consultant	2,709,521	1,702,710	M.Tech., PhD	26	17-Sep-90	UDCT, CSIR, Bombay University
127	John, Mr. Oommen	47	Senior Consultant	2,582,297	1,625,914	B.Sc (Engg.)	25	8-Jul-91	Alireza-Delta Transport Co. Ltd.
128	Kaji, Mr. Hasit	44	Vice President	4,068,950	2,412,670	B.Sc, BE	22	23-Jun-86	First Employment
129	Kamat, Mr. Milind	41	Vice President	4,277,515	3,781,275	MS	20	5-Aug-91	Mafatlal Consultancy Services
130	Kamat, Mr. Shrish	54	Assistant General Manager	2,745,328	1,733,573	B.Com	35	1-Apr-05	Tata Infotech Ltd.
131	Kameshwar, Mr. G	49	Principal Consultant	3,045,094	1,813,096	BE, PGDIT	26	1-Feb-85	Eicher Goodearth Ltd.
132	Kanade, Mr. Avinash	56	Principal Consultant	2,654,979	1,612,258	M.Tech.	33	1-Apr-05	Tata Infotech Ltd.
133	Kancharla, Mr. Mohan	43	Senior Consultant	2,775,509	1,792,940	BE, PGDM	20	15-Jun-88	First Employment
134	Kane, Ms. Anita	48	Principal Consultant	2,575,826	1,603,786	M.Sc	23	10-Dec-01	Yojana Systems Pvt. Ltd.
135	Kannan, Mr. T. V. Kamalak	47	Principal Consultant	3,372,459	2,032,543	BE (Hons), MBA	23	15-Apr-92	S & S Power Switchgear Ltd.
136	Kapadia, Mr. Farshid	53	Senior Consultant	2,429,545	1,525,857	B.Sc	28	1-Apr-05	Tata Infotech Ltd.
137	Kar, Mr. Apurba	48	Principal Consultant	2,499,372	1,553,001	BE	26	31-Dec-91	Bharat Heavy Electrical Ltd.
138	Karadagi, Mr. Sanjeev Narayan	37	Senior Consultant	2,476,493	1,545,670	BE	14	1-Apr-05	TCS Business Transformation Solutions Ltd.
139	Karthikeyan, Mr. K.*	44	Principal Consultant	1,274,887	791,437	BE	15	3-Mar-93	First Employment
140	Karve, Mr. Sanjay	41	Senior Consultant	2,432,650	1,576,850	BE, MBA	20	11-Nov-02	Cummins Infotech
141	Kaushik, Mr. Sundarraj	39	Senior Consultant	2,404,090	1,546,465	BE, M.Tech.	17	2-Nov-06	Reliance Infosolutions Ltd.
142	Keeni, Dr. Gargi	55	Vice President	2,556,731	1,489,483	PhD	26	8-Aug-88	FHL
143	Kesavasamy, Dr. Krishnamurthy	54	Principal Consultant	2,621,301	1,612,107	M.Sc, PhD	25	8-Nov-95	RRSSC-ISRO
144	Kholkar, Mr. Dinanath	39	Principal Consultant	2,626,011	1,626,885	BE	18	22-Feb-90	First Employment
145	Konduparthi, Ms. Srividya*	38	Associate Vice President	653,619	477,927	B.Com	14	7-Jan-94	First Employment
146	Koshal, Mr. Satish	59	Principal Consultant	2,709,894	1,632,667	B.Tech (Hons)	28	1-Apr-92	UPTRON India Ltd.
147	Kotri, Mr. Appanna	57	Senior Consultant	2,472,197	1,607,171	ME	32	1-Apr-05	Tata Infotech Ltd.
148	Kottai, Mr. A.*	45	Senior Consultant	612,313	487,422	BA, MS	18	2-Jan-08	Dell
149	Krishna, Mr. Jayant	43	Principal Consultant	3,278,863	1,970,576	B.Sc, MBA, ICWAI, AMP	23	20-Dec-94	UPTRON India Ltd.
150	Krishnan, Mr. C.	39	Senior Consultant	2,822,146	1,797,102	M.Sc (Engg.). M.Tech.	16	13-Feb-92	First Employment
151	Krishnan, Mr. K. Ananth	45	Vice President	5,103,491	2,982,170	M.Sc (Engg.). M.Tech.	20	8-Feb-88	First Employment
152	Krishnan, Mr. P. R.	52	Vice President	5,197,582	3,043,430	ME	27	3-Feb-82	ERDC Keltron
153	Krishnan, Mr. R.	55	Vice President	3,835,353	2,286,032	MBA	24	27-Jun-01	ANZ Grindlays Bank
154	Krithivasan, Mr. K.	43	Vice President	4,764,821	2,841,468	BE, M.Tech.	21	20-Jul-89	Softek Pvt. Ltd.
155	Kulkarni, Mr. Ganesh Neelkanth	56	Vice President	3,380,900	2,015,559	BE, M.Tech.	32	26-Apr-77	IIT, Kanpur
156	Kulkarni, Mr. Vinay	42	Scientist	2,907,805	1,767,514	MS	20	3-May-89	First Employment
157	Kumar, Mr. Alok	46	Vice President	3,371,923	2,052,841	M.Sc (Engg.). M.Tech.	23	3-Feb-86	Lucknow University
158	Kumar, Mr. Anand	42	Principal Consultant	2,456,052	1,524,306	BE, MBA	18	11-Jun-90	Enfield India Ltd.
159	Kumar, Mr. Aseervatham	41	Senior Consultant	2,450,358	1,569,738	BE	20	2-Jan-97	HTL Ltd.
160	Kumar, Mr. K. Krishna	50	Vice President	3,797,919	2,249,827	B.Com, PGDBM	22	1-Mar-04	DSP Merrill Lynch

Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
161	Kumar, Mr. M.	55	Principal Consultant	2,533,244	1,642,715	B.Tech., PGDM	32	1-Jul-76	First Employment
162	Kumar, Mr. Shrawan	44	Senior Consultant	2,499,934	1,565,436	B.Tech	24	7-Apr-95	IIM, Lucknow
163	Lahiri, Mr. Rabindra N.	55	Principal Consultant	2,697,341	1,698,011	B.Sc, BEE (Hons), PGD (Computer and Control Engg.)	29	29-Nov-89	NTPC
164	Lakkad, Mr. Milind	44	Principal Consultant	3,909,404	2,322,568	M.Tech.	20	18-Dec-06	Infosys
165	Lakshmanan, Ms. Usha	45	Vice President	3,312,074	1,971,473	FICWA, MBA, FIII	23	6-May-98	The New India Assurance Co. Ltd.
166	Lakshminarayanan, Mr. G. S.	39	General Manager	2,563,670	1,614,237	B.Com, ICWA, ACA,	15	9-Dec-03	Tata Steel Ltd.
167	Lalgudi, Mr. Ganesan*	48	Principal Consultant	3,565,141	2,219,738	BE, MBA	27	19-Jul-07	Tata Technologies Ltd.
168	Lamba, Dr. Joginder	58	Senior Consultant	2,653,926	1,721,115	PhD	38	1-Apr-05	Tata Infotech Ltd.
169	Madathilkovilakam, Mr. Krishnakumar*	39	Senior Consultant	1,270,347	795,974	B.Tech. PGD	17	14-Nov-07	Sasken Communication Tech. Ltd.
170	Magapu, Mr. Ramana Murthy Venkata	43	Vice President	4,279,580	2,569,557	BE	21	3-Oct-89	AP Technology Services Ltd.
171	Mahalingam, Mr. Seturaman	60	CFO & Executive Director	13,125,278	8,033,319	B.Com, ACA	41	9-Nov-70	G. P. Kapadia & Company
172	Malhotra, Mr. Vinod Kumar	61	Vice President	3,593,215	2,132,856	B.Sc (Engg.)	40	1-Apr-05	Tata Infotech Ltd.
173	Malik, Ms. Rachna	41	Principal Consultant	3,282,198	1,978,535	M.Sc.(Tech.)	20	15-May-92	Wipro Infotech Ltd.
174	Mallick, Mr. Sudhir Kumar	55	Principal Consultant	3,305,940	1,976,270	M. Stat., PGDCS	30	5-Jan-81	Administrative Staff College of India
175	Mandaleeka, Mr. Narayana	49	Vice President	3,724,185	2,237,899	ME	26	19-Jul-82	First Employment
176	Mani, Mr. Sattupathu	54	Vice President	3,370,577	1,899,540	B.Tech., PGDBM	34	1-Feb-07	Orion Infotech Ltd.
177	Mansharamani, Dr. Rajesh K.	41	Vice President	3,783,845	2,259,458	PhD	19	9-Feb-94	First Employment
178	Marwah, Mr. Nishit	52	Senior General Manager	3,376,137	1,997,931	B.Com, ACA	23	1-Jul-04	Rallis India Ltd.
179	Mathkar, Mr. Sanjay	44	Senior Consultant	2,502,352	1,631,664	Dip. in Prod. Engg.	23	12-Feb-86	Bombay Suburban Electric Supply Ltd.
180	Mathur, Ms. Shalini	43	Principal Consultant	2,431,320	1,495,636	BA, MCA	20	1-Mar-91	Mafatlal Consultancy (I) Ltd.
181	Mathur, Mr. Ambrish*	37	Senior Consultant	2,358,144	1,579,582	B.Tech.	17	16-Jul-07	Colgate Palmolive
182	Mazumder, Mr. Abhijit Kumar	36	Consultant	2,945,143	1,884,132	BE	13	15-May-95	Wesman Engg. Co. Ltd.
183	Medhekar, Mr. Nilesh	44	Principal Consultant	2,645,452	1,605,353	M.Tech.	21	3-Feb-87	First Employment
184	Mehra, Mr. Ashok	43	Senior Consultant	2,810,567	1,796,680	B.Tech., MMS	19	5-Jun-92	Garden Silk Mills Ltd.
185	Mehra, Mr. Kapil*	47	Senior Consultant	1,041,060	718,990	M.Sc	23	6-Nov-07	Keane India
186	Mehra, Ms. Seema	43	Principal Consultant	2,449,467	1,491,435	B.Tech	19	22-May-89	First Employment
187	Mehta, Mr. Mehul	37	Senior Consultant	2,512,789	1,572,006	BE	15	1-Dec-92	Mastek Pvt. Ltd.
188	Mehta, Mr. Sundeep	39	Consultant	2,442,010	1,608,175	BE	18	12-Mar-07	Patni Computer Systems Pvt. Ltd.
189	Menezes, Mr. Clifton	43	Principal Consultant	2,868,029	1,746,775	M.Sc	22	1-Apr-05	Tata Infotech Ltd.
190	Mhatre, Mr. Suresh Madhav	54	Vice President	3,515,682	2,093,000	ME	33	2-Jan-79	Mhatre Art Studio
191	Mishra, Mr. Satya	36	Principal Consultant	2,709,641	1,688,634	BE, PGDM	15	21-Jun-93	First Employment
192	Misra, Mr. Sanjeev*	36	Associate Vice President	788,670	566,416	B.Tech., MBA	8	7-Jan-08	Secova eServices Ltd.
193	Mistry, Mr. Khursu S.	43	Senior General Manager	2,693,001	1,511,823	B.Com, LLB, FCS	19	1-Apr-05	Airline Financial Support Services (India) Ltd.
194	Mittal, Mr. Shaishav	41	Principal Consultant	2,867,541	1,723,368	BE	16	20-Feb-02	Amazon Com
195	Modi, Ms. Nina R.	49	Vice President	3,281,088	1,946,312	BA (Hons), MMS	27	1-Feb-85	ICIM
196	Mohan, Mr. G. R. K.	45	Principal Consultant	3,022,064	1,802,094	M.Tech.	22	31-Mar-86	First Employment
197	Mohanty, Dr. Santosh Kumar	46	Principal Consultant	3,631,777	2,214,714	M.Sc, M.Phil, PGDCS MS, PhD	18	16-Apr-97	DRDO

Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
198	Mukherjee, Mr. Ajoyendra	49	Vice President	5,001,083	2,928,144	BE	28	7-Jul-80	First Employment
199	Mukherjee, Ms. Susweta	46	Principal Consultant	2,408,652	1,515,147	M.Sc	22	19-Oct-95	Bata India Ltd.
200	Mukhopadhyay, Mr. Suprakash*	43	Vice President and Company Secretary	704,384	484,089	B.Com.(Hons), ACA, AICWA, ACS	19	2-Jan-08	Tata Sons Ltd.
201	Munjal, Ms. Bharti	44	Principal Consultant	3,266,420	1,973,380	B.Sc, MCA	22	4-Sep-91	DCM Data Products
202	Murali Krishna, Mr. C.	48	Principal Consultant	2,789,472	1,719,630	B.Tech., MBA	25	2-Dec-99	Wipro Technologies Ltd.
203	Muralidharan, Mr. V.	46	Principal Consultant	2,427,347	1,470,178	BE	23	21-Sep-87	PSI Data Systems Ltd.
204	Murugan, Mr. R.	43	Principal Consultant	3,007,745	1,794,036	BE, MS	21	4-Nov-92	VSSC, ISRO
205	Nagabhatla, Mr. Sarma*	41	Vice President	3,815,578	2,494,815	BA	19	19-Apr-07	Symphony Services Corp. Ind. Ltd.
206	Naik, Mr. Ravindra	42	Senior Consultant	2,476,701	1,579,115	BE, M.Tech.	19	15-May-89	First Employment
207	Nambiar, Mr. V. C. Rajesh	40	Principal Consultant	2,876,549	1,774,831	B.Sc, MCA	17	2-Sep-93	Microland Ltd.
208	Nanadikar, Ms. Anita P.	47	Vice President	4,040,854	2,395,050	BE	25	25-Jul-83	First Employment
209	Narasimhan, Mr. S.	46	Vice President	4,152,141	2,485,077	MSc (Hons.), MSc (Tech.)	22	3-May-91	ORG Systems
210	Narayanan, Mr K. V.	48	Vice President	3,189,711	1,933,644	M.Sc (Tech.)	26	5-Mar-84	ORG Systems
211	Narayanan, Mr. A.	48	Senior Consultant	2,540,437	1,620,508	MBA	24	1-Apr-98	Entrepreneurship Dev. Institute of India
212	Natarajan, Dr. Swaminathan	46	Principal Consultant	2,595,393	1,552,909	B.Tech., MS, PhD	23	1-Aug-05	Rochester Institute of Technology
213	Natarajan, Mr. Venkatraman	49	Principal Consultant	3,139,480	1,898,870	BE (Hons)	26	11-Feb-05	Allsec Technologies Ltd.
214	Nayak, Mr. Rajarama	45	Senior Consultant	2,557,134	1,611,183	BE, PG Dip. in Electronic Design	19	11-Apr-03	Sasken Communication Tech. Ltd.
215	Neemuchwala, Mr. Abid Ali	40	Vice President	228,833	85,250	M.Tech	16	28-Feb-92	First Employment
216	Nibhanupudi, Mr. Venkata Gopala*	46	Senior Consultant	774,196	594,975	M.Tech.	20	10-Dec-07	Visualsoft/Megasoft Technologies
217	Nilekani, Mr. Anand M.	55	Principal Consultant	3,486,617	2,215,549	BE, PGDM	34	1-Apr-05	Tata Infotech Ltd.
218	Niyogi, Mr. Probir Kumar	56	Principal Consultant	2,744,647	1,665,539	M.Tech., PGCGM	32	11-Dec-96	British Oxygen Co.(India)
219	Nori, Prof. Kesav Vithal	62	Executive Vice President	4,639,039	2,718,912	M.Tech.	40	8-Oct-83	CMU
220	Obero, Dr. Sundeep	47	Principal Consultant	2,966,673	1,790,361	M.Tech., PhD	23	1-Apr-05	Tata Infotech Ltd.
221	Padhye, Mr. Arvind Madhav	50	Principal Consultant	2,842,619	1,725,387	BE, M.Tech.	25	1-Apr-05	Tata Infotech Ltd.
222	Padmanabhan, Mr. Kishore	56	Vice President	4,432,360	2,622,371	M.Tech.	33	1-Sep-75	First Employment
223	Padmanabhan, Mr. S.*	50	Executive Director & Head Global HR	10,336,869	6,393,913	BE, PGDM	26	17-May-82	First Employment
224	Padmanabhan, Mr. Satish	33	Senior Manager	2,518,425	1,691,378	ACA	8	7-Nov-06	E-Serve International Ltd.
225	Padmanabhan, Mr. Siva Kumar*	38	Principal Consultant	1,308,161	826,964	B.Tech., MBA	15	12-Nov-07	Infosys Consulting Inc
226	Pai, Mr. Ashok Ganesh	39	Principal Consultant	2,835,091	1,674,761	BE, M.Tech.	16	27-Jan-92	First Employment
227	Pai, Mr. Dilip M.	50	Principal Consultant	2,790,044	1,695,023	B.Tech	26	1-Apr-05	Tata Infotech Ltd.
228	Pal, Mr. Arpan	39	Senior Consultant	2,418,207	1,525,314	M.Tech.	15	12-Apr-02	Macmet Interactive Technology
229	Pal, Mr. Pratik	40	Principal Consultant	4,071,436	2,435,720	M.Tech.	17	19-Aug-91	First Employment
230	Palanichamy, Dr. K.*	46	Senior Manager	1,953,421	1,360,353	PhD	11	18-Jun-07	G. V. K Bioscience
231	Panda, Mr. Ashok	52	Principal Consultant	3,357,831	2,000,518	M.Sc	30	22-Jan-96	State Bank of Hyderabad
232	Panda, Mr. Manoj	38	Principal Consultant	2,499,898	1,552,949	B.Tech	18	12-Jul-90	First Employment
233	Pande, Dr. Arun K.	56	Principal Consultant	3,199,136	1,951,220	ME, PhD	27	1-Apr-05	Tata Infotech Ltd.
234	Pandit, Mr. Pradipta	36	Principal Consultant	2,730,568	1,705,405	BE	15	14-Jul-93	First Employment
235	Parameswaran, Mr. N.	58	Senior General Manager	2,599,991	1,603,894	B.Sc, Dip. in Prod. Engg.	28	11-May-88	Batliboi & Purohit
236	Parkhi, Mr. Mandar*	35	Consultant	423,937	283,648	BE, MBA	14	31-Jan-08	Infosys Technologies Ltd.

Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
237	Pathak, Mr. Shrikant N.	51	Principal Consultant	2,954,790	1,742,717	BE, M.Tech.	30	1-Apr-05	Tata Infotech Ltd.
238	Patil, Mr. Vikrant*	36	Consultant	1,703,750	1,153,398	B.Com, ACA	12	23-Jul-98	First Employment
239	Peddiboyina, Ms. Sailaja	42	Principal Consultant	3,125,136	1,882,178	B.Tech., PGDIE	16	3-Mar-03	Apar Infotech
240	Pendharkar, Mr. Jayant V.	65	Vice President	4,206,075	2,483,908	B.Tech., MBA	38	16-Jul-96	United S/W Services, Inc
241	Perunkolam, Mr. Hariharan	43	Senior Consultant	2,452,557	1,572,622	BE, M.Tech.	17	25-Nov-96	Tata Consulting Engineers
242	Poddar, Mr. Debashis	41	Vice President	5,484,270	3,374,511	BE, PGDM	16	3-Sep-01	Arthur Andersen
243	Prabhakar, Mr. Arun K.	40	Principal Consultant	3,400,331	2,038,314	B.Tech	17	3-Oct-90	First Employment
244	Prabhakaran, Mr. Pitchandi	36	Senior Consultant	2,823,700	1,835,243	ME	14	10-Feb-94	First Employment
245	Pradhan, Mr. Bijan	40	Senior Consultant	2,530,035	1,640,454	MCA	14	7-Dec-95	Beebcon Engineers
246	Pradip, Dr.	52	Scientist	3,302,531	1,957,273	B.Tech., MS, PhD	33	6-Apr-84	Bhabha Atomic Research Centre
247	Prasad, Dr. Krishna	53	Principal Consultant	2,439,855	1,516,608	ME	31	14-Dec-06	Krohm Solutions
248	Prasad, Mr. M. A.	56	Principal Consultant	2,664,512	1,620,522	B.Sc, CAIIB	38	8-May-00	Bank of Madura Ltd.
249	Prasad, Mr. S. V. S.	39	Principal Consultant	2,451,360	1,568,017	B.Tech., ME	16	22-Jul-96	M. S. Ramaiah Inst. of Tech.
250	Punnekat, Mr. Prakash	44	Principal Consultant	2,628,365	1,588,738	ME	19	31-Jul-89	First Employment
251	Raghavan, Mr. G. Srinivasa	38	Vice President	4,819,051	2,874,691	BE, MBA	17	3-Jul-01	Satyam Infoway
252	Raghavan, Mr. Srinivasan	58	Principal Consultant	2,425,696	1,531,058	B.Tech., PGDM	36	1-Apr-05	Tata Infotech Ltd.
253	Raghunathan, Mr. K.	40	Principal Consultant	2,459,720	1,520,741	BE	19	24-Nov-93	M. N. Dastur & Co. Ltd.
254	Rajadhyaksha, Mr. S. H.*	56	Company Secretary	4,069,070	2,422,496	B.Com.(Hons), ACA, AICWA, ACS	33	22-Apr-04	Tata Industries Ltd.
255	Rajagopal, Mr. G.	51	Principal Consultant	2,479,242	1,512,958	BE, M.Tech.	26	4-Jan-82	First Employment
256	Rajagopalan, Mr. M.	53	Principal Consultant	2,849,698	1,744,614	B.Tech, ME	31	3-Aug-92	Bharat Heavy Electrical Ltd.
257	Rajagopalan, Mr. Ramakrishna	42	Associate Vice President	2,908,999	1,881,835	B.Com	17	3-Nov-06	Genpact
258	Rajanna, Mr. Veluga	40	Principal Consultant	3,597,311	2,198,233	BE, M.Tech.	14	30-Jun-94	First Employment
259	Rajaraman, Mr. Krishnamurthy*	43	Associate Vice President	535,472	404,138	B.Com, ACA	15	14-Jan-08	Chemoil Advanced Mgmt. Services
260	Rajendren, Mr. Thiruvallam*	52	Principal Consultant	2,527,646	1,579,923	BE, PGD (Indl. Mgt.), M.Tech.	31	18-Jul-07	Perot Systems
261	Ramachandra, Mr.	51	Principal Consultant	2,569,677	1,543,955	B.Com, FCA, ACS	23	18-Jan-99	Bangalore Stock Exchange
262	Ramachandran, Mr. Girish P.	37	Principal Consultant	4,073,936	2,439,299	B.Sc (Tech.), MMS	16	24-Nov-94	HCL Ltd.
263	Ramachandran, Mr. Srinivasan	58	Principal Consultant	3,031,925	1,789,843	B.Tech., MSc.	33	1-Apr-05	Tata Infotech Ltd.
264	Ramadass, Mr. Sathya Karthik*	35	Associate Vice President	2,260,374	1,466,404	BE, PGDM	9	11-Oct-06	First Employment
265	Ramadorai, Mr. Subramanian	64	CEO & Managing Director	26,571,700	16,460,544	BE, MSc	38	23-Feb-72	Physical Research Lab.
266	Ramakrishnan, Mr. C.*	41	Principal Consultant	2,231,639	1,249,938	ME	18	19-Feb-90	First Employment
267	Raman, Mr. Rampura*	38	Senior Consultant	914,003	647,590	BE, MBA	16	21-Nov-07	LSI Logic
268	Raman, Mr. V. K.	48	Vice President	9,831,600	6,251,404	B.Com, ACA, ACS, Grad. CWA	23	31-Jul-06	Global Realty Outsourcing Pvt. Ltd.
269	Ramanan, Mr. Ramanathan	50	Vice President	5,535,420	3,385,837	B.Tech	27	22-Jul-81	First Employment
270	Ramanathan, Mr. V.	48	Principal Consultant	1,913,844	1,062,641	BE	20	2-Jan-90	UPTRON India Ltd.
271	Ramanujam, Mr. Krishnan*	39	Vice President	1,697,407	1,059,931	BE, M.Sc (Engg.)	16	22-Nov-07	TCS Financial Solutions
272	Ramaswamy, Mr. Venguswamy	38	Principal Consultant	4,101,603	2,475,528	B.Sc, MCA	16	9-Dec-93	Reliance Industries Ltd.
273	Ramesh, Mr. R.*	50	Principal Consultant	908,674	530,690	BE, PGD (Energy & Management)	27	28-Nov-07	Wipro Technologies Ltd.
274	Ramteerthkar, Mr. Uday	48	Principal Consultant	2,534,127	1,539,681	BE, M.Tech.	24	26-Jul-84	First Employment
275	Randeria, Mr. Yazdi Burjor	38	Associate Vice President	2,664,710	1,644,014	B.Com, IATA Certification	18	1-Apr-05	Airline Financial Support Services (India) Ltd.
276	Rangarajan, Mr. T.	51	Principal Consultant	2,679,147	1,635,868	BE, PGDIE	30	8-Mar-89	National Productivity Council
277	Rao, Mr. Anand	51	Senior Consultant	2,033,129	1,138,694	BE	27	1-Apr-05	Tata Infotech Ltd.

Sr. No.	Name	Age (years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience (years)	Date of Joining	Previous Employment
278	Rao, Mr. B. P.	39	Principal Consultant	3,668,852	2,217,430	BE	17	1-Apr-05	TCS Business Transformation Solutions Ltd.
279	Rao, Mr. G. Venkata	57	Principal Consultant	2,797,944	1,703,647	DME	32	1-Apr-05	Tata Infotech Ltd.
280	Rao, Mr. Gururaj	44	Principal Consultant	2,834,476	2,514,750	M.Tech.	22	1-Apr-05	Tata Infotech Ltd.
281	Rao, Mr. Kumar Swami	59	Vice President	3,299,394	1,951,546	MS	35	1-Mar-05	Corp Banca
282	Rao, Mr. Ravishankar Emaneni	40	Senior Consultant	2,743,535	1,697,509	BCom, GNIIT	16	1-Apr-05	TCS Business Transformation Solutions Ltd.
283	Ravichandran, Mr. K.	53	Principal Consultant	2,944,037	1,776,669	BE	31	1-Apr-05	Tata Infotech Ltd.
284	Ravichandran, Mr. S.	55	Senior Consultant	2,598,395	1,981,871	BE, Masters in Mktg. Mgt.	31	1-Apr-05	Tata Infotech Ltd.
285	Reddy, Mr. Sreedhar S.	45	Scientist	2,869,593	1,741,575	M.Tech.	21	27-Jan-87	First Employment
286	Redkar, Mr. Narendra	55	Senior Consultant	2,795,256	1,745,155	BA	30	3-Feb-03	Standard Chartered Bank Plc
287	Reguraman, Mr. A.	46	Vice President	4,237,243	2,578,595	BE, M.Tech.	23	15-Jul-94	Bharat Heavy Electrical Ltd.
288	Rijhwani, Ms. Uma	42	Principal Consultant	3,352,331	2,003,517	B.Tech	19	16-Apr-90	Emco Electronics
289	Rufus, Mr. P.	50	Principal Consultant	2,495,563	1,540,956	B.Sc	25	1-Jun-83	Business India
290	Sachdeva, Mr. Sushil	47	Senior Consultant	2,504,220	1,589,314	Dip. in Electronics, Dip. in Prod.Engg., AMIE	29	2-Aug-79	First Employment
291	Saha, Mr. Arup Kumar	59	Principal Consultant	3,291,970	1,996,290	M.Sc, PGDCM, PGDSM	36	1-Apr-05	Tata Infotech Ltd.
292	Sahai, Mr. Manoj	45	Principal Consultant	3,303,520	1,960,600	BE	22	16-Aug-89	Indian Oxygen Ltd
293	Sai Mr. K.*	34	Associate Vice President	418,128	324,936	B.Sc	14	11-Feb-08	I-Gate Global Solutions
294	Samaradivakera, Mr. Proloy	52	Principal Consultant	3,153,718	1,875,649	M.Tech.	26	12-Jul-88	Tinplate Co. of India Ltd.
295	Sambasivam, Mr. Ragupathy*	53	Vice President	5,303,666	3,224,874	Bachelor of Architecture	26	1-Jun-07	Kuala Lumpur City Centre Pvt. Ltd.
296	Santosh, Ms. Shobha	40	Senior Consultant	3,140,270	1,999,180	M.Sc	16	4-Sep-95	Datapro
297	Sanyal, Mr. Barindra	61	Vice President	5,579,090	3,271,735	B.Sc, ACA	32	11-Mar-03	Tata SS Ltd.
298	Sarma, Mr. B. V. M.	49	Vice President	2,991,100	1,834,846	M. Pharm., MS	25	1-Aug-06	Tamilnadu Industrial Dev. Corp.
299	Sarmandal, Mr. Abhay	53	Senior Consultant	2,769,642	1,746,564	ME	29	1-Apr-05	Tata Infotech Ltd.
300	Sastry, Mr. P. K.*	39	Principal Consultant	657,179	470,331	B.Com	18	1-Feb-08	HCL Technologies Ltd.
301	Sathe, Mr. Chaitanya	44	Principal Consultant	2,746,649	1,701,471	M.Sc	20	22-Feb-88	Ind Photographic Co.
302	Saxena, Mr. Ashvini	35	Principal Consultant	2,760,416	1,664,598	M.Sc, M.Tech.	11	6-Mar-97	First Employment
303	Saxena, Mr. Divaker	41	Principal Consultant	2,553,851	1,591,639	BE, M.Tech.	18	19-Feb-90	First Employment
304	Sen, Mr. Supratim*	43	Senior Consultant	1,791,415	1,237,716	BS	20	3-Jul-07	HCL Comnet Ltd.
305	Sengupta, Dr. Siddhartha	57	Principal Consultant	2,986,935	1,837,217	M.Sc, PhD	32	1-Apr-05	Tata Infotech Ltd.
306	Sengupta, Mr. Parag	40	Principal Consultant	3,522,420	2,144,487	B.Com	17	3-Apr-06	Ocwen Financial Solutions Pvt. Ltd.
307	Sengupta, Mr. Sunit	50	Principal Consultant	2,541,349	1,556,234	M.Tech.	24	15-Jul-99	Pagepoint Services
308	Seshadri, Ms. Rajani	43	Vice President	3,813,919	2,287,308	BE, PGDED	23	18-Sep-89	IDM
309	Seshadrinathan, Mr. P. K.	54	Principal Consultant	2,769,920	1,656,016	M.Tech	31	1-Oct-03	SSI Technologies
310	Sethna, Mr. Behram Rustom	56	Vice President	3,271,673	1,940,056	B.Sc., MIM, MBA	32	1-Jun-76	First Employment
311	Sethuraman, Mr. Gopalakrishnan	38	Associate Vice President	3,036,093	1,983,920	B.Com, ACA, Grad. CWA	15	22-Dec-06	Oracle India Pvt. Ltd.
312	Shah, Mr. Bharat	38	Principal Consultant	3,421,465	2,215,051	BE	17	8-Apr-91	Apple Industries Ltd.
313	Shah, Mr. Dharmesh*	38	Senior Consultant	747,788	586,893	BE	17	13-Dec-07	Openwave Systems
314	Shah, Mr. Ravindra Jivandhar	57	Vice President	4,919,485	2,902,790	BE, M.Tech.	33	15-Dec-75	Telerad
315	Shanmugham, Mr. Murugavel*	40	Senior Consultant	1,390,511	906,379	BE, PGD	17	12-Jul-91	First Employment
316	Sharma, Mr. Gopesh	38	Senior Consultant	2,624,932	1,721,805	B.Tech., ME	14	5-Oct-95	BPL Sanyo Utilities & Appliances Ltd.
317	Sharma, Mr. Shubhendu Dwaraka	48	Principal Consultant	2,674,965	1,739,402	BE	27	1-Apr-05	Tata Infotech Ltd.



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318	Sherlekar, Dr. Sunil Dattatraya	52	Principal Consultant	3,532,368	2,099,653	M.Tech., PhD	26	29-May-02	Sasken Communication Tech. Ltd.
319	Sherlekar, Mr. Shirish Dattatraya	47	Senior Consultant	2,918,685	1,925,889	MBBS	19	16-Jan-06	Asian Clinical Trials
320	Sheth, Mr. Paresh	41	Principal Consultant	2,883,028	1,753,746	BE	18	3-Jan-05	EDS Electronics Data Systems
321	Shinde, Mr. Ravindrakumar	53	Senior Consultant	2,745,958	1,782,314	BE, PGDBM	23	1-Apr-06	First Employment
322	Shiralkar, Mr. Shreekant	45	Principal Consultant	2,661,779	1,696,501	BE	21	1-Jun-06	Bharat Petroleum Corporation Ltd.
323	Shivarams, Mr. Kumar	43	Principal Consultant	3,415,831	2,130,769	M.Sc (Engg.)	21	22-Apr-91	Norsk Data (I) Ltd.
324	Shroff, Dr. Gautam	44	Vice President	4,607,798	2,756,640	B.Tech., MSc., PhD	17	2-Jan-98	IIT, Delhi
325	Shukla, Mr. Prashant*	44	Vice President	4,858,727	3,110,597	MBA	19	13-Sep-07	Countrywide Securities Corpn.
326	Simha, Mr. Anantha	50	Principal Consultant	2,609,455	1,595,608	BE, M.Tech.	27	1-Sep-93	Cirkisys Technology Ltd.
327	Simon, Mr. Thomas Verghese	47	Vice President	3,803,231	2,275,761	B.Sc, MSW	21	16-Apr-90	Metal Box India Ltd.
328	Singh, Dr. Gian Sunder*	60	Principal Consultant	2,673,289	1,669,951	M.Sc, PhD	38	1-Apr-05	Tata Infotech Ltd.
329	Singh, Mr. Shivendra Kumar*	41	Associate Vice President	729,079	521,581	Bachelor of Architecture	9	10-Dec-07	Dell International Services
330	Sinha, Ms. Bandana	40	Principal Consultant	2,406,732	1,534,520	B.Tech	19	20-Aug-91	Uptron Computer Consultancy
331	Sinvhal, Mr. Sanjay	43	Senior Consultant	2,694,705	1,789,563	ME	21	20-Apr-06	Comverse Nw Systems (I) Pvt Ltd.
332	Sirohi, Mr. Nitin	36	Principal Consultant	2,888,804	1,756,684	MCA	14	11-Aug-94	First Employment
333	Sivakumar, Mr. V.*	52	Senior Consultant	2,041,867	1,309,817	B.Sc, MBA	29	1-Sep-05	Tata Teleservices (Maharashtra) Ltd.
334	Sivasamban, Mr. N.	43	Vice President	4,084,042	2,492,937	B.Com (Hons), PGDCA, PGDFA	22	6-Jul-00	Tata Teleservices Ltd.
335	Sivasubramaniam, Dr. Anand*	40	Vice President	2,934,288	1,790,221	B.Tech., MS, PhD	13	16-Aug-07	The Pennsylvania State University
336	Sogani, Mr. Hemant	52	Senior Consultant	2,659,701	1,639,534	M.Sc, Masters in Science & Technology	31	1-Apr-05	Tata Infotech Ltd.
337	Sokhi, Ms. Radhika	52	Principal Consultant	2,529,662	1,524,475	BE, PGDM	24	17-Oct-88	NIIT Ltd.
338	Sood, Mr. Vineet	40	Senior General Manager	9,026,437	5,920,281	M.Com, ACA	17	20-Mar-06	Micro Inks Ltd.
339	Sovani, Mr. Vishwas Bhalchandra	52	Vice President	3,654,524	2,335,796	MD, Dip. in Mgmt	29	2-Jan-07	Organon India Ltd.
340	Sowdas, Mr. Arun*	43	Associate Vice President	612,820	449,832	BE	16	21-Jan-08	Allsec Technologies
341	Sreedharan, Mr. Ramesh*	44	Vice President	4,073,715	2,710,242	M.Sc	20	21-May-07	Genpact
342	Srikanth, Ms. Usha	38	Principal Consultant	3,204,032	1,927,312	BE, MMS	15	23-Sep-02	Mphasis
343	Srinivas, Mr. Krishna Mairapady	43	Principal Consultant	3,880,029	2,373,757	BE, PGDIE	20	22-Nov-06	HSBC Software Dev. (I) Ltd.
344	Srinivasan, Dr. Raman	45	Principal Consultant	2,411,438	1,496,196	B.Tech., MA, PhD	20	11-Aug-04	Ramco Systems
345	Srinivasan, Mr. A.	51	Vice President	3,625,632	2,168,259	M.Sc, M.Tech.	25	2-Nov-87	Cholamandalam Software Ltd.
346	Srinivasan, Mr. Krishnaswamy	41	Vice President	4,267,885	2,602,518	M.Sc,PMP, MBA	22	28-Feb-07	Covansys India (P) Ltd
347	Srinivasan, Mr. Kumar	42	Principal Consultant	2,598,780	1,660,697	B.Sc, MCA	17	3-Feb-92	Inward Eng. Tech. P. Ltd.
348	Srinivasan, Mr. N.	51	Senior Consultant	2,676,626	1,682,141	B.Tech., PGDM	27	1-Apr-05	Tata Infotech Ltd.
349	Srinivasan, Mr. Ramamurthy	46	Principal Consultant	2,595,989	1,601,916	B.Com, ACA,MBA	23	1-Feb-96	Ministry of Finance, Gol
350	Srirangan, Mr. Vijay	53	Vice President	3,718,637	2,196,643	B.Tech., PGDM	29	1-Apr-05	Tata Infotech Ltd.
351	Srivastava, Mr. Jyoti	45	Principal Consultant	1,628,648	990,425	B.Tech., PGDM	22	23-Jun-86	First Employment
352	Subramaniam, Mr. N. Ganapathy **	49	Vice President	6,885,742	4,024,856	M.Sc	26	4-Jan-82	First Employment
353	Subramanian, Mr. K.	43	Principal Consultant	2,655,865	1,597,591	B.Sc, ACA	21	24-Jun-87	N. K. Krishnaswamy & Co.
354	Subramanian, Mr. Venkatramani	49	Vice President	3,767,570	2,229,624	B.Tech., PGDM	27	12-Jun-02	Nihilent Technologies
355	Subramanian, Ms. Aarthi	40	Principal Consultant	3,571,550	2,131,507	B.Tech, MS	14	26-Feb-03	Informix Software
356	Subramanya, Mr. C. R.	49	Principal Consultant	2,819,330	1,724,049	B.Sc	24	4-Mar-02	Indeaspace
357	Sugavanam, Mr. K. R.	50	Senior Consultant	2,479,030	1,554,353	B.Sc, B.Tech.	27	1-Apr-05	Tata Infotech Ltd.

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358	Sukanya, Ms. S.	40	Principal Consultant	3,082,031	1,835,434	BE	19	23-Aug-89	First Employment
359	Sundareswaran, Mr. Sriram*	48	Vice President	759,428	535,587	B.Sc, MBA	23	11-Feb-08	Wellington Management
360	Sureshkumar, Mr. K. K.	40	Senior Consultant	2,636,112	1,673,662	BE, MS	17	7-Mar-05	Satyam Computer Services Ltd.
361	Suri, Mr. Pawan*	38	Associate Vice President	690,973	537,716	B.Sc, BE	10	18-Dec-07	Accenture Services Pvt.Ltd.
362	Suvarna, Mr. Nitin	39	Associate Vice President	4,021,861	2,730,004	ACA	12	22-Dec-06	Accenture
363	Talwar, Mr. Rajesh	49	Senior Consultant	2,751,648	1,680,460	B.Sc, BE	27	5-Jan-87	Bhabha Atomic Research Centre
364	Tayade, Mr. Mangesh*	41	Senior Consultant	2,113,385	1,194,925	ME	19	6-Mar-89	First Employment
365	Tenny, Mr. Cherian Koshy	45	Principal Consultant	2,885,743	1,750,058	BE, MMS, Masters of Fin. Mgt.	21	1-Apr-05	Tata Infotech Ltd.
366	Thakoor, Mr. Yogeshraj Sharadchandra	42	Principal Consultant	3,127,867	1,867,763	B.Tech	20	18-Aug-94	Larsen & Toubro Ltd.
367	Thakur, Mr. Ram L.	48	Principal Consultant	2,894,425	1,725,388	BE, PGDSM	26	10-Jun-02	GTL Ltd.
368	Thapan, Mr. Rahul	44	Principal Consultant	2,882,846	1,748,062	BE	22	1-Apr-05	Tata Infotech Ltd.
369	Thayi, Mr. Murari	54	Principal Consultant	2,698,217	1,778,737	BE, M.Tech, MBA	21	15-Dec-04	Mphasis BFL Ltd.
370	Thiagarajan, Mr. Satish Kumar	39	Principal Consultant	3,148,531	1,908,740	B.Tech., CFA, PGDBA,CISA	16	12-Nov-98	S. B. Billimoria & Company
371	Thiruvengadathan, Mr. V.	52	Principal Consultant	2,571,466	1,586,327	Bachelor of Buss. Admin., MBA	31	12-May-97	Pentafour Software
372	Thuljaram, Mr. Gowraj	48	Senior Consultant	2,466,125	1,641,758	B.Sc, BE, MBA	20	29-Mar-06	Freelance
373	Tirath, Mr. Rakesh	50	Principal Consultant	2,820,454	1,720,916	BE, MBA	30	1-Apr-05	Tata Infotech Ltd.
374	Ullas, Mr. Maipalli P.	52	Principal Consultant	3,015,260	1,833,160	BE, PG Dip. in Mkt. Mgmt	28	1-Apr-05	Tata Infotech Ltd.
375	Vadodkar, Mr. Vivekanand	40	Principal Consultant	3,608,676	2,336,000	BE, M.Tech.	17	18-Feb-91	First Employment
376	Vaidyan, Mr. G. George	65	Vice President	3,933,436	2,315,080	BA	41	15-Apr-77	Indian Army
377	Vaishampayan, Mr. Shridhar	43	Senior Consultant	2,464,819	1,530,734	BE	20	16-Nov-92	Patni Computer Systems Pvt. Ltd.
378	Vaitheeswaran, Mr. Ramanathan	51	Principal Consultant	2,735,198	1,642,405	M.Sc (Engg.)	29	16-May-79	First Employment
379	Valyakarani, Mr. Ravi Veeraraghavan	42	Vice President	2,836,036	1,770,305	B.Com, AICWA, ACS	20	18-Jan-07	Satyam Computer Services Ltd.
380	Vandrevala, Mr. Phiroz Adi	54	Executive Director	10,483,286	6,307,464	B.Com, ACA	29	8-Sep-92	Tandem Computers
381	Varadarajan, Mr. Srinivasan	40	Principal Consultant	3,316,663	1,994,537	B.Sc (Engg.)	18	9-Jul-90	First Employment
382	Varavukala, Mr. Jose	49	Senior Consultant	2,613,928	1,656,720	B.Tech, PGDM	26	1-Dec-87	ICIM Ltd.
383	Varghese, Mr. Thoppil	45	Principal Consultant	2,587,462	1,587,709	MA, MBA	21	25-Jun-90	Customware Comp. Consultants
384	Varghese, Ms. Eileena	40	Principal Consultant	2,439,232	1,524,176	M.Sc (Engg.)	18	23-Jul-90	First Employment
385	Varma, Mr. Satish	48	Vice President	3,521,159	2,078,635	M.Tech.	25	22-Jul-83	First Employment
386	Vasudevan, Mr. Susheel	44	Principal Consultant	3,606,459	2,155,066	M.Sc (Engg.) MBA	23	11-Oct-91	Overseas Technologies
387	Vedaraman, Mr. Sekar	53	General Manager	2,459,983	1,504,553	M.Sc, MS, MBA	26	1-Apr-05	Tata Infotech Ltd.
388	Venkat Mr. Narayanan	52	Associate Vice President	2,664,483	1,732,219	B.Tech, PGDM	21	1-Dec-06	HCL Technologies Ltd.
389	Venkataraman, Mr. Ramakrishnan*	50	Vice President	4,602,397	2,856,554	B.Com, ACA	27	11-Jun-07	First Employment
390	Venkatesh, Mr. Narsipur Chandrasekar	50	Principal Consultant	2,882,281	2,175,657	BE	21	1-Dec-93	HAL Aircraft Bureau
391	Venkatesh, Mr. R.	42	Scientist	2,848,427	1,762,982	B.Tech, MSc (Engg.)	20	07-Jul-89	Mascon Computer Services
392	Venkatesh, Mr. V.	38	Principal Consultant	3,306,363	1,978,312	B.Tech	17	24-Jul-91	First Employment
393	Venkateshwaran, Mr. Subramanian	48	Principal Consultant	2,782,700	1,662,845	BE	24	5-May-05	Datacraft India Ltd.

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394	Venugopal Mr. K.*	38	Senior Consultant	1,511,066	1,002,911	Dip. Courses in Computer Technology, MBA	16	9-Oct-02	First Employment
395	Vidyasagar, Dr. M.	61	Executive Vice President	5,707,728	3,414,592	M.Sc, PhD	39	19-Apr-00	Centre for AI & Robotics
396	Vin, Dr. Harrick	41	Vice President	4,195,396	2,537,052	B.Tech., MS, PhD	20	8-Jul-05	University of Texas
397	Vishnumurthy, Mr. Raghavendra	37	Consultant	2,647,833	1,781,699	BE, M.Tech.	13	6-Apr-95	First Employment
398	Vishwanathan, Mr. Ramesh	44	Vice President	4,231,236	2,695,783	B.Com, ACA	17	4-Jan-07	H P Financial Services Ltd.
399	Viswanathan, Mr. Ravi P. V.	45	Vice President	5,147,400	3,011,338	BE	23	20-Aug-90	DCS Ltd.
400	Vivekanand, Mr. R.	38	Principal Consultant	2,890,165	1,764,264	BE, M.Sc (Engg.)	17	21-Jul-93	Clemson University
401	Vyasa, Mr. Bhadrash	45	Senior Consultant	2,671,460	1,769,429	BE, Masters of Admin. Mgt.	25	1-Apr-05	Tata Infotech Ltd.
402	Warrier, Mr. Sudheer Sankaran	40	Principal Consultant	3,263,970	1,944,834	BE	18	14-Nov-91	Kirloskar Elec. Co. Ltd.

\* Indicates earnings for part of the year.

\*\* Brother of Mr. N. Chandrasekaran, Chief Operating Officer and Executive Director.

**Notes:**

1. The Gross remuneration shown above is subject to tax and comprises salary, allowances, cash incentive, monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund and Superannuation Fund.
2. In addition to the above remuneration, employees are entitled to gratuity, medical benefits, etc. in accordance with the Company's Rules.
3. The net remuneration is arrived at by deducting from the Gross remuneration, Income Tax, Professional Tax, Company's contribution to Provident Fund, Superannuation Fund and the monetary value of non-cash perquisites, wherever applicable.
4. The remuneration as indicated above, includes performance linked payments for employees for the previous year, which were approved by the Management during the year.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2008, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre, Vice President Global Human Resources and the Company Secretary as on March 31, 2008.

Mumbai  
April 21, 2008

**S. Ramadorai**  
*CEO & Managing Director*

## Management Discussion and Analysis

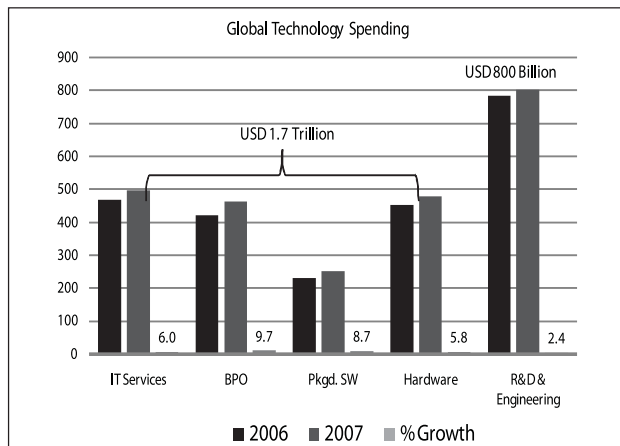
### INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

#### Industry Overview

Estimated global technology spend for 2007 (7.3% growth over previous year) was USD 1.7 trillion. Of this, USD 1.2 trillion (71% of spend) was Information Technology - Business Process Outsourcing (IT-BPO). In addition to the technology spend, Research and Development (R&D) and Engineering spend was estimated for 2007 at USD 800 billion.

Source: IDC, NASSCOM in "Strategic Review 2008"

#### Chart 1: Growth in world-wide Technology spends



Some of the key Industry trends impacting growth in Information Technology spending are:

1. trimming of operational costs to remain price competitive,
2. increasing regulatory compliance requirements,
3. innovation-led growth using technology to improve time-to-market,
4. achieving business transformation in an increasingly globalized world and
5. increasing shortage of IT skilled personnel in the developed economies.

This has resulted in increasing levels of outsourcing and off-shoring to price-competitive value-for-money IT service providers from India and other emerging IT powers.

#### Chart 2: Growth in world-wide IT spends

Amounts in US\$ Billion

	Yr 2006	Yr 2007	Growth (%)
IT Services	467	496	6.3
BPO	421	462	9.7
Packaged Software	230	249	8.3
Hardware	452	478	5.8
<b>Total</b>	<b>1570</b>	<b>1685</b>	<b>7.3</b>

Source: IDC, NASSCOM in "Strategic Review 2008"

#### Chart 3: Growth in world-wide IT services spends

Amounts in US\$ Billion

	Yr 2006	Yr 2007	Growth (%)
IT Outsourcing	170	183	7.6
Project Based Services	160	170	6.3
Support & Training	137	143	4.4
<b>Total IT Services</b>	<b>467</b>	<b>496</b>	<b>6.3</b>

Source: IDC, NASSCOM in "Strategic Review 2008"

The healthy growth in world-wide IT spends in 2007 over 2006 is shown in Chart 2 and the growth in the components of IT services world-wide spends in 2007 over 2006 is shown in Chart 3.

The major markets and growth in these markets for IT services spend and BPO spend in 2007 is shown in Chart 4 and Chart 5 respectively.

#### Chart 4: Share of key markets in global IT Services spend in 2007

IT Services Market	2007 (% of Total Market)	Growth (%)
North America	48.0	7.0
USA	45.0	
Western Europe	31.0	6.0
Asia Pacific	15.0	7.9
Japan	8.0	
Developing Economies		12.0
Latin America	3.0	11.8
Central Europe, Middle East and Africa	3.0	12.0
<b>Total IT Spend</b>	<b>100.0</b>	

Source: IDC, NASSCOM in "Strategic Review 2008"



**Chart 5: Share of key markets in world-wide BPO spend in 2007**

BPO Market	2007 (% of Market)	Growth (%)
North America	70.3	9.5
Europe, Middle East & Africa	18.7	7.0
Asia Pacific	11.0	17.0
<b>Total IT Spend</b>	<b>100.0</b>	

Source: IDC, NASSCOM in "Strategic Review 2008"

### Size and scope of Global Opportunity

As per the NASSCOM Strategic Review 2008, over the next four years, global technology spend is expected to cross USD 2 trillion, growing at a Compounded Annual Growth Rate (CAGR) of 5.6% and outpacing GDP growth in most developed countries. The forecasts for the components of this global technology spend for 2007 and 2011 period along with the CAGR over this period is shown in Chart 6. Healthy growth in the overall spending for technology in the markets of interest is expected to continue (Chart 6).

**Chart 6: Global Technology spending 2007 and 2011 Forecasts**

Amounts in US\$ Billion			
	2007	2011	CAGR (%)
IT Services	496	620	5.7
BPO	462	677	10.0
IT-ITES Services	958	1297	7.9
R&D and Engineering	802	884	2.5

Source: IDC, NASSCOM in "Strategic Review 2008"

**Chart 7: Trend of Outsourcing in Global Technology spend**

Amounts in US\$ Billion			
	2007	2011	CAGR (%)
IT Outsourcing	183	242	7.2
BPO Outsourcing	462	677	10.0
<b>IT-ITES Outsourcing</b>	<b>645</b>	<b>919</b>	<b>9.3</b>

Source: IDC, NASSCOM in "Strategic Review 2008"

The increasing spend on outsourcing and strategic sourcing by global players (Chart 7), augers good growth prospects for the Indian IT-ITES industry.

The NASSCOM Strategic Review 2008 estimates that the Indian IT industry has large growth potential in view of the untapped 'Global Sourcing of Services Market' (Chart 8).

**Chart 8: The Market Opportunity**

Amounts in US\$ Billion

	IT and Engineering Services		BPO Services	
	Current	Addressable	Current	Addressable
India	>29	~200-250	~11	~160-190
Others	15-18		15-18	

Source: IDC, NASSCOM in "Strategic Review 2008"

The NASSCOM report estimates that in fiscal 2008 only US\$ 70-76 billion of the *estimated* technology related sourcing from offshore location was the actual penetration level of the addressable market size of US\$ 360-440 billion (Chart 8).

The report further estimates that in view of this huge global opportunity, the Indian IT and BPO industries could grow at an annual rate greater than 25% and generate exports of about US\$ 60 billion and domestic market of US\$ 13-15 billion by 2010.

Source: IDC, NASSCOM in "Strategic Review 2008"

Other reputed analysts have also estimated the size of the IT services markets and their estimates of size and growth rates of the markets are of the same order as the estimates in the NASSCOM Strategic Review 2008. The *Datamonitor* forecast of July 2007, estimates a CAGR of 7.1% for IT Services Markets for the period 2007-2011. As per this report, the Americas and Europe are expected to have the largest market size but their forecasted CAGRs will be low. The Asian market is expected to grow very fast and approach the market size of the European markets by 2011. The emerging Latin American and Middle-East/African markets, though smaller in size, is expected to have a higher CAGR. The Industry Practice view of 'Global IT Services -Outsourcing Market forecasts' indicates that Financial Services, Manufacturing, Public Sector, Telecommunications and Retail will continue to be the largest spenders. The CAGR is expected to be in the range of 6%-8% for all the Industries for the period 2007-2011.

Recent estimates of market growth by Forrester in December 2007 had moderated the expectations for 2008. For the first half of 2008, slower economic and IT spending growth are anticipated. As per Forrester, the major markets for 'IT Services' and 'Outsourcing Spends' in 2008 will continue to be North America, Western and Central Europe. The fastest growing markets for these services will be Eastern Europe, Middle East and Africa and the Asia Pacific Region. The growth in the Asia Pacific Region is expected to be driven by the anticipated growth in spends in China (20%) and India (18%).

As per a more recent IDC report titled "World-wide Services 2008-2012 forecast - Finding Opportunities in a Challenging Time" released in April 2008, due to a weak economy in the United States, spending expectations for the five-year CAGR for the forecast period 2008-2012 has been reduced to 6.7% from earlier estimates of 7.3% for the five year period 2007-2011 forecasted in October 2007. The break-up of the new forecast is given in (Chart 9).

**Chart 9: World-wide services spending**

Amounts in US\$ Billion

	2007	2012	2007-2012 CAGR (%)
IT Services	517	678	5.6
Business Services	182	287	9.5
<b>Total</b>	<b>699</b>	<b>965</b>	<b>6.7</b>

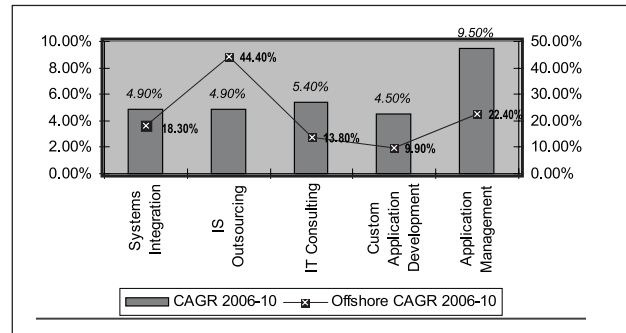
Source: IDC March 2008

As per this IDC report, companies and Government agencies are expected to spend more than US\$ 746 billion on external services in 2008, representing a growth rate of 6.8% over 2007.

The report also states that the spending will reach over US\$ 965.6 billion in 2012. According to the report, not all service areas will be affected in the same way. Outsourcing services represents the largest as well as the fastest growth opportunity, with a total five-year estimated CAGR of 8.4%. This growth forecast is attributable to:

- The growth of outsourcing of non-core processes and the adoption of Service Oriented Architecture (SOA), which is prompting enterprises to shift towards tighter alignment of business and technology.
- The increasing demand for modernisation services for application maintenance contracts to help reduce operational costs.
- The increasing demand for higher value-added services and innovation as part of the outsourcing contracts.
- The increasing willingness of clients to use new and often disruptive delivery options (for example, hosting, Software as a Service (SaaS) and utility computing).
- The increasing demand from clients for adoption of off-shore services, driven by the need for (1) Cost Savings and (2) Time to Market for new areas of revenues.

**Chart 10: World-wide services spending CAGR - IT Services Markets and offshore element**



The IDC-BCG analysis shown in Chart 10 forecasts that during 2006-2010 IT services spend will grow at a CAGR of 5.8%. The forecast has also given the CAGR by component of the services being outsourced and the offshore element of this growth.

Source: IDC-BCG Analysis in "Strategic Review 2007"

India continues to be the off-shoring destination of choice for the Global Organisations and the Indian IT Services players are growing at 3 to 4 times the rate of their global IT Services counterparts.

## Growth of Indian Information Technology Industry

**Chart 11: Share of Exports and Domestic business - India Centric View**

Amounts in US\$ Billion

	Domestic	Export	Total
FY 2004	8.3	13.3	21.6
FY 2005	10.2	18.3	28.5
FY 2006	13.2	24.2	37.4
FY 2007	16.3	31.8	48.1
FY 2008 (E)	23.2	40.8	64.0
CAGR	29.3%	32.3%	31.2%

Source: IDC, NASSCOM in "Strategic Review 2008"

With estimated revenues of US\$ 64 billion in fiscal 2008 (Growth of 33%), the IT-BPO industry continues to grow much faster than the global IT services industry, clocking a CAGR of 31.2% since FY 2004. As indicated in Chart 11 the Indian Domestic Market is growing as robustly as the export of IT services from India.

Source: IDC, NASSCOM in "Strategic Review 2008"

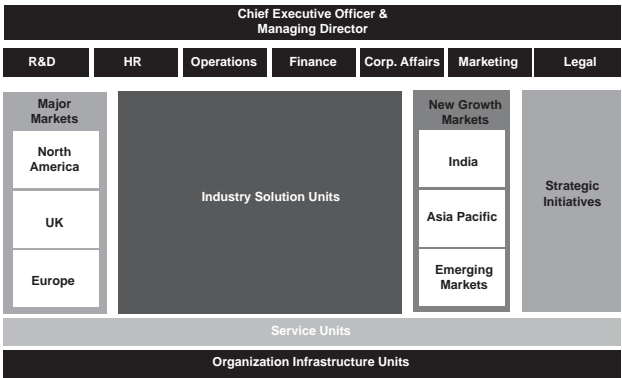
## Market focus of the Company

The discussions above validate the Company's strategy. The Company continues to grow in multiple geographies, particularly in mature markets like North America, the

the UK and other English speaking countries. The Company has increased its focus on the Western European and Asia Pacific regions. The Company has also been investing in emerging markets such as the Middle East, Africa, South America and Eastern Europe, identified as future high growth markets.

THE COMPANY'S OPERATIONS AND MAJOR OFFERINGS

The pictorial representation of the Company's Global Operations is as follows:



The Service Offerings

Currently, the major service offerings the Company has identified and is focusing on, in order to achieve its growth aspirations are:

(1) IT Solutions and Services

This offering includes Application Development and Maintenance, Technology Solutions, Migration and Re-engineering, Performance Management, Package Implementation, Systems Integration, Enterprise Solutions, Business Intelligence and Assurance (Testing) Services.

The Company provides services in the areas of supply chain management, devising CRM strategies and deploying content management solutions to integrate enterprise wide functions with comprehensive solutions.

The Company's SOLAR framework is a Service Oriented architecture framework of Integration and Information Management Services. The framework helps the Company to enable the convergence of Enterprise Integration, Business Intelligence and Content Management Initiatives for its clients, thus driving the cost of Information Technology lower. This framework also provides the agility to address the changing business and regulatory requirements of the customers.

The faster growing segments in the software services space are: (a) Assurance (Testing) Services (b) Business Intelligence (c) Enterprise Solutions and (d) Technology Solutions. The Company's strategy is to increase its focus on the faster growing segments in the mature market space.

(2) Asset based offerings

The Asset based offerings of the Company are critical for the Company's non-linear growth. During the year the Company set up TCS Financial Solutions (TCS FS) Strategic Business Unit and consolidated all the assets acquired by the Company. TCS FS covers Banking, Capital markets and Insurance domain.

The Company's technology products assist customers to achieve significantly higher operational efficiency and realize time, cost and energy benefits at maximum Return on Investment (RoI). Our technology frameworks and products include:

- TCS Data Cleansing Framework
- TCS Business Rules Engine
- TCS Experience Based Knowledge Management
- TCS Call Management Solution
- TCS Public Key Infrastructure Suite
- TCS Certificate Validation Server
- TCS File Authentication Solution
- TCS eLearning Effectiveness Measurement Solution
- TCS Code Generator Framework
- TCS Saakshi (Time Stamping Solution)
- TCS Form Authentication Solution
- TCS eVOLv Mutlimedia Authoring Solution

The Company has also developed comprehensive products in the healthcare segment. The Company aims to address the market needs in the healthcare segment.

(3) IT Infrastructure Services

IT Infrastructure Services (IT IS) offering has enabled the Company to establish itself as an end-to-end IT service provider. It is a strategic horizontal business unit of the Company and was formed with the view to provide a focal point for supporting and providing Infrastructure Services to customers.

TCS has made significant investments in the IT IS space by setting up delivery centres across the world to cater to its growing global clientele. The IT IS horizontal business unit leverages the Company's delivery centres in India, Hungary, UK, Brazil, Uruguay and China to deliver Infrastructure Services. Additionally, the IT IS unit has established technology Centres of Excellence (CoEs) across various platforms and technologies. These CoEs bring enhanced value in terms of Technical Support, Knowledge Management, Training and Continuous Innovation for our clients.

The Company works using a three-phased roadmap to help clients better align their infrastructure with underlying business objectives:

1. Reduce operational cost by maximising offshore leverage and driving resource optimisation;
2. Enhance operational efficiencies through consolidation and rationalisation of the infrastructure and applications portfolio;
3. Drive business effectiveness by aligning Service Level Agreements (SLA) with business goals and ongoing business service management.

The Company is an end-to-end IT Infrastructure Services provider and helps customers enhance RoI through remote manageability and Service Level Agreements (SLA) based services, delivered in the Information Technology Infrastructure Library (ITIL) framework.

#### (4) Business Process Outsourcing

TCS BPO is strategically positioned to provide transaction processing and knowledge services to its customers. The Company is uniquely positioned to offer these services due to its strong focus on (1) industry domains (2) IT and Infrastructure synergy and (3) a strong reputation in industry leading products and solutions.

The Company offers value added transaction processing services to its customers in industry verticals like Banking, Insurance, Telecom, Pharma, Travel and Transportation and Retail. In addition, the Company has also set up CoEs in the areas of shared services like Finance and Accounting (F&A), Human Resources Outsourcing (HRO) [in partnership with SAP to provide multi country,

multi jurisdiction payroll processing] and Supply Chain Management solutions by leveraging leading ERP vendor platforms. In the Knowledge Processing area the Company is expanding its presence in Asset Management, Market Research, Customer Analytics and Pharmacovigilance.

The Company's strength in process automation and IT transformation has guaranteed step changes in customer's productivity. This creates additional revenue generation avenues for the Company as well as increases the end client satisfaction, due to faster turnaround on client requests.

Customers of the Company stand to benefit from its platform BPO solutions which will substantially reduce the customer's total cost of ownership of infrastructure assets and provide a predictable, utility based transactional model.

#### (5) Engineering and Industrial Services (EIS)

The end-to-end services offered by EIS are:

- *Product Engineering*, which includes:
  - (a) Engineering design (b) Product Lifecycle Management (PLM) solutions (c) Knowledge based engineering (d) Engineering analysis and (e) Electronics and embedded hardware and software.
- *Plant Design Engineering*, which includes front-end design and detail design of Process Plants
- *Plant Automation Services*, which include:
  - (a) Control System Integration (b) Production Optimisation (c) Manufacturing Execution Systems and (d) Adaptive Manufacturing at the shop floor level for manufacturing optimisation
- *Sourcing and Manufacturing Services*, which include: (a) Component Sourcing and (b) Electromechanical Manufacturing Services.
- *Enterprise Asset Management Services*, which include: (a) Reliability Centric Maintenance (RCM) Strategy Development (b) Technology Selection and (c) Technology Deployment.
- *Geo Spatial Technologies*, which include: (a) GST consulting, technology selection, deployment and enterprise applications

integration (b) Remote Sensing/Image processing and (c) Data Management.

The services in this SBU are focused on serving the following verticals: (1) Hi-Tech and Telecom (2) Aerospace (3) Oil & Gas (4) Utilities (5) Industrial and (6) Automotive

(6) Global Consulting Services

Global Consulting positions the Company as a business advisor in order to develop closer, broad based relationships with clients. It delivers high value services and innovative business models to the Company's clients and prospects globally.

Global Consulting capitalises on the Company's collective technology capabilities and industry insights to efficiently and successfully provide consulting services to its customers. The Company's focus is to enhance business value for its clients through a strong integration and alignment of business and IT.

Global Consulting Practice consists of two service areas to help the Company's clients envision, plan and achieve transformation. These are:

- 1) Business consulting services which help clients envision innovative solutions and provides advice on how to achieve adoption of these solutions within the complex client organisations.
- 2) IT consulting services which ensure that the client's IT strategy is closely aligned with their business transformation imperative.

Each service area requires an array of competencies to address specific requirements from people, process and technology perspective. Global Consulting combines industry knowledge with these competencies to create a custom solution for each client's needs.

Using the Company's industry insight and technology expertise, Global Consulting drives integrated end-to-end IT enabled business transformation services that helps clients to manage current business requirements, while preparing for future challenges.

### The Industry Solutions Units

The Industry Verticals where the Company has a sizable presence around which the Company has reorganised its Industry Solutions Unit include:

- (1) Banking and Financial Services
- (2) Insurance
- (3) Manufacturing
- (4) Telecom
- (5) Retail and Distribution
- (6) Travel and Hospitality
- (7) Energy, Resources and Utilities
- (8) Life Sciences and Health Care
- (9) Media and Information Services
- (10) Government

### The TCS Sales Organisation

In addition to India, the geographies in which the Company operates and has sales offices are North America, the UK and Ireland, Europe, Iberoamerica, the Middle East and Africa and the Asia-Pacific region (APAC). Each of these geographies has access to the Company's expertise in industry and service domains for effectively addressing market opportunities. As of February 2008 the Company had 155 offices worldwide in 41 countries and operated out of 111 locations worldwide. In addition as on March 31, 2008, the Company had 52 subsidiaries. The Company has 43 offices in 39 locations in USA and Canada, 13 offices in 13 locations in 9 countries in Iberoamerica, 9 offices in 8 locations in the UK and Ireland, 21 offices in 21 locations in 11 countries in Europe, 14 offices in 14 locations in 11 countries in the Asia Pacific Region and 6 offices in 6 locations in 5 countries in the Middle East and Africa. The sales organisation has been aligned to meet the needs of the customers.

### Alliances and Partnerships

The Company recognises that a total solution to customers requires a combination of hardware, software products and services. The Company has identified eleven (11) strategic partners who are large global corporations, providing the underlying hardware and software platforms and seventy (70) solution partners whose solutions are provided as part of our systems integration offerings to clients.

### THE COMPANY'S STRATEGY

The Company's Corporate Strategy can be viewed from two different perspectives. These are (A) Operational Strategy (B) Geographic Growth Strategies.



A. The Operational Strategy is built on three pillars. These are:

1. Global Network Delivery Model™
2. Strategic Acquisitions and
3. Integrated Full Services Play.

**1. Global Network Delivery Model™ or GNDM™**

The Global Network Delivery Model™ is much more than having an India-centric delivery model with near-shore centres. The Model enables the Company's delivery centres to collaborate on projects, leverage all its assets and work on a follow-the-sun basis if necessary, in order to ensure 'One Global Service Standard' — through homogeneity in terms of quality, skills as well as look-and-feel. This gives the Company's customers the same experience of certainty, irrespective of whether they work with us in Hyderabad, Hungary, or Hangzhou (China). GNDM™ helps us to build unique value proposition.

During fiscal 2008, the Company had expanded its operations in Mexico by launching a global delivery centre in the city of Guadalajara, with over 500 professionals. The Company also established a delivery centre in Dusseldorf in Germany during the year. The Company has recently inaugurated a new regional delivery centre in Cincinnati (Ohio).

**2. Strategic Acquisitions**

The strategic acquisitions done over the years which have created new capabilities within the Company have started yielding synergistic growth. The Company had made a number of small acquisitions in order to plug the gap in its solutions capability and competency. The Company also made acquisitions to improve its presence in select geographies.

Acquisition of Financial Network Services (FNS) in Australia and TKS Teknosoft in Switzerland in the recent past has helped the Company to have a complete product portfolio in the Financial Services Sector. In 2008 TCS Financial Solutions (TCS FS) was

placed in the leadership quadrant of the Gartner Survey for Retail Banking Solution Providers.

**3. Integrated Full-Services Play**

The Company is increasing its focus on expanding the breadth of its service offerings and capabilities to become a full services provider. The Company's end-to-end IT Services offering are:

- (i) Application Development and Maintenance
- (ii) Technology Solutions
- (iii) Package Implementation
- (iv) Systems Integration
- (v) Enterprise Solutions
- (vi) Business Intelligence
- (vii) Assurance Services
- (viii) IT Infrastructure Services
- (ix) Business Process Outsourcing
- (x) Global Consulting Services
- (xi) Asset Based Services and
- (xii) Engineering and Industrial Services.

The operational strategy now captures the entire value chain of IT - from consulting to products and solutions and from implementation to support.

A recent example of the success of this strategy is the engagement with The Nielsen Company. TCS secured this breakthrough US\$ 1.2 billion, 10-year BPO and IT services deal with Nielsen in which consulting enabled business transformation, systems integration, outsourcing - are all required to play important roles at different stages of the contract.

B. The Geographical Growth Strategy is based on focused efforts to grow businesses in the major markets and the new emerging markets.

Major Markets Strategy

The Company continues to focus on servicing its clients and growing its business in the major markets, namely North America, Western Europe, the UK and Ireland. The focus on these major markets would be to service the Key Clients by extending the core business with newer offerings and acquiring new clients. This focus on Key Accounts helps the Company to push for aggressive

growth in the Company's established markets using a client centric strategy.

The Company has numerous multi-year relationships established with Global Multinationals in these markets and has been offering a multiple range of services.

#### New Growth Markets Strategy

The Company has increased its focus on the growth markets of the Asia Pacific region and the emerging new growth markets of Latin America, Eastern Europe, Middle-East and Africa. These markets though smaller in size are growing at a much faster rate. The solutions focus for these developing markets will aim to extend the core business in these emerging markets.

This strategic thrust in new markets is beginning to produce the desired results as evidenced by our recent win in Mexico of a US\$ 200 million contract of four years duration, TCS was chosen as a strategic IT partner to IMSS, the Government of Mexico's Social Security Organisation. With over 370,000 employees and providing coverage to over 50 million Mexican citizens, IMSS is the largest organisation of its kind in Latin America. The Company, in its role as the strategic IT services partner for IMSS, will provide end-to-end IT services. This includes services such as application maintenance and support, custom software development, business analysis services, management of strategic IT programmes and value added initiatives for the IMSS and its affiliates.

#### **NEW OPERATING MODEL**

In order to move the Company to the next level of performance in the service of its clients, a new operating model with the Industry Solutions Unit (ISU) as the driver for future growth has been put in place. The Company has reorganised its global operations into integrated customer-centric units to enhance customer focus, drive operational agility and address new growth opportunities in the market. The new 'global operating model' will provide customers with a single view of the Company, encompassing project delivery and relationship management and enable a sharper focus on the customer. This new operating model has been effective from April 01, 2008. The purpose of this new customer centric operating model is to empower the frontline decision-makers to stay focused on serving the customers with agility and achieve customer delight.

The new structure will support greater focus for strategic growth behaviour that will drive non-linear revenue growth. In addition to TCS Financial Solutions and the Small and Medium Business Solutions, the Company has constituted a new unit for Platform BPO Solutions. These strategic growth businesses will operate as independent units that will leverage the Company's sales, delivery and customer relationships as required.

In the new operating model, all necessary delivery, domain and technology expertise and resources will be embedded in these units to promote greater collaboration with the customer. All operating units will be supported by a common group of organisational infrastructure units, such as the Technology Excellence, Process Excellence, Resource Management and Shared Services groups.

#### **STRATEGIC GROWTH BUSINESSES**

The Company has undertaken a number of strategic business initiatives to build emerging businesses in its chosen markets. These are:

- (1) TCS Financial Solutions
- (2) Platform based BPO
- (3) Small and Medium Business.

These business units are expected to be major contributors to the non-linear growth plans of the Company going forward.

#### **TCS FINANCIAL SOLUTIONS**

Over a period of time, the Company has created and acquired a number of software assets, components and frameworks in the BFSI domain. These assets cover a wide range of functions and activities in the financial value chain. Over the years the Company has been implementing systems in global financial institutions using these software assets. Since we have created extensive capabilities within the organisation around these products, the Company created TCS Financial Solutions as a Strategic Business Unit to focus on product related solution.

This SBU has been entrusted with the task of creating a global brand, world class engineering and support function, consultative positioning, marketing and selling of the software in the Banking, Capital Markets and Insurance domain. During fiscal 2008, the SBU has achieved the following:

- Adopted a 'one integrated product set' paradigm to accelerate further the object and service orientation

- Brought all the software products under a common, globally applicable brand TCS BaNCS
- Increased the mindshare with thought leaders and industry analysts around our solution capabilities which has resulted our products being positioned well

During fiscal 2008, the business unit has been able to win 47 new deals globally. Currently there are over 40 ongoing implementations and in the last 18 months, the SBU has successfully delivered implementation certainty to over 50 client installations.

#### **PLATFORM BASED BPO**

Platform based BPO is a delivery model in which the Company utilises a technology platform, to provide business solutions based on highly standardised processes. The Company owns the process, the underlying platform and applications, as well as people and infrastructure to deliver the outsourced business process services.

The conceptual and strategic thinking behind the adoption of such a service offering from the Company is the emergence of process factories which are servicing the global organisations that are actively outsourcing their business processes. The Company believes that its ability to create and deliver value to its clients will be superior where it controls the value chain for these process factories. In the Platform-BPO approach, service delivery and the revenue driver moves from being people-centric, to being platform and domain centric.

The strategies that the Company has adopted for

building these process factories of the future are using a shared platform, adopting a transformational approach, implementing standardised processes in the client organisation, weaving servicing around the platform and building world class infrastructure.

#### **SMALL AND MEDIUM BUSINESS**

The Company has launched the Small and Medium Business (SMB) SBU with the objective of offering "IT-as-a-Service" framework to redefine IT Consumption Model among Small and Medium Business (SMB). This unit will be focused on meeting the technology needs of SMBs. The Company will offer "IT-as-a-Service" in an innovative business model giving SMBs the experience of customised low-cost solutions scalable to their growing business needs.

"IT-as-a-Service" is a subscription-driven model that allows SMBs to scale as they grow and pay as they use. It is hosted centrally on a common platform in order to facilitate alignment of technology adoption to the needs of the business and bring scalability to the business model. The "IT-as-a-Service" model will allow SMBs to take advantage of the Company's existing intellectual property, infrastructure and scale, as well as that of its partners. It will provide SMBs with blueprints for business process improvement and deliver integrated end-to-end managed solutions. It also offers flexible pricing options to reduce capital expenditure, manage cash flows and maximise return on investment. This will help provide SMBs with opportunities for greater cost control and faster go-to-market.

**Management monitoring and implementation of Company strategies**

The Company's senior management team is focused on monitoring and improving performance of the Company. Balanced Score Cards are used as one of the tools to implement these strategies. The Company also uses appropriate dashboards for measuring and monitoring its performance and those of its various businesses and operating units.

Business Unit	Participants	Frequency	Level
Strategic review	Sr. Leadership Team, Unit Heads, Think Tank	Monthly	Strategic
Geography	Chief Operating Officer (COO), Geography Head, Geography Senior Management and Key Members	Monthly	Tactical
Industry Verticals	COO, Unit Head, Unit Members	Monthly	
Service Lines	COO, Unit Head, Unit Members	Quarterly	
Delivery centers	COO, Unit Head, Unit Members	Monthly	
Functions: Human Resource, Finance, Marketing	Functional Head, Unit Members	Monthly	
Functions: Chief Information Officer, Chief Technology Officer, R&D, Infrastructure Planning and Development	Functional Head, Unit Members	Quarterly	
Subsidiaries: (Financial Network Services, Comicrom Diligenta, CMC)	Subsidiary Head, Unit Members	Quarterly	
Relationships	Executive Sponsor, Relationship Head, Unit Members	Monthly	Operational

**OPPORTUNITIES, THREATS, RISKS AND CONCERNS**
**Opportunities**

TCS is the largest Indian IT Services Company in terms of revenues, profits, number of employees and market capitalisation. Established in 1968 as a division of Tata Sons, TCS has pioneered the concept of offshore IT services since 1974 and has emerged as an integrated full-services player with a global footprint and scale.

Opportunities for the Company for sustaining profitable growth emerge from:

- Increasing acceptance of outsourcing as a relevant business strategy in a globalised world
- Customer need for new and innovative solutions and services in order to reduce time-to-market.
- Robust growth in Global IT Spend generating continuing strong demand for our services.
- Being invited to bid for large value deals on par with Global IT services players.
- Consolidation of offshore and onsite vendors which are making larger IT players more attractive for clients.

- Increasing focus on cost considerations in difficult economic times - resulting in higher levels of off-shoring.

The Company's strategy for leveraging these opportunities is addressed in the Strategy section of the Management Discussions and Analysis.

**Threats, Risks, Concerns and Risk Mitigation**

The Company has put in place an Enterprise-wide Risk Management (ERM) process and reports on the risks it is faced with, to the Board of Directors. The Company believes that it has robust and "fit for purpose" risk management processes in place.

Some of the major risks and concerns identified are as follows:

**Global economic environment:** The Global economic environment is deteriorating and the possibility of economic slow-down in the USA (which accounts for around 50% of our business) is high in fiscal 2009. This may, in varying degrees, affect other economies. As a result, market related business and credit risks with clients in some of the countries are expected to rise.

To address this risk, the Company has increased diversification across geographies, enlarged the basket of offerings and has focused on enlarging global presence, by strengthening the global development centres.

*Currency Fluctuations related risks:* Strengthening of the Indian Rupee has adversely affected the IT industry in fiscal 2008. It may continue in fiscal 2009.

The Company has used various types of foreign currency forward and options contracts to hedge the risks associated with fluctuations in these currencies. The Company has laid down appropriate policies and processes for the use of financial derivative instruments consistent with its risk management strategy. Also, the Company has developed software products to monitor, manage and report the exposures on a daily basis.

*Commoditisation of offerings/value proposition:* Increased competition from Indian and Global IT players could result in pressure on pricing and commoditisation of low-end services.

Global IT Service and consulting companies are expanding operations in India through organic and inorganic routes. They are in a position to offer full services play with "India-Cost" advantage.

Competition from other developing countries like China which have a reasonable pool of knowledge workers is increasing. The market for outsourced IT and ITES services are becoming more global in nature. A broader competitive field may create pressure on prices as new global service providers in China, Malaysia, Brazil, Mexico, Russia and Eastern Europe enter the global market.

This risk is countered by broadening the Company's service offerings and targeting increasingly complex deals. Investment in creating brand awareness could act as a differentiator. In fiscal 2008, the Company has invested substantial amounts in the 'Experience certainty' campaign in order to increase the awareness of the TCS Brand.

The Company is focused on innovation. Innovation initiatives are in multiple forms, but all of these are focused on better productivity through continuous improvement in processes, systems, methodologies and capabilities. Emphasis on innovation also helps the Company in moving up the value chain. Innovation in the Company is practiced by adopting 'derived' innovation that seeks continuous improvement in every area and by 'platform' innovation, whereby multiple capability and skill teams engage to develop innovative ideas. Innovation has resulted in new types of offerings to

customers such as 'IT-as-a-service' for small and medium businesses launched in fiscal 2008.

**Break-through innovation:** The Company has come up with a Co-Innovation Network ('COIN'), which is an ecosystem by which the Company creates innovation networks between itself and individuals and organisations outside of TCS, who have new products and Intellectual Properties (IP), or ideas and financiers such as Venture Capitalists. This enables product partners in 'COIN' to get a bigger market and consequently enables the Company to provide an increased range of offerings to its customers. The Company held its US Innovation Forum 2008 at Palo Alto, California. This exclusive event, hosted by TCS COIN™, provided invitees the opportunity to connect to peers and discuss innovation in emerging technologies that impact businesses. Thought leaders from renowned universities, disruptive start-up companies, research organisations, venture funds and our select clients participated.

*Gross margin deterioration risk:* Increased competitive pressure in India for the pool of available talent has been driving employee costs higher. Over the past few years such continuing rise in salary costs and other input costs have narrowed the cost differentials between India and the developed countries.

Heightened competition from global and Indian IT companies has been limiting the ability to increase billing rates.

Risk mitigation action includes increasing volume of value added services like Global Consulting which commands higher rates and focusing on higher margin activities like increasing offshore leverage. Due to the Company's ability to offer superior services it has been able to get rate increases at contract renewal time. Productivity improvements and better cost management on a continuous basis are being used to reduce this risk.

*Immigration and visa regulations related risks:* Timely availability of requisite number of work visas for the US, the UK and Europe has always been a challenge for the Indian IT services companies. In the UK the eligibility for Visa is changing to a 'Points Based System'.

In order to counter this risk, improvements in advanced visa planning and timely enhancement of 'local recruitment' plans at global locations are being pursued with rigour.

*Hiring and retention of employee related risks:* The requirement for having qualified professionals at junior, middle and specialist levels in significant numbers, for



the projected growth in business in a talent—starved marketplace continues to be exacerbated. Managing attrition, as well as salary expectations is a significant challenge.

This challenge is met through enlarging the number of engineering educational institutions from which the Company recruits. Our academic interface programme also includes training of college faculty and providing appropriate course material, to ensure that these educational institutions are able to maintain the requisite quality. The Company has embarked on recruiting Science graduates with the aptitude for IT services business, for its needs. Consequently, the 'available pool of qualified resources' has been redefined, since India produces a very large number of Science graduates.

Counterparty risk in treasury operations: As mandated by RBI, authorised institutions are the intermediaries or 'counterparty' for treasury operations. These institutions are mostly global MNC banks of repute. The global financial uncertainty as a result of the issues arising in credit markets increases the inherent risks of the hedging transactions that the Company undertakes with these institutions.

In order to counter this risk, the Company uses multiple intermediary institutions and reduces exposure to any single institution. The Company also conducts regular review of the Treasury processes and the counterparty limits.

Risk of Customers/Clients facing financial difficulty: The Company's credit terms are standard and there is constant monitoring of the creditworthiness of the customers and prospective clients. This is especially critical in case of customers where the Company experiences delayed payments.

For risk mitigation, the Company has enhanced the monitoring of outstanding amounts from its customers.

## FINANCIAL PERFORMANCE

### OVERVIEW

The financial performance of Tata Consultancy Services Limited (TCS Limited) as per Indian GAAP is discussed hereunder in two parts:

- (i) Tata Consultancy Services Limited (Unconsolidated) which excludes the performance of subsidiaries of TCS Limited.
- (ii) Tata Consultancy Services Limited (Consolidated) which includes performance of subsidiaries of TCS Limited. The Consolidated Financial Statements bring out comprehensively the performance of the TCS group of companies and are more relevant for understanding the overall performance of the TCS group.

The financial statements are prepared in compliance with the Companies Act, 1956 and generally accepted accounting principles in India.

The total income of TCS Limited (Unconsolidated) aggregated Rs.18,979.67 crore in fiscal 2008 as compared to Rs.15,156.52 crore in fiscal 2007, registering a growth of 25.22%. In fiscal 2008 the Company's (Unconsolidated) profit before taxes aggregated Rs.5,003.86 crore as compared to Rs.4,170.68 crore in the previous fiscal 2007 - a growth of 19.98%.

In fiscal 2008, the total income of TCS Limited (Consolidated) aggregated Rs.23,349.45 crore as compared to Rs.18,914.26 crore in fiscal 2007, recording a growth of 23.45%. The consolidated profit before taxes aggregated Rs.5,845.95 crore in fiscal 2008 as compared to Rs.4,918.28 crore in fiscal 2007 - a growth of 18.86%.

For fiscal 2008 TCS Limited declared three interim dividends of Rs.3 each on the equity shares. A final dividend of Rs.5 per equity share has been recommended. Full details of the dividend paid are available in the Director's Report.

## TCS LIMITED (UNCONSOLIDATED)

### RESULTS OF OPERATIONS - TCS LIMITED (UNCONSOLIDATED)

The Management's Discussion and Analysis given below relates to the financial statements of TCS Limited (Unconsolidated). The discussion should be read in conjunction with the financial statements and related notes for the year ended March 31, 2008.

The following table gives an overview of the financial results of TCS Limited (Unconsolidated):

Income from Operations	For the year ended March 31, 2008		For the year ended March 31, 2007		FY 2008 vs. FY 2007
	Rs. crore	% of Income	Rs. crore	% of Income	% Increase
Information technology and consultancy services	17,690.38	93.21	14,407.95	95.06	22.78
Sale of equipment and software licences	843.34	4.44	532.02	3.51	58.52
Sub-total	18,533.72	97.65	14,939.97	98.57	24.05
Other Income (Net)	445.95	2.35	216.55	1.43	105.93
<b>Total Income</b>	<b>18,979.67</b>	<b>100.00</b>	<b>15,156.52</b>	<b>100.00</b>	<b>25.22</b>
<b>Expenditure:</b>					
Employee costs	6,015.19	49.60	6,446.37	48.29	28.60
Overseas business expenses (employee cost)	3397.86		873.09		
Overseas business expenses (other than employee cost)	417.19	2.20	356.17	2.35	17.13
Services rendered by business associates and others	689.25	3.63	756.12	4.99	-8.84
Operation and Other Expenses	2,994.12	15.78	2,207.25	14.56	35.65
<b>Total Expenditure</b>	<b>13,513.61</b>	<b>71.20</b>	<b>10,639.00</b>	<b>70.19</b>	<b>27.02</b>
<b>Profit before Interest, Depreciation, and Taxes</b>	<b>5,466.06</b>	<b>28.80</b>	<b>4,517.52</b>	<b>29.81</b>	<b>21.00</b>
Interest	3.42	0.02	3.43	0.02	-0.29
Depreciation	458.78	2.42	343.41	2.27	33.60
<b>Profit before Taxes</b>	<b>5,003.86</b>	<b>26.36</b>	<b>4,170.68</b>	<b>27.52</b>	<b>19.98</b>
<b>Provision for Taxes:</b>					
Income tax expense (Including Deferred Tax Benefit and MAT Credit Entitlement)	470.45	2.48	395.64	2.61	18.91
Fringe Benefit Tax	24.65	0.13	17.75	0.12	38.87
<b>Net Profit from Operations after taxes</b>	<b>4,508.76</b>	<b>23.76</b>	<b>3,757.29</b>	<b>24.79</b>	<b>20.00</b>

**Notes:**

1. 'Overseas business expenses' mainly comprise (a) subsistence allowances paid to employees assigned in overseas countries, their visa expenses and (b) travelling and marketing related expenses incurred abroad. For the purpose of the above summary statement of Profit and Loss Account, the component of overseas business expenses relating to employee costs in (a) above has been grouped with employee costs for ease of comparison of employee related costs in fiscal 2007 and 2008.
2. A significant feature of fiscal 2008 is the volatility in foreign currency exchange rates adversely affecting the export oriented industries. TCS Limited earns its revenues in US Dollar, GB Pound, Euro and multiple other foreign currencies. During the fiscal 2008, vis-à-vis Indian Rupee, US\$ fell by 11.05%, GBP fell by 5.64% and Euro fell by 1.76% on the basis of average daily closing prices. Revenues in foreign currencies constituted 91.5% in fiscal 2008. Revenues in US\$ were 60.7% of total revenues. Consequently, revenues in Indian Rupee got adversely affected. Expenditure in foreign currencies constituted 36.9% of the total expenditure in fiscal 2008 - providing a relatively narrow natural hedge to the exchange rate risk in the business. These factors resulted in relatively lower growth in revenues. However, the growth in expenditure, in absolute value and also in proportion to revenues went up. The Company, through its superior management of currency exchange risk, could mitigate the impact partially.
3. In the summary of results given above, numbers for the fiscal 2007 as well as fiscal 2008 have been regrouped for ease of comparison.

**Income**
**Income from Operations**

The Company's revenues consist mainly of income from Information Technology and Consultancy Services. The Company provides consultancy services either on time and material basis or fixed price fixed time basis.

The Company recognises revenues from contracts priced on a time and materials basis when services are rendered and related costs incurred.

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

The Company recognises revenues from the sale of computer equipment and software licenses upon delivery, which is when the title passes to the customer. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

The Company's (unconsolidated) revenues increased to Rs.18,533.72 crore in fiscal 2008, from Rs.14,939.97 crore in fiscal 2007 — a growth of 24.05%. Revenues from information technology and consultancy services increased to Rs.17,690.38 crore in fiscal 2008 from Rs.14,407.95 crore in fiscal 2007 — a growth of 22.78%.

Revenues from sale of equipment and software licenses increased to Rs.843.34 crore in fiscal 2008 from Rs.532.02 crore in fiscal 2007 — a growth of 58.52%. The growth is mainly due to increase in the domestic system integration contracts in fiscal 2008.

**Other Income**

Other Income in fiscal 2008 increased to Rs.445.95 crore from Rs.216.55 crore in fiscal 2007. Other Income comprises interest received on deposits with banks, dividends received on investments in subsidiaries, dividends from mutual funds and gains due to exchange rate fluctuations. Primary reasons for the increase in Other Income are:

- (a) exchange gain (net) in fiscal 2008 of Rs.267.45 crore compared to a gain of Rs.55.91 crore in fiscal 2007
- (b) dividends of Rs.104.27 crore from investments in Mutual Funds in fiscal 2008 as compared to Rs.35.44 crore in fiscal 2007.

In fiscal 2008, there is no item similar to profit on sale of investment in SITEL India of Rs.66.28 crore in fiscal 2007.

TCS Limited enters into various forward and option contracts to manage its exposure to exchange rates, in accordance with its risk management policies and procedures. These contracts are generally entered into with banks as counterparties and are for a maximum period of eight years. The Company designates its hedging instruments as cash flow hedges upon completion of the formal documentation and testing for effectiveness which is done periodically, applying the recognition and measurement principles set out in the "Financial Instruments: Recognition and Measurement" (AS 30). All such hedging instruments are measured at fair value, at the reporting dates. Changes in the fair value between the reporting dates of such instruments designated as effective hedge of future cash flows are recognised in the 'shareholders' funds' and the ineffective portion is recognised as 'other income' (net) or 'other expenses' (net) as the case may be, in the Profit & Loss Account.

On sale or termination of any effective hedge instrument before maturity, hedge accounting is discontinued and cumulative gains or losses on such instruments are retained in the 'shareholders' funds' until the maturity of the instrument and thereafter transferred to 'Other Income' (net) or 'Other Expenses' (net) as the case may be, in the Profit and Loss Account. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in 'shareholders' funds' is transferred to 'Other Income' or 'Other Expenses' in the Profit and Loss Account for the period.

On sale or termination of effective hedge instruments on maturity, the resultant gains or losses are taken to revenues and on sale or termination of ineffective hedge instruments, the resultant gains or losses are taken to 'Other Income' or 'Other Expenses' in the Profit and Loss Account for the period.

Forward contracts and currency options outstanding at the reporting dates, other than designated cash flow hedges, are stated at their fair values and any gains or losses are recognised as 'Other Income' or 'Other Expenses' in the Profit and Loss Account for the period.

In fiscal 2008, the net gain on maturity of effective hedge instruments taken to revenues was Rs.243.86 crore as compared to Rs.17.19 crore in fiscal 2007.

In fiscal 2008, the net gain on all other derivative instruments aggregated Rs.283.76 crore and taken to 'Other Income', as compared to a net gain of Rs.45.13 crore in the previous year. Effect of revaluation of foreign currency monetary items at closing rates was a loss of Rs.16.31 crore (gain of Rs.10.78 crore in fiscal 2007) resulting in net exchange gain of Rs.267.45 crore in fiscal 2008 (net gain of Rs.55.91 crore in fiscal 2007).

## Expenditure

### Employee Costs and Overseas Business Expenses

Employee costs consist of compensation of employees. It includes salaries which have fixed and variable components, contribution to provident fund, superannuation fund, gratuity fund and the employee state insurance scheme. It also includes expenses incurred on staff welfare.

Overseas Business Expenses comprise primarily expenses incurred in connection with overseas assignment of employees. Employee related costs contained in 'Overseas Business Expenses' have been grouped with

'employee costs' for easy comparison. Management discussions in this regard would relate to 'employee costs' and the employee cost component in 'Overseas Business Expenses' together and are hereinafter referred to as 'total employee costs'.

Total employee costs in fiscal 2008 was Rs.9,413.05 crore, an increase of 28.60% over the total employee costs of Rs.7,319.46 crore in fiscal 2007. Total employee costs as a percentage of total income was 49.60% in fiscal 2008 (48.29% in fiscal 2007). This increase is attributable to the relative increase in the headcount and compensation package commensurate with the market and adverse effect of currency exchange fluctuations on revenues. Revenues in foreign currencies constitute more than 90% of total revenues whereas the total employee cost in foreign currencies is 47.81% of total revenues, providing inadequate natural hedge to the foreign currency dominated revenues.

### Overseas Business Expenses (other than employee allowances)

This head of expenses includes overseas travel expenses, overseas marketing and overseas office expenses. Expenses on this account went up from Rs.356.17 crore in fiscal 2007 to Rs.417.19 crore in fiscal 2008, mainly due to increase in travel expenses (from Rs. 224.70 crore in fiscal 2007 to Rs.270.42 crore in fiscal 2008). In terms of total income, overseas business expenses went down from 2.35% in fiscal 2007 to 2.20% in fiscal 2008.

### Services rendered by business associates and others

Payments for services rendered by business associates or sub-contractors engaged for software development and other IT services are included in this head. The Company normally engages these consultants to bridge shortages in certain skill-sets. Expenses on this score went down from Rs.756.12 crore in fiscal 2007 to Rs.689.25 crore in fiscal 2008. In terms of total income, it went down from 4.99% in fiscal 2007 to 3.63% in fiscal 2008. The decrease is attributable to periodic reviews of the need for these associates and availability of the required skill-sets within the Company.

**Other Items of Operation and Other Expenses**

Nature of Expenses	For the year ended March 31, 2008		For the year ended March 31, 2007	
	Rs. Crore	% Income	Rs. Crore	% Income
Software, hardware and material costs	838.46	4.42	645.85	4.26
Cost of software licences	390.23	2.06	229.35	1.51
Communication	245.09	1.29	196.35	1.30
Travelling and conveyance expenses	278.00	1.46	210.17	1.39
Rent	322.58	1.70	228.83	1.51
Legal and professional	93.12	0.49	90.33	0.60
Repairs and Maintenance	112.29	0.59	92.19	0.61
Electricity	135.57	0.71	93.89	0.62
Recruitment and training expense	140.46	0.74	107.44	0.71
All Other Expenses	438.32	2.31	312.85	2.06
<b>Total Other Expenses</b>	<b>2,994.12</b>	<b>15.78</b>	<b>2,207.25</b>	<b>14.56</b>

Operating and Other Expenses (other than employee allowance and cost of services rendered by business associates, already discussed above), have gone up from Rs.2,207.25 crore in fiscal 2007 to Rs.2,994.12 crore in fiscal 2008. In terms of total income, it has gone up from 14.56% in fiscal 2007 to 15.78% in fiscal 2008. The increase is primarily due to:

- (1) higher software, hardware and material costs incurred for the bought out components in execution of systems integration contracts in fiscal 2008 as compared to fiscal 2007 on account of higher volume of systems integration business
- (2) higher expenditure on software licenses on account of increased volume of software business
- (3) higher rental and electricity expenses for additional leased premises taken. Also, 'All Other Expenses' are higher in fiscal 2008 as compared to fiscal 2007 due to increase in
  - (a) higher printing and stationary expenses
  - (b) rates and taxes due to additional leased facilities taken.

**Profit before Interest, Depreciation and Taxes (PBIDT)**

The profit before interest, depreciation and taxes in fiscal 2008 was Rs.5,466.06 crore, an increase of 21.00% from Rs.4,517.52 crore in fiscal 2007. The profit as a percentage of income went down from 29.81% in fiscal 2007 to 28.80% in fiscal 2008. The decline in the PBIDT during fiscal 2008 is attributable to appreciation of Indian Rupee vis-à-vis US Dollar and some other major currencies, increase in employee costs and other operating costs mainly arising out of expanded capacities created. This reduction in PBIDT as a percentage of total income is attributable to an increase in employee cost 1.31% and operation and other expenses 1.22% offset by a reduction in services rendered by business associates and others of 1.36% and lower 'Overseas Business Expense (other than employee related expenses)' of 0.15% in fiscal 2008 as compared to fiscal 2007.

**Interest Costs**

Interest expenses decreased from Rs.3.43 crore in fiscal 2007 to Rs.3.42 crore in fiscal 2008.

**Depreciation**

Depreciation charge increased from Rs.343.41 crore in fiscal 2007 to Rs.458.78 crore in fiscal 2008 — an increase of 33.60%. In terms of total income the depreciation charge was 2.42% of total income in fiscal 2008 (2.27% in fiscal 2007). The increase is attributable to substantial additions to the infrastructural facilities and hardware bought for internal use during the fiscal.

**Profit before Taxes**

The Profit before Taxes in fiscal 2008 was Rs.5003.86 crore, an increase of 19.98% from Rs. 4,170.68 crore in fiscal 2007. In terms of total income, the Profit before Taxes (PBT) went down from 27.52% in fiscal 2007 to 26.36% in fiscal 2008. The primary reasons for the decrease in the PBT as a percentage of total income are:

- (a) drop in Profit before Interest, Depreciation and Taxes in terms of total income, 29.81% in fiscal 2007 to 28.80% in fiscal 2008
- (b) higher depreciation in fiscal 2008 as compared to fiscal 2007 — a reduction of 0.15 % in PBT as a percentage of total income in fiscal 2008.

**Provision for Taxation**

Income tax expense comprises the current income tax and the net change in the deferred tax assets and liabilities in the applicable fiscal period.

Income tax expense comprises tax on income from



operations in India and foreign tax jurisdictions. The Company benefits in India from certain tax incentives under section 10A of the Income Tax Act, 1961, for the IT services exported from designated 'Software Technology Parks (STP)'. In addition, benefit from tax incentives applicable to Free Trade Zones are available to the Company in respect of some of the units located in such zones. The benefits applicable to the Software Technology Parks (STPs) were to expire by the end of March 2009, or upon completion of ten years of the respective STP units, whichever was earlier. Recently, the sun-set clause has been extended by one year to March 31, 2010.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, gives rise to tax credit. Post tax-holiday period, the Company would have sufficient tax liability to offset these tax credit and as such MAT is recognised as an asset in the Balance Sheet.

Fringe Benefit Tax is payable by the Company on the value of the benefits provided and/or deemed to be provided to its employees.

The tax expense (including Fringe Benefit Tax and MAT Credit Entitlement) increased from Rs.413.39 crore in fiscal 2007 to Rs.495.10 crore in fiscal 2008. This represented 2.61% of the total income in fiscal 2008 (2.73% of the total income in fiscal 2007). The reduction in tax expense as a percentage of total income is primarily attributable to write-back of Rs.37.52 crore arising out of a review of the tax positions.

### Net Profit

The Company's net profit registered a growth of 20.00% from Rs.3,757.29 crore in fiscal 2007 to Rs.4,508.76 crore in fiscal 2008. Net profit margin on the total income declined from 24.79% in fiscal 2007 to 23.76% in fiscal 2008. The reduction in net profit margin of 1.03% is attributable to a decline in PBT of 1.15% offset by lower net taxes of 0.12% in fiscal 2008 as compared to fiscal 2007.

## FINANCIAL POSITION - TCS LIMITED (UNCONSOLIDATED)

### Share Capital

Amount in Rs. Crore

	As at March 31, 2008	As at March 31, 2007
Authorised Share Capital	220.00	120.00
Issued, Subscribed and Paid up Share Capital	197.86	97.86

On March 28, 2008, 100 crore of Redeemable Preference Shares of face value of Re.1/- each were allotted to Tata Sons Ltd. These shares would be redeemable at par at the end of six years from the date of allotment but may be redeemed at any time after 3 years from the date of allotment at the option of shareholder. These shares would carry 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 equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the Redeemable Preference Shares.

Authorised share capital as on March 31, 2008 was Rs.220 crore (Rs.120 crore March 31, 2007). Authorised Share Capital was increased by Rs. 100 crore enabling the Company to issue 100 crore 'Redeemable Preference Shares' of Re.1/- each pursuant to a shareholders' resolution passed by postal ballot on March 17, 2008.

The issued, subscribed and paid-up share capital as on March 31, 2008 comprised Rs.97.86 crore of equity shares of face value Re. 1/- each and Rs.100.00 crore of Redeemable Preference Shares of face value Re.1/- each.

### Reserves and Surplus

Securities Premium Account as on March 31, 2007 stood at Rs.2,017.75 crore. As on March 31, 2008 the balance in this account stood at Rs.2,016.33 crore, net of preference share issue expenses of Rs.1.42 crore.

Arising out of the revision in the Accounting Standard 15 effective April 1, 2006, relating to employee benefits, the Company had reviewed and revised its accounting policy in respect of employee benefits and identified Rs.132.09 crore (net of deferred tax) as transitional provision which was adjusted against the opening balance in the General Reserves as on April 1, 2006. Consequent to the Guidance on Accounting Standard 15 which clarifies the applicability of the said Accounting Standard, the Company has identified certain entitlements to earned leave which can be carried forward to the future periods as long term employee benefits. As a result, the reduction in the liability of Rs.28.67 crore on April 1, 2006 has been added to General Reserves in fiscal 2008.

Out of the profits in fiscal 2008, an amount of Rs.450.88 crore (Rs.375.73 crore in fiscal 2007) representing 10% of the net profits has been transferred to General Reserves resulting in a closing balance of Rs.1,394.67 crore as on March 31, 2008 (Rs.915.12 crore as on March 31, 2007).

Balance in the Profit and Loss Account as on March 31, 2008 stood at Rs.7,374.89 crore (Rs.4,919.99 crore as on March 31, 2007).

Foreign Currency Translation Reserve was Rs.36.21 crore as on March 31, 2008 (Rs.34.56 crore as on March 31, 2007). Foreign Currency Translation Reserve of Rs.36.21 crore is primarily on account of Mark to Market valuation of loan extended to overseas subsidiaries.

Profit/Loss on Cash Flow Hedges stood at a loss of Rs.15.15 crore as on March 31, 2008 (Rs.73.71 crore profit as on March 31, 2007). The loss represents effect of mark to market valuation of cash flow hedges taken for projected revenues.

Reserves and Surplus at the end of fiscal 2008 stood at Rs.10,806.95 crore — an increase of 35.75% over Rs. 7,961.13 crore at the end of fiscal 2007.

### Loans

Secured Loans at the end of fiscal 2008 aggregated Rs. 9.27 crore (Rs. 41.76 crore at the end of fiscal 2007). This is due to decrease in overdrafts from banks taken to meet temporary mismatch in funds flow. The overdraft facilities are secured against domestic book debts.

Unsecured loans at the end of fiscal 2008 stood at Rs. 8.98 crore, same as that at the end of last fiscal.

### Deferred Tax Liability (net)

The Company has a deferred tax liability (net of deferred tax asset) of Rs. 54.49 crore as on March 31, 2008 (Rs. 23.00 crore as on March 31, 2007). The primary reason for the increase in this item is the increase in foreign branch profit tax as on March 31, 2008 to Rs. 100.88 crore (Rs. 67.00 crore as on March 31, 2007).

### Fixed Assets

Addition to the Gross Block (excluding capital work-in-progress) in fiscal 2008 amounted to Rs. 943.87 crore (Rs. 639.95 crore in fiscal 2007).

The significant additions in fiscal 2008 were Leasehold and Freehold Land and Buildings, including Improvement of Leasehold Properties of Rs. 390.95 crore (Rs. 152.30 crore in fiscal 2007), additions on account of Office Equipment, Electrical Installations and Furniture and Fixtures of Rs. 256.05 crore (Rs. 125.93 crore in fiscal 2007) and Computer Equipment Rs. 293.59 crore (Rs. 355.41 crore in fiscal 2007). The amount in capital work-in-progress (Rs. 889.74 crore as on March 31, 2008 against 757.85 crore as on March 31, 2007) mostly relates to construction/improvement of facilities which are expected to be ready for use in fiscal 2009 and beyond.

The Company made contractual commitments to vendors who are executing various infrastructure projects. The estimated amount of such contracts

remaining to be executed on capital account and not provided for (net of advances) was Rs. 503.40 crore as on March 31, 2008 (Rs. 749.74 crore as on March 31, 2007).

The number of seats available in India as on March 31, 2008 was 89,622 (70,281 seats as on March 31, 2007).

### Investments

A summary of the Company's investments is given below:

	Amount in Rs. Crore	
	As at March 31, 2008	As at March 31, 2007
Trade investments, Bonds & Debentures	2,108.32	2,098.61
Investments in Mutual Funds	2,405.51	1,157.93
<b>Total Investments</b>	<b>4,513.83</b>	<b>3,256.54</b>
Less: Provision for diminution in value of investments	4.50	4.50
<b>Net Investments</b>	<b>4,509.33</b>	<b>3,252.04</b>

The Company has been investing in various mutual funds. These are typically investments in short-term funds to gainfully use the excess cash balance with the Company. While investing in short-term instruments, the Company balances tax-efficient returns with risks involved in such investments. Investments in mutual funds aggregated Rs.2,405.51 crore as on March 31, 2008 (Rs.1,157.93 crore as on March 31, 2007).

A provision of Rs.4.50 crore towards impairment of investment in Exegenix Canada made in the books of erstwhile Tata Infotech Limited (TIL) prior to its merger with TCS has been retained in fiscal 2008 in 'Provision for diminution in value of investments'.

The Company has given undertakings to:

- (1) Bank of China Co. Limited, not to transfer its controlling interest in Financial Network Services Pty Limited
- (2) The Government of Madhya Pradesh not to divest its shareholding in MP Online Limited except to an affiliate
- (3) State Bank of India not to sell, transfer or otherwise dispose of its share or any interest in C-Edge Technologies Limited.

During fiscal 2008, the Company has made the following trade investments/divestments.

Investments/Divestitures	Details
Winding up of Tata Consultancy Services, France S.A.	Tata Consultancy Services, France S.A., a subsidiary of TCS Limited has been dormant for some time. This was wound up on 8th February 2008 and the capital of Rs. 0.66 crore was extinguished.  TKS Teknosoft, which was acquired by our subsidiary in Netherlands owns a subsidiary incorporated in France. Our operations in France have been consolidated and all the jobs in France are being carried out by this entity.
Shares in Conscripty (Pty) Ltd.	In fiscal 2008, the Company sold 250 shares representing 20% of the shareholding interest in Conscripty (Pty) Ltd. This action was necessitated by a decision to set up a Company in South Africa with majority ownership of TCS Group which will front-end the operations in that country.
Subscription of shares in Tata Consultancy Services (Africa) Pty Ltd.	The Company has subscribed to 60% share capital of Tata Consultancy Services (Africa) Pty Ltd. for a sum of Rs. 4.92 crore. The Company has been formed for providing IT services and investing in companies in South Africa.
Setting up of Tata Consultancy Services (South Africa) Pty Ltd.	Tata Consultancy Services (Africa) Pty Ltd. has set up a 100% owned subsidiary, Tata Consultancy Services (South Africa) Pty Ltd, which will front-end the IT business of the Company in South Africa.
Setting up of Tata Consultancy Services Morocco SARL - AV	The Company subscribed to 100% share capital of Tata Consultancy Services Morocco SARL - AV on June 21, 2007. This company was formed for providing a range of computer enabled services in Morocco.

### Deferred Tax Assets (Net)

As on March 31, 2008 the Company had Rs.66.89 crore deferred Tax Assets (Net) (Rs.37.61 crore as on March 31, 2007). The increase is primarily attributable to provision for depreciation Rs.21.98 crore as on March 31, 2008 (Rs.1.57 crore as on March 31, 2007) and a provision for doubtful debts of Rs.13.91 crore as on March 31, 2008 (Rs.9.98 crore as on March 31, 2007).

### Inventories

The Company had inventories of Rs.17.19 crore as on March 31, 2008 (Rs.12.06 crore as on March 31, 2007). The inventory constitutes raw materials, components, sub-assemblies and finished goods. The Inventory is higher as on March 31, 2008 as compared to March 31, 2007 primarily due to increase in raw materials, components and sub-assemblies inventory (Rs.12.32 crore as on March 31, 2008, Rs.8.62 crore as on March 31, 2007), an increase in goods in transit inventory (Rs. 2.66 crore as on March 31, 2008, Rs.0.60 crore as on March 31, 2007) offset by a reduction in stores and spares (Rs.0.89 crore as on March 31, 2008, Rs.1.48 crore as on March 31, 2007).

### Current Assets, Loans and Advances

#### Unbilled Revenues

Unbilled revenues comprise revenue recognised in relation to efforts incurred on Fixed-Price-Fixed-Time Contracts and Time and Material contracts not billed as of the year-end. Unbilled revenues stood at Rs.870.18 crore as on March 31, 2008 (Rs.523.88 crore as on March 31, 2007) representing 4.58% of the total income for fiscal 2008 (3.46% for fiscal 2007).

#### Sundry Debtors

Sundry Debtors as on March 31, 2008 aggregated Rs.3,747.01 crore (Rs.2,799.80 crore as on March 31, 2007). Provision for bad and doubtful debts in fiscal 2008 was Rs.69.75 crore (Rs.59.39 crore in fiscal 2007). The amounts considered bad and doubtful as a percentage of total income was 0.37% in fiscal 2008 (0.39% in fiscal 2007).

#### Cash and Bank Balances

The Company had Cash and Bank balance of Rs.527.52 crore as on March 31, 2008 (Rs.557.14 crore as on March 31, 2007). The balances with scheduled banks in India aggregated Rs.192.09 crore as on March 31, 2008 (Rs.274.18 crore as on March 31, 2007). The balances with foreign banks were Rs.333.78 crore as on March 31, 2008 (Rs.260.71 crore as on March 31, 2007).

### Loans and Advances

Loans and Advances as on March 31, 2008 were Rs.2,166.60 crore (Rs.1,313.39 crore as on March 31, 2007). Significant items of Loans and Advances were; loans to subsidiary companies Rs.446.74 crore (Rs.263.29 crore as on March 31, 2007), advances and loans to employees Rs.219.04 crore (Rs.200.00 crore as on March 31, 2007), advance tax including refunds receivable Rs.178.47 crore (Rs.98.94 crore as on March 31, 2007), loans & advances provided for miscellaneous purposes Rs.970.77 crore (Rs.751.16 crore as on March 31, 2007) and a MAT credit entitlement of Rs.351.58 crore (Rs.'Nil' as on March 31, 2007). The Increase in loans to subsidiary companies was mainly attributable to a loan of Rs.186.89 crore given to TCS Iberoamerica SA during fiscal 2008.

### Current Liabilities

Current Liabilities went up to Rs.2,404.18 crore as on March 31, 2008 as compared to Rs.1,639.50 as on March 31, 2007. This increase is primarily due to increase in Sundry Creditors from Rs.818.13 crore as on March 31, 2007 to Rs.1,239.37 crore as on March 31, 2008, increase in Advance Billing and Deferred Revenues from Rs.407.98 crore as on March 31, 2007 to Rs.460.55 crore as on March 31, 2008, Payables to Subsidiary Companies which increased from Rs.165.64 crore as on March 31, 2007 to Rs.229.56 crore and Other Current Liabilities which increased from Rs.167.95 crore as on March 31, 2007 to Rs.426.01 crore as on March 31, 2008. The increase in Other Current Liabilities is mainly attributable to fair values of foreign exchange forward and currency option contracts of Rs.191.08 crore as on March 31, 2008 (Rs.17.29 crore as on March 31, 2007).

### Provisions

Provisions made towards taxes, employee retirement benefits, contingencies, proposed dividend, tax on dividend and warranties aggregated Rs.1,187.44 crore as on March 31, 2008 (Rs.905.05 crore as on March 31, 2007). The increase is mainly attributable to increase in provision for current income taxes of Rs.277.15 crore as on March 31, 2008 (Rs.156.20 crore as on March 31, 2007), employee benefits Rs.334.83 crore as on March 31, 2008 (Rs.289.71 crore as on March 31, 2007), increase in provision for the proposed dividend payout (including tax on dividend) Rs.572.47 crore as on March 31, 2008 (Rs.457.97 crore as on March 31, 2007).

### CASH FLOW - TCS LIMITED (UNCONSOLIDATED)

The Company's growth has been financed largely by cash generated from operations. The Company has sufficient cash generated from operations for meeting its working capital requirements as well as the requirements for capital expenditure. In addition, the Company has short term working capital facilities with various banks.

As on March 31, 2008, the Company had available lines of credit with multiple bankers aggregating US\$ 30 million, GBP 75 million and Rs.1,980 crore (comprising funded limit of Rs.1,520 crore and unfunded credit limits Rs.460 crore). Out of these limits, Rs.477.53 crore, US\$ 6.57 million and GBP 75 million were utilised as on March 31, 2008.

### Cash Flow from Operations

Amount in Rs. crore

Particulars	Fiscal 2008	Fiscal 2007	Increase/ (Decrease)
Profit before taxes and exceptional items	5,003.86	4,170.68	833.18
Depreciation	458.78	343.41	115.37
Others	(93.95)	(147.33)	53.38
Operating Profit before Working Capital Changes	5,368.69	4,366.76	1,001.93
Effect of Working Capital Changes	(767.19)	(451.41)	(315.78)
Cash Generated from Operations	4,601.50	3,915.35	686.15
Tax Payments made	(773.59)	(364.09)	(409.50)
Net cash provided by operating activities	3,827.91	3,551.26	276.65

In fiscal 2008 the Company generated net cash of Rs.3,827.91 crore (Rs.3,551.26 crore in fiscal 2007) from operating activities. Apart from profit before taxes and exceptional items of Rs.5,003.86 crore (Rs.4,170.68 crore in fiscal 2007), the net cash generated includes adjustments for non cash items like depreciation of Rs.458.78 crore (Rs.343.41 crore in fiscal 2007). Other significant items contributing in generation/use of cash from operating activities include changes in the current assets and current liabilities such as increase in unbilled revenues Rs.346.30 crore (Rs.169.97 crore in fiscal 2007), increase in debtors Rs.957.57 crore (Rs.474.73 crore in fiscal 2007), offset by a decrease in loans and advances Rs.106.18 crore (Rs.262.22 crore in fiscal 2007), increase in current liabilities and provisions Rs.647.99 crore (Rs.444.63 crore in fiscal 2007) and payment of income taxes Rs.773.59 crore (Rs.364.09 crore in fiscal 2007).

## Cash Flow from Investing Activities

Amount in Rs. crore

Particulars	Fiscal 2008	Fiscal 2007	Increase/ (Decrease)
Purchase of Fixed Assets	(1,075.76)	(1,117.80)	42.04
Purchase of Trade Investments	(4.92)	(489.86)	484.94
Loans given to Subsidiaries (net)	(196.41)	(75.32)	(121.09)
Sale of Investment in SITEL (2007)/Other Trade investments	4.23	76.98	(72.75)
Purchase of Other Investments (net of Mutual Fund Dividends)	(1,162.28)	(498.66)	(663.62)
Other	30.24	28.24	2.00
<b>Net cash used for investing activities</b>	<b>(2,404.90)</b>	<b>(2,076.42)</b>	<b>(328.48)</b>

In fiscal 2008 the Company used Rs.2,404.90 crore on investment activities (Rs.2,076.42 crore in fiscal 2007). The significant items in fiscal 2008 were, purchase of fixed assets Rs.1,075.76 crore (Rs.1,117.80 crore in fiscal 2007), purchase of trade investments Rs.4.92 crore (Rs.489.86 crore in fiscal 2007), purchase of other investments net of mutual fund dividend Rs.1,162.28 crore (Rs.498.66 crore in fiscal 2007), loans given to subsidiaries Rs.196.41 crore (Rs.75.32 crore in fiscal 2007) and sale of the trade investment Rs.4.23 crore (Rs. 76.98 crore in fiscal 2007). In fiscal 2007 the Company sold its stake in SITEL India for Rs. 76.98 crore.

## Cash Flow from Financing Activities

Amount in Rs. crore

Particulars	Fiscal 2008	Fiscal 2007	Increase/ (Decrease)
Borrowings (net)	(32.49)	15.24	(47.73)
Dividends paid including dividend tax	(1,487.56)	(1,087.10)	(400.46)
Interest paid	(3.30)	(3.49)	0.19
Issue of Preference Shares (net of Issue Expenses)	98.58	0	98.58
<b>Net cash used in financing activities</b>	<b>(1,424.77)</b>	<b>(1,075.35)</b>	<b>(349.42)</b>

In fiscal 2008 the significant items of cash used in financing activities were payment of dividend Rs.1,487.56 crore including tax (Rs.1,087.10 crore in fiscal 2007) and net repayments of Rs.32.49 crore (net additional borrowings of Rs. 15.24 crore in fiscal 2007). The Issue of Redeemable Preference Shares of Rs.100 crore generated Rs.98.58 crore of financing net of the share issue expenses.



**TCS LIMITED (CONSOLIDATED)**

The Management Discussion and Analysis below relates to the consolidated financial statements of TCS Limited and includes the results of its subsidiaries. The Discussion should be read in conjunction with the financial statements and related Notes to the Consolidated Accounts of TCS Limited for the year ended March 31, 2008.

**1. RESULTS OF OPERATIONS - TCS LIMITED (CONSOLIDATED)**

The table below gives an overview of the financial results of TCS Limited (Consolidated):

	For the year ended March 31, 2008		For the year ended March 31, 2007		FY 2008 vs. 2007
Income from Operations	Rs. crore	% of Income	Rs. crore	% of Income	% Increase
Information technology and consultancy services	21,681.30	92.86	17,806.60	94.14	21.76
Sale of equipment and software licenses	1,182.09	5.06	878.61	4.65	34.54
Sub-total	22,863.39	97.92	18,685.21	98.79	22.36
Other Income (Net)	486.06	2.08	229.05	1.21	112.21
<b>Total Income</b>	<b>23,349.45</b>	<b>100.0</b>	<b>18,914.26</b>	<b>100.00</b>	<b>23.45</b>
<b>Expenditure:</b>					
Employee costs	7,854.60	48.87	8,002.85	47.59	26.77
Overseas business expenses (employee allowances paid overseas)	3,556.44		998.54		
Overseas business expenses (other than employee allowances paid overseas)	438.42	1.88	370.00	1.96	18.49
Services rendered by business associates and others	850.49	3.64	845.61	4.47	0.58
Operation and Other Expenses	4,209.83	18.03	3,329.36	17.60	26.45
<b>Total Expenditure</b>	<b>16,909.78</b>	<b>72.42</b>	<b>13,546.36</b>	<b>71.62</b>	<b>24.83</b>
<b>Profit before Interest, Depreciation, and Taxes</b>	<b>6,439.67</b>	<b>27.58</b>	<b>5,367.90</b>	<b>28.38</b>	<b>19.97</b>
Interest	30.01	0.13	9.45	0.05	217.57
Depreciation	563.71	2.41	440.17	2.33	28.07
<b>Profit before Taxes</b>	<b>5,845.95</b>	<b>25.04</b>	<b>4,918.28</b>	<b>26.00</b>	<b>18.86</b>
<b>Provision for Taxes:</b>	760.11	3.26	644.10	3.41	18.01
Income tax expense (Including Deferred Tax Benefit and MAT Credit Entitlement)					
Fringe Benefit Tax	26.20	0.11	19.86	0.11	31.92
<b>Net Profit for the year before Minority Interest and share of profit of associate</b>	<b>5,059.64</b>	<b>21.67</b>	<b>4,254.32</b>	<b>22.49</b>	<b>18.93</b>
Minority Interest	(34.42)	(0.15)	(42.77)	(0.23)	(19.52)
Share of profit of associate	0.80	0.00	1.08	0.01	(25.93)
<b>Net Profit for the year</b>	<b>5,026.02</b>	<b>21.53</b>	<b>4,212.63</b>	<b>22.27</b>	<b>19.31</b>

1. 'Overseas Business Expenses' mainly comprise (a) subsistence allowances paid to employees assigned in overseas countries and the related visa expenses and (b) travelling and marketing related expenses incurred abroad. For the purpose of the above summary statement of Profit and Loss Account, the component of overseas business expenses relating to employee costs in (a) above has been grouped with employee costs for ease of comparison of employee related costs in fiscal 2007 and 2008.
2. A significant feature of fiscal 2008 is the volatility in foreign currency exchange rates adversely affecting the export oriented industries. TCS Ltd earns its revenues in US Dollar, GB Pound, Euro and multiple other foreign currencies. During the fiscal 2008, vis-à-vis Indian Rupee, US Dollar fell by 11.05%, GBP fell by 5.64% and Euro fell by 1.76% on the basis of average daily closing prices. Revenues in foreign currencies constituted 90.3% in fiscal 2008. Revenues in US\$ were 57.5% of total revenues. Consequently, revenues in Indian Rupee got adversely affected. Expenditure in foreign currencies constituted 49.4% of the total expenditure in fiscal 2008 — providing a relatively narrow natural hedge to the exchange rate risk in the business. These factors resulted in relatively lower growth in revenues. However, the growth in expenditure, in absolute value and also in proportion to revenues went up. The Company, through its superior management of currency exchange risk, could mitigate the impact partially.
3. In the summary of results given above, numbers for the fiscal 2007 as well as fiscal 2008 have been regrouped for ease of comparison.

## Income

### Income from Operations

The Company's revenues increased in fiscal 2008 to Rs.22,863.39 crore — a growth of 22.36% from Rs.18,685.21 crore in fiscal 2007. Information Technology and Consultancy Services revenues were 92.86% of total income (94.14% in fiscal 2007) and increased by 21.76% to Rs. 21,681.30 crore in fiscal 2008 from Rs.17,806.60 crore in fiscal 2007.

Consolidated revenues from sale of equipment and software licenses increased by 34.54% to Rs.1,182.09 crore in fiscal 2008 from Rs.878.61 crore in fiscal 2007. The growth is mainly due to increase in the domestic system integration contracts in fiscal 2008. These revenues were 5.06% of total income (4.65% in fiscal 2007).

The increase in revenues in fiscal 2008 as compared to that of fiscal 2007 is mainly attributable to growth in volume of business (27.75%), improvement in billing rates (6.04%), offset by impact of exchange rate variation net of cash flow hedges (-9.65%) and mix in favour of off-shore revenue (-1.44%). The negative effect of off-shore revenue is planned and has positive effect on the profit of the Company.

### Revenue by Segments

The classification of revenues by geography and industry practice is more relevant when viewed as consolidated results of the Company.

### Revenue by Geography

Geography	2007-08 % of Revenue	2006-07 % of Revenue
Americas	50.77	52.43
UK	19.78	20.29
Europe	9.21	8.19
Iberoamerica	4.40	3.85
India	8.95	9.00
Asia Pacific	5.20	4.78
ME/Africa	1.69	1.46
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

While the business growth in the major markets (in absolute terms) that is Americas and the United Kingdom is in line with the Company's plans, the Company has been successfully focusing on higher growth in Europe, Iberoamerica, Asia Pacific and Middle East and Africa. As a result of this strategy, though the Company's business continues to grow in Americas and the United Kingdom, the growth from the emerging markets is relatively faster.

### Revenue by Significant Industry Practice

Industry Practice	2007-08 % of Revenue	2006-07 % of Revenue
BFSI	44.14	43.89
Telecom	16.15	16.09
Manufacturing 9.82		
Hi-tech 3.11		
Total Manufacturing	12.93	12.72
Retail and Distribution	6.45	5.90
Others	20.33	21.40
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The Company's business in the Banking, Financial Services and Insurance (BFSI) segment continues to be its biggest

Practice. In spite of the challenges in the financial sector, the Company's business with its clients in BFSI vertical continues to be stable. Telecom and Retail business segments have grown significantly.

### Revenue by Significant Services

Service Lines	2007-08 % of Revenue	2006-07 % of Revenue
IT Solutions and Services		
Application Development and Maintenance	48.3	52.2
Business Intelligence	9.7	9.5
Enterprise Solutions	13.1	12.2
Assurance Services	3.8	2.3
Subtotal IT Solutions and Services	74.9	76.2
Engineering and Industrial Services	5.4	5.8
Infrastructure Services	6.5	6.0
Global Consulting	3.4	3.4
Asset Leverage Solutions	3.6	2.8
Business Process Outsourcing	6.2	5.8
<b>Total Revenue</b>	<b>100.0</b>	<b>100.0</b>

The Company's newer service offerings such as Infrastructure Services, Global Consulting, Assurance Services and BPO have been showing significant growth.

### Other Income

Consolidated 'Other Income' in fiscal 2008 increased to Rs.486.06 crore — up from Rs.229.05 crore in fiscal 2007. In terms of total income, 'Other Income' has gone up from 1.21% in fiscal 2007 to 2.08% in fiscal 2008. Primary reasons for the increase are:

- exchange gain (net) of Rs.256.62 crore in fiscal 2008 (Rs.46.09 crore in fiscal 2007) as a result of successful implementation of our foreign exchange hedging strategy in a volatile currency environment
- dividend income of Rs.107.98 crore in fiscal 2008 (Rs.38.22 crore in fiscal 2007) arising out of useful deployment of available funds primarily in Mutual Funds
- profit on sale of Mutual Funds and other current investments Rs.15.89 crore (Rs.10.07 crore in fiscal 2007)
- increase in interest Income (net of tax deducted at source) of Rs. 56.99 crore (Rs.21.71 crore in fiscal 2007).

In fiscal 2008 there is no item similar to profit on sale of investment in SITEL India of Rs.66.90 crore (net of adjustment of negative net worth of SITEL).

The policy and accounting treatment of derivative instruments have been covered in the discussions for unconsolidated financials.

In fiscal 2008, the net gain on maturity of effective hedge instruments taken to revenues was Rs.243.86 crore as compared to Rs.17.19 crore in fiscal 2007.

In fiscal 2008, the net gain on all other derivative instruments aggregated Rs.283.96 crore and was taken to 'other income', as compared to a net gain of Rs.45.13 crore in the previous year. Effect of revaluation of foreign currency monetary items at closing rates was a loss of Rs.30.34 crore (gain of Rs.0.96 crore in fiscal 2007), resulting in net exchange gain of Rs.256.62 crore in fiscal 2008 (gain of Rs.46.09 crore in fiscal 2007).

### Expenditure

#### Employee Costs and Overseas Business expenses

The consolidated total employee costs for fiscal 2008 was Rs.11,411.04 crore, an increase of 26.77% over Rs.9,001.39 crore in fiscal 2007. Employee costs as a percentage of total income was 48.87% in fiscal 2008 (47.59% in fiscal 2007). This increase is attributable to the relative increase in the headcount and compensation package commensurate with the market and adverse effect of currency exchange fluctuations on revenues. Revenues in foreign currencies constitute more than 90% of total revenues whereas the total employee cost in foreign currencies is 54.46% of total revenues providing inadequate natural hedge to the foreign currency dominated revenues.

Utilisation of manpower resources including trainees was 75.8% as on March 31, 2008 (74.7% as on March 31, 2007). The utilisation excluding trainees was 79.1% as on March 31, 2008 (79.6% as on March 31, 2007).

#### Overseas Business Expenses (other than employee costs)

Expenses on this account went up by 18.49%, from Rs.370.00 crore in fiscal 2007 to Rs.438.42 crore in fiscal 2008. In terms of total income, it went down from 1.96% in fiscal 2007 to 1.88% in fiscal 2008. Travel related to overseas business which constitutes the largest component of these overseas business expenses increased from Rs.225.87 crore in fiscal 2007 (1.19% of total income) to Rs. 274.10 crore in fiscal 2008 (1.17% of total income).

#### Services rendered by business associates and others

Expenses on this score went up from Rs.845.61 crore in fiscal 2007 to Rs.850.49 crore in fiscal 2008. Expressed as

a percentage of total income, expenses on this account went down from 4.47% in fiscal 2007 to 3.64% in fiscal 2008. This decrease is attributable to periodic reviews of the need for these associates and the availability of the required skill-sets within the Company.

### Other Operation and Other Expenses

Nature of Expenses	For the year ended March 31, 2008		For the year ended March 31, 2007	
	Rs. Crore	% of income	Rs. Crore	% of income
Software, hardware and material costs	1,068.26	4.58	819.12	4.33
Cost of software licences	466.23	2.00	318.22	1.68
Communication expenses	308.42	1.32	237.83	1.26
Travelling and conveyance expenses	419.45	1.80	346.02	1.83
Rent	423.85	1.82	300.77	1.59
Legal and professional fees	198.33	0.85	196.03	1.04
Repairs and maintenance	145.53	0.62	122.15	0.65
Electricity expenses	158.22	0.68	115.86	0.61
Recruitment and training expenses	173.03	0.74	144.80	0.77
All Other Expenses	848.51	3.63	728.56	3.85
<b>Total Other Expenses</b>	<b>4,209.83</b>	<b>18.03</b>	<b>3,329.36</b>	<b>17.60</b>

Operating and Other Expenses have increased from Rs.3,329.36 crore in fiscal 2007 to Rs. 4,209.83 crore in fiscal 2008. In terms of total income, this has increased from 17.60% in fiscal 2007 to 18.03% in fiscal 2008. The items of expenses which have shown relatively more increase are:

- (1) higher software, hardware and material costs incurred for the bought out components in execution of systems integration contracts in fiscal 2008 as compared to fiscal 2007 on account of higher volume of systems integration business,
- (2) higher expenditure on software licenses on account of increased volume of software business
- (3) higher rental and electricity expenses for additional leased premises taken
- (4) communication expenses due to increased levels of business and increased use of tele-conferencing and video-conferencing.

'All Other Expenses' in terms of total income in fiscal 2008 has come down to 3.63% as compared to 3.85% in fiscal 2007.

### Profit before Interest, Depreciation and Taxes

The profit before interest, depreciation, taxes (PBIDT) in fiscal 2008 was Rs.6,439.67 crore, an increase of 19.97% from Rs.5,367.90 crore in fiscal 2007. The profit as a percentage of total income was 27.58% in fiscal 2008 (28.38% in fiscal 2007). The decline in the PBIDT as a percentage of total income in fiscal 2008 is attributable

to appreciation of Indian Rupee vis-à-vis US Dollar and some other major currencies, increase in operating cost, particularly employee costs and increase in other operating costs mainly arising out of expanded capacities created. This reduction in PBIDT as a percentage of total income is attributable to an increase in employee cost 1.28% and operation and other expenses 0.43% offset by a reduction in services rendered by business associates and others of 0.83% and lower 'Overseas Business Expense (other than employee related expenses)' of 0.08% in fiscal 2008 as compared to fiscal 2007.

### Interest Costs

Interest Costs increased from Rs. 9.45 crore in fiscal 2007 to Rs. 30.01 crore in fiscal 2008. In terms of percentage of total income, interest has gone up from 0.05% in fiscal 2007 to 0.13% in fiscal 2008. The increase in interest cost is attributable to the US\$ 100 million borrowed by one of our subsidiaries, towards the end of fiscal 2007.

### Depreciation

Depreciation charge has increased from Rs. 440.17 crore in fiscal 2007 to Rs. 563.71 crore in fiscal 2008 - an increase of 28.07%. In terms of total income the depreciation charge was 2.33% in fiscal 2007 and 2.41% in fiscal 2008. The increase is attributable to substantial additions to the infrastructural facilities and hardware bought for internal consumption during the fiscal.

### Profit before Taxes

The Profit before Taxes in fiscal 2008 was Rs.5,845.95 crore, an increase of 18.86% from — Rs.4,918.28 crore in fiscal 2007. In terms of total income the profit went down from 26.00% in fiscal 2007 to 25.04% in fiscal 2008. The decline in profit before tax can be attributed to lower PBDIT of 0.80% and higher depreciation and interest costs of 0.16%.

### Provision for Taxation

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

The Company benefits in India from certain tax incentives as explained earlier. The Minimum Alternative Tax and Fringe Benefit Tax applicable to the Company have been explained earlier.

The Company's consolidated tax expense (including Fringe Benefit Tax and MAT credit entitlement) in fiscal 2008 increased to Rs.786.31 crore from Rs.663.96 crore in fiscal 2007. This represented 3.37% of the total income in fiscal 2008 (3.51% in fiscal 2007). The reduction in tax expense as a percentage of total income is primarily attributable to write-back of Rs.37.52 crore arising out of a review of the tax positions.

### Net Profit before Minority Interest and Share of Profit of Associates

The Company's net profit before minority interest went up from Rs.4,254.32 crore in fiscal 2007 to Rs.5,059.64 crore in fiscal 2008. Net profit margin on the total income went down from 22.49% in fiscal 2007 to 21.67% in fiscal 2008. The reduction in net profit margin of 0.82% is attributable to a decline of PBT of 0.96% offset by lower net taxes of 0.14% in fiscal 2008 as compared to fiscal 2007.

### Minority Interest

Minority Interest is that part of the net profit attributable to third party ownership interests in the Company's subsidiaries.

The charge on the Company's net profit on account of Minority Interests registered a decline from Rs.42.77 crore in fiscal 2007 to Rs.34.42 crore in fiscal 2008. Minority Interest Charge as a percentage of total income went down from 0.23% in fiscal 2007 to 0.15% in fiscal 2008, due to consolidation of the Company's Brazilian subsidiaries, resulting in buyout of the minority shareholding of third party ownership interest in fiscal 2008.

### Share of Profit of Associate

The Company has Investments in other companies in which it has significant influence by virtue of ownership of 20% to 50% in the equity capital of the said Companies. In its consolidated books of accounts the Company recognises its share of income or loss in the investee companies on the principles of equity method of accounting.

The Company's share of profit of associates as a result of such minority shareholding was Rs.0.8 crore in fiscal 2008 as compared to a profit of Rs.1.08 crore in fiscal 2007.

### Net Profit

The Company's net profit (Consolidated) registered a growth of 19.31% from Rs.4,212.63 crore in fiscal 2007 to Rs.5,026.02 crore in fiscal 2008. Net profit margin on the total income went down from 22.27% in fiscal 2007 to 21.53% in fiscal 2008. The reduction in net profit margin for fiscal 2008 of 0.74% as compared to fiscal 2007 is attributable to a decline of profit before minority interest and share of profit of associate of 0.82% and increase due to reduction in share of minority interest of 0.08% in fiscal 2008.

## 2. FINANCIAL POSITION - TCS LIMITED (CONSOLIDATED)

### Share Capital

Amount in Rs. crore

	As at March 31, 2008	As at March 31, 2007
Authorised Share Capital	220.00	120.00
Issued, Subscribed and Paid up Share Capital	197.86	97.86

On March 28, 2008, 100 crore of Cumulative Redeemable Preference Shares of face value of Re.1/- each were allotted to Tata Sons Ltd. These shares would be redeemable at par at the end of six years from the date of allotment but may be redeemed at any time after three years from the date of allotment at the option of the shareholder. These shares would carry 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 equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the Cumulative Redeemable Preference Shares.

Authorised share capital as on March 31, 2008 was Rs.220 crore (Rs.120 crore as on March 31, 2007). Authorised Share Capital was increased by Rs. 100 crore enabling the Company to issue 100 crore 'Cumulative



Redeemable Preference Shares' of Re.1/- each pursuant to a shareholders' resolution passed by postal ballot on March 17, 2008.

The issued, subscribed and paid-up share capital as on March 31, 2008 comprised Rs.97.86 crore of equity shares of face value Re.1/- each and Rs.100.00 crore of cumulative redeemable preference shares of face value Re.1/- each.

### Reserves and Surplus

Securities Premium Account as on March 31, 2007 stood at Rs.2,017.75 crore. As on March 31, 2008 the balance in this account stood at Rs.2,016.33 crore, net of preference share issue expenses of Rs.1.42 crore.

Arising out of the revision in the Accounting Standard 15 effective April 1, 2006, relating to employee benefits, the Company had reviewed and revised its accounting policy in respect of employee benefits and identified Rs.142.61 crore (net of deferred tax) as transitional provision which was adjusted against the opening balance in the General Reserves as on April 1, 2006. Consequent to the Guidance on Accounting Standard 15 which clarifies the applicability of the said Accounting Standard, the Company has identified certain entitlements to earned leave which can be carried forward to the future periods as long term employee benefits. As a result, the reduction in the liability of Rs.31.25 crore on April 1, 2006 has been added to General Reserves in fiscal 2008.

Out of the profits in fiscal 2008, an amount of Rs.454.51 crore (Rs.382.14 crore in fiscal 2007) representing 10% of the net profits has been transferred to General Reserves resulting in a closing balance of Rs. 1,406.81 crore as on March 31, 2008 (Rs.921.05 crore as on March 31, 2007).

Balance in the Profit and Loss Account as on March 31, 2008 stood at Rs.8,688.21 crore (Rs.5,721.12 crore as on March 31, 2007).

Foreign Currency Translation Reserve was Rs.0.64 crore as on March 31, 2008 (Rs.13.19 crore as on March 31, 2007). Foreign Currency Translation Reserve of Rs. 0.64 crore is primarily on account of Mark to Market valuation of loan extended to overseas subsidiaries and adjustments arising out of translation of subsidiaries financials during consolidation.

Profit/Loss on Cash Flow Hedges stood at a loss of Rs.15.15 crore as on March 31, 2008 (Rs.73.71 crore profit as on March 31, 2007). The loss represents effect of mark to market valuation of cash flow hedges taken for projected revenues.

Reserves and Surplus at the end of fiscal 2008 stood at Rs.12,102.26 crore - an increase of 38.28% over Rs.8,752.24 crore at the end of fiscal 2007.

### Loans

Secured Loans at the end of fiscal 2008 were Rs.18.07 crore (Rs.63.09 crore as on March 31, 2007). Short-term loans from banks were 'Nil' as on March 31, 2008 (Rs.15.00 crore as on March 31, 2007). Bank overdraft was Rs.9.27 crore as on March 31, 2008 (Rs.44.52 crore as on March 31, 2007). Short-term loans and bank overdrafts are secured by domestic book debts, hypothecation of inventories and other current assets. Obligations under finance lease stood at Rs. 8.80 crore as on March 31, 2008 (Rs.3.57 crore as on March 31, 2007). Obligations under finance lease are secured against fixed assets obtained under finance lease agreement.

Unsecured Loans at the end of fiscal 2008 were Rs.436.95 crore, against Rs.443.66 crore at the end of the fiscal 2007. Loans from banks as on March 31, 2008 were at Rs.422.29 crore (March 31, 2007 were Rs.434.70 crore). These were commercial borrowings taken by the Company and by its North American subsidiary. Unsecured loans from others were Rs.14.66 crore as on March 31, 2008 (Rs.8.96 crore as on March 31, 2007).

### Deferred Tax Liability (Net)

The Company has deferred tax liability (net) of Rs.140.22 crore (Rs.71.70 crore as on March 31, 2007). The primary reason for the increase in deferred tax liabilities in fiscal 2008 is attributable to increased liabilities represented by Foreign Branch Profit Tax of Rs.100.88 crore as on March 31, 2008 (Rs.67.00 crore as on March 31, 2007).

### Fixed Assets

Addition to the Gross Block excluding capital work-in-progress in fiscal 2008 amounted to Rs.1,157.15 crore (Rs.1,250.40 crore in fiscal 2007). The significant items of additions in fiscal 2008 were:

- (a) Leasehold and Freehold Land & Buildings Rs. 398.62 crore (Rs.115.32 crore in fiscal 2007),
- (b) Improvement of Leasehold Properties Rs.89.19 crore (Rs. 51.96 crore in fiscal 2007),
- (c) Electrical Installations and Furniture and Fixtures Rs.202.84 crore (Rs.99.17 crore in fiscal 2007),
- (d) Office Equipments Rs.124.27 crore (Rs.70.17 crore in fiscal 2007) and
- (e) Computer Equipments Rs.338.50 crore (Rs.387.33 crore in fiscal 2007).

The amount in capital work-in-progress was Rs.906.87 crore as on March 31, 2008 (Rs.793.04 crore as on March 31, 2007) mostly related to construction/improvement of facilities which are likely to be ready for use in fiscal 2009 and beyond.

The Company made contractual commitments to vendors who are executing various infrastructure projects. The estimated amount of such contracts

remaining to be executed on capital account and not provided for (net of advances) was Rs.515.88 crore as on March 31, 2008 (Rs.758.22 crore as on March 31, 2007).

#### Goodwill on Consolidation

Goodwill on consolidation as at March 31, 2008 was Rs.1,264.95 crore (March 31, 2007 was Rs.1,068.34 crore). The Company, through its wholly owned subsidiary, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda, acquired 100% equity interest in a Brazil based company, GT Participacoes S.A. on May 25, 2007. Consequently, the Company's holding in Tata Consultancy Services Do Brasil S.A. has increased to 100%. As a result of the consolidation of the Brazilian Subsidiaries, a Goodwill of Rs.118.27 crore has been recognised in the consolidated financials. During the year the Company's liabilities towards the erstwhile owner of Comicon (our Chile based BPO acquisition) and translation adjustments to Comicon's Goodwill amounted to Rs.54.12 crore. All other changes in the Goodwill on consolidation are attributable to the exchange difference on Goodwill for our subsidiaries.

#### Investments

A summary of the investments is as follows:

Amount in Rs. crore

	As at March 31, 2008	As at March 31, 2007
Investments in fully paid up equity shares of associates and others (Unquoted)	5.61	9.31
Investments in fully paid up preference shares of associates and others (Unquoted)	9.28	9.25
Investments in Bonds and Debentures (Quoted)	43.14	29.26
Investments in Bonds and Debentures (Unquoted)	0.10	0.11
Investments in Mutual Funds (Unquoted)	2,548.03	1,208.94
<b>Total Investments</b>	<b>2,606.16</b>	<b>1,256.87</b>
Less: Provision for diminution in value of investments	-	-
<b>Net Investments</b>	<b>2,606.16</b>	<b>1256.87</b>

The Company has been investing in various mutual funds. These are typically investments in short-term funds to gainfully use the investible cash balance with the Company. While investing in short-term instruments, the Company balances tax-efficient returns with risks involved in such investments. Investments in mutual funds aggregated Rs.2,548.03 crore as on March 31, 2008 (Rs.1,208.94 crore as at March 31, 2007).

During fiscal 2008, the Company has made the following trade investments/divestments/mergers/consolidations through its subsidiaries.

<b>Investments/Divestitures/Mergers/Consolidations</b>	<b>Details</b>
Consolidation of companies acquired in Switzerland into TCS Switzerland	On April 01, 2007 TKS Services S.A., Quartz Software Technology SA and Tata Consultancy Services Financial Solutions Limited have merged with Tata Consultancy Services Switzerland Limited.
Consolidation of Brazilian operations into TCS' Brazilian Subsidiary	The Company, through its wholly owned subsidiary, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda, acquired 100% equity interest in a Brazil based Company, GT Participacoes S.A. on May 25, 2007. Consequently, the Company's holding in Tata Consultancy Services Do Brasil S.A. has increased to 100%.  Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda and GT Participacoes S.A. have merged with Tata Consultancy Services Do Brasil Ltda, effective July 1, 2007.
Acquisition of 100% voting rights in TCS Financial Management LLC.	The Company, through its wholly owned subsidiary, Tata America International Corporation (TAIC), acquired 100% voting power in TCS Financial Management LLC, on July 13, 2007.
Divestment of interests in two subsidiaries in Iberoamerica	The Company, through its wholly owned subsidiary, TCS Iberoamerica SA., sold its shareholding interest in two subsidiaries Pentacrom S.A. and Pentacrom Servicios S.A. (PENTACROM)

Discussions on the unconsolidated accounts cover the investments made directly by TCS Limited.

#### **Deferred Tax Asset (Net)**

The Company has deferred tax asset (net) of Rs.107.19 crore (Rs.72.44 crore as at March 31, 2007). The primary reasons for increase in deferred tax asset is attributable to the difference in provision for depreciation Rs.10.62 crore (Rs.-8.55 crore as at March 31, 2007), deferred tax asset created for employee benefits Rs.47.66 crore (Rs.39.59 crore as at March 31, 2007) and provision for doubtful debts Rs. 17.73 crore (Rs.14.41 crore as on March 31, 2007).

#### **Inventories**

The Company had inventories of Rs.42.43 crore as at March 31, 2008 (Rs.41.60 crore as at March 31, 2007). The inventory constitutes raw materials, components, sub-assemblies and finished goods.

#### **Current Assets, Loans and Advances**

##### **Unbilled Revenues**

Unbilled revenues stood at Rs.1,352.50 crore as at March 31, 2008 (Rs.783.50 crore as at March 31, 2007) representing 5.79% of the annual income for fiscal 2008 (4.14% as at March 31, 2007).

##### **Sundry Debtors**

Sundry Debtors as at March 31, 2008 aggregated Rs.5,378.07 crore (Rs.4,297.93 crore as at March 31, 2007). As a percentage of total income, sundry debtors were at 23.03% as at March 31, 2008 as compared to

22.72% as at March 31, 2007. The cumulative provision towards bad and doubtful debts as on March 31, 2008 stood at Rs.106.26 crore (Rs.96.84 crore as at March 31, 2007).

##### **Cash and Bank Balances**

The Company had Cash & Bank balance of Rs.1,223.40 crore as at March 31, 2008 (Rs.1,396.45 crore as at March 31, 2007). Of this balance, Rs.983.51 crore was held in foreign bank accounts as at March 31, 2008 (Rs.906.75 crore as at March 31, 2007).

##### **Loans and Advances**

Loans and Advances as on March 31, 2008 were Rs.2,033.03 crore (Rs.1,306.57 crore as at March 31, 2007). Significant items of loans and advances were, advances and loans to employees Rs. 235.87 crore (Rs.201.48 crore as at March 31, 2007), advances recoverable in cash or kind or for value to be received Rs.1,176.42 crore (Rs.955.76 crore as at March 31, 2007), advance tax (including refunds receivable) Rs.269.16 crore (Rs.149.33 crore as at March 31, 2007) and a MAT credit entitlement of Rs.351.58 crore (Rs.'Nil' as at March 31, 2007).

##### **Current Liabilities**

Current liabilities went up to Rs.3,190.57 crore as at March 31, 2008 as compared to Rs.2,471.79 crore as at March 31, 2007. This increase is primarily due to increase in sundry creditors - Rs.1,887.94 crore as at March

31,2008 (Rs.1,329.61 crore as at March 31, 2007) and an increase in advance billing and deferred revenues - Rs.656.03 crore as at March 31, 2008 (Rs.530.04 crore as at March 31, 2007). The balance in other current liabilities as at March 31, 2008 stood at Rs 563.75 crore (Rs.423.04 crore on March 31, 2007). The increase in creditors is attributable to the higher volume of business.

### Provisions

Provisions made towards taxes, employee retirement benefits, contingencies, proposed dividend, tax on dividend and warranties aggregated Rs.1,286.61 crore as at March 31, 2008 as against Rs.1,023.66 crore as at March 31, 2007. The increase is mainly attributable to increased provision for the proposed dividend payout including the tax on dividend Rs.575.30 crore as at March 31, 2008 (Rs.460.03 crore as at March 31, 2007), increased provision for current income taxes Rs.311.28 crore (Rs.171.57 crore as at March 31, 2007) and employee benefits of Rs.387.51 crore (Rs.364.61 crore as at March 31, 2007).

## 3. CASH FLOW - TCS LIMITED (CONSOLIDATED)

### Cash Flow from Operations (Consolidated)

Amount in Rs. crore

	Fiscal 2008	Fiscal 2007	Increase/ (Decrease)
<b>Profit before taxes and exceptional items</b>	<b>5,845.95</b>	<b>4,918.28</b>	<b>927.67</b>
Depreciation	563.71	440.17	123.54
Others	(159.71)	(183.01)	23.30
<b>Operating Profit before Working Capital Changes</b>	<b>6,249.95</b>	<b>5,175.44</b>	<b>1,074.51</b>
Effect of Working Capital Changes	(1,253.03)	(1,053.72)	(199.31)
Cash generated from Operations	4,996.92	4,121.72	875.20
Tax payments made	(1,090.14)	(649.85)	(440.29)
<b>Net cash provided by operating activities</b>	<b>3,906.78</b>	<b>3,471.87</b>	<b>434.91</b>

In fiscal 2008 the Company generated net cash of Rs.3,906.78 crore (Rs.3,471.87 crore in fiscal 2007) from operating activities. Apart from profit before taxes of Rs.5,845.95 crore (Rs.4,918.28 crore in fiscal 2007), the net cash generated includes adjustments for non cash items like depreciation Rs.563.71 crore (Rs.440.17 crore in fiscal 2007). Other significant items contributing to

generation/use of cash from operating activities include changes in the current assets and current liabilities such as increase in unbilled revenues Rs.569.00 crore (Rs.304.35 crore in fiscal 2007), increase in debtors Rs.1,103.12 crore (Rs.966.96 crore in fiscal 2007), decrease in loans and advances 137.78 crore (Rs.286.79 crore in fiscal 2007), increase in current liabilities and provisions Rs.557.70 crore (Rs.465.34 crore in fiscal 2007) and payment of income taxes Rs.1,090.14 crore (Rs.649.85 crore in fiscal 2007).

### Cash Flow from Investing Activities (Consolidated)

Amount in Rs. crore

	Fiscal 2008	Fiscal 2007	Increase/ (Decrease)
Purchase of Fixed Assets	(1,270.98)	(1,248.59)	(22.39)
Purchase of Other Investments	(1,247.18)	(495.68)	(751.50)
Acquisition of Subsidiaries (net of cash acquired of Rs.207.33 crore) (including additional consideration)	(156.84)	(180.41)	23.57
Sale of Investment in Joint venture SITEL (net of cash of Rs.4.56 crore)	-	72.42	(72.42)
Other	56.31	38.62	17.69
<b>Net cash used for Investing activities</b>	<b>(2,618.69)</b>	<b>(1813.64)</b>	<b>(805.05)</b>

In fiscal 2008 the Company used Rs.2,618.69 crore on investment activities (Rs.1,813.64 in fiscal 2007). The significant items of cash used in investment activities in fiscal 2008 are (a) purchase of fixed assets Rs.1,270.98 crore (Rs.1,248.59 crore in fiscal 2007), (b) acquisition of subsidiaries (net of cash) of Rs.156.84 crore (Rs.180.41 crore in fiscal 2007) and (c) purchase of other investments Rs.1,247.18 crore (Rs.495.68 crore in fiscal 2007). In fiscal 2007 the sale of the Company's investment in SITEL (India) generated Rs.72.42 crore (net of cash of Rs.4.56 crore) (Rs.'Nil' in fiscal 2008). Other cash flows from investment activities included proceeds from sale of assets, sale of investment in associate, advance against investment in mutual fund, dividend, interest and inter-corporate deposits received Rs.56.31 crore in fiscal 2008 (Rs.38.62 crore in fiscal 2007).

## Consolidated Cash Flow from financing activities

Amount in Rs. crore

	Fiscal 2008	Fiscal 2007	Increase/ (Decrease)
Proceeds from issue of shares by subsidiaries	3.28	21.13	(17.85)
Borrowings (net)	(21.25)	392.54	(413.79)
Dividends paid including dividend tax	(1,489.62)	(1,088.16)	(401.46)
Dividends paid to a minority shareholder of a subsidiary	(5.90)	(3.68)	(2.22)
Interest paid	(26.12)	(8.65)	(17.47)
Issue of preference shares (net of issue expenses)	98.58	-	98.58
<b>Net cash used in financing activities</b>	<b>(1,441.03)</b>	<b>(686.82)</b>	<b>(754.21)</b>

In fiscal 2007, the significant item of cash used in financing activities was payment of dividend including tax Rs.1,489.62 crore (Rs.1,088.16 crore in fiscal 2007). Borrowings aggregated repayment of Rs.21.25 crore in fiscal 2008 (additional borrowing of Rs.392.54 crore in fiscal 2007). During fiscal 2008 the issuance of preference shares (net of issue expenses) to Tata Sons Limited generated Rs.98.58 crore (Rs.'Nil' in fiscal 2007).

### Cash Position

Cash and cash equivalents as on March 31, 2008 amounted to Rs.1,223.40 crore (Rs.1,396.45 crore as at March 31, 2007).

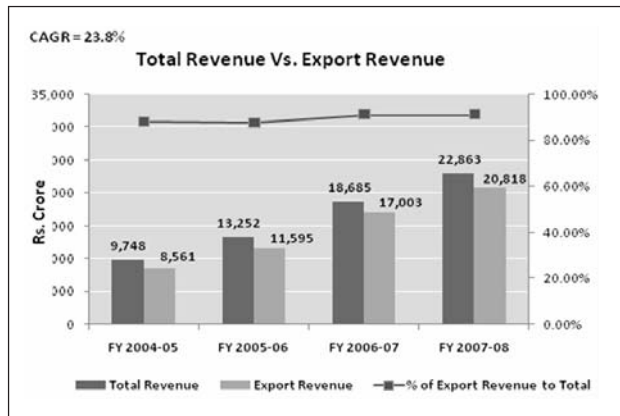


**Company's Consolidated Performance Trend Analysis**

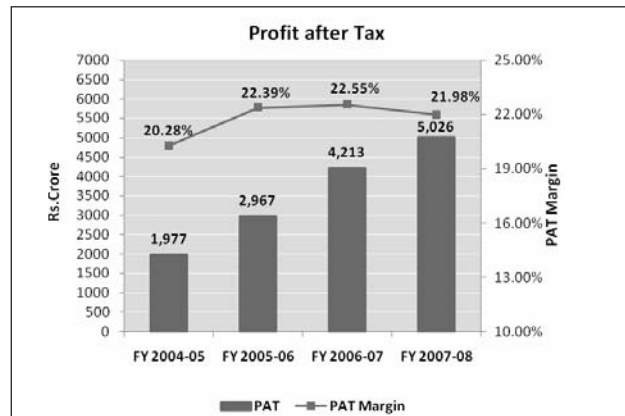
Trend with respect to some of the key financial and operational data are provided in the following table:

Item	Units	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Total Revenue	Rs. crore	9,748.47	13,252.15	18,685.21	22,863.39
Export Revenue	Rs. crore	8,560.90	11,595.37	17,003.22	20,817.77
% of Export to Total Turnover	%	87.82%	87.50%	91.00%	91.05%
PBIDT	Rs. crore	2,909.96	3,798.19	5,367.90	6,439.67
PBIDT Margin	%	29.85%	28.66%	28.73%	28.17%
PAT	Rs. crore	1,976.90	2,966.74	4,212.63	5,026.02
PAT Margin	%	20.28%	22.39%	22.55%	21.98%
EPS - Adjusted for Bonus Shares in fiscal 2007	Rs.	20.20	30.32	43.05	51.36
Return on Capital Employed	%	67.34%	60.86%	58.16%	55.05%
Return on Equity	%	56.85%	49.46%	47.60%	40.86%
No. of Employees		45715	66480	89419	111407
Revenue Per Employee	Rs. '000	2,132.44	1,993.40	2,089.62	2,052.24
Revenue from Offshore Business	Rs. crore	3,772.66	4,956.30	7,567.51	9,579.76
Revenue from Offshore Business %	%	38.70%	37.40%	40.50%	41.90%
Economic Value Added (Unconsolidated)	Rs. crore	1,513.61	2,254.41	3,082.95	3,558.04
Economic Value Added %	%	18.90%	20.07%	20.64%	19.20%
Revenue by Geographic segments					
Americas	%	59.20%	59.06%	56.27%	55.16%
Europe	%	23.08%	22.40%	28.47%	28.99%
India	%	12.18%	12.50%	9.00%	8.95%
Others	%	5.54%	6.04%	6.26%	6.90%
Share Capital	No. crore	48.01	48.93	97.86	197.86
Reserves and Surplus	Rs. crore	3,429.53	5,949.88	8,752.24	12,102.26
Gross Block	Rs. crore	1,170.65	1,951.04	3,197.71	4,291.80
Total Investments (Unconsolidated)	Rs. crore	1,404.42	1,963.52	3,252.04	4,509.33
Net Current Assets	Rs. crore	1,797.09	2,876.18	4,331.11	5,553.32

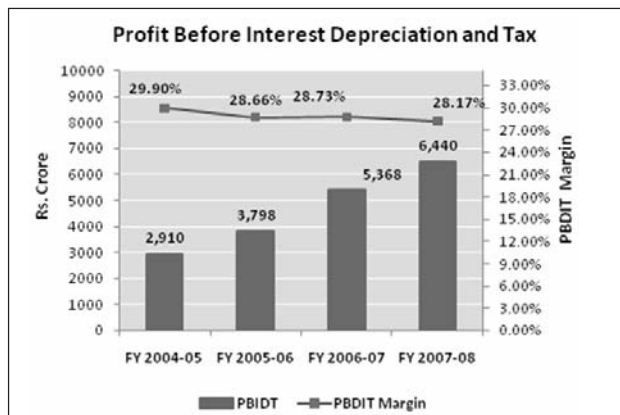
Graphical presentation of trends with respect to some of the key financial and operational data is provided below:



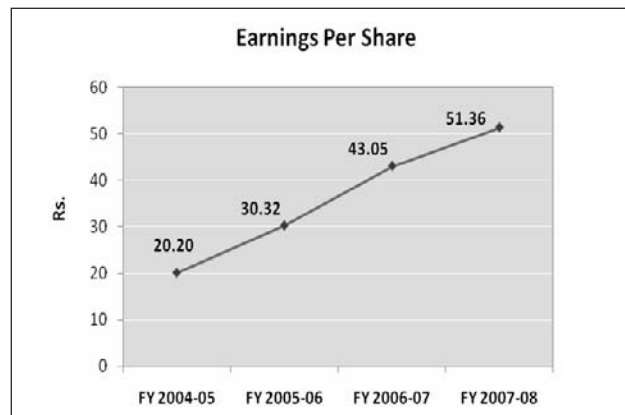
The Company has registered healthy growth in total revenues as well as export revenues. Compounded Annual Growth Rate (CAGR) of total revenues has been 23.8%. The Company continues to be the largest IT service exporter in India.



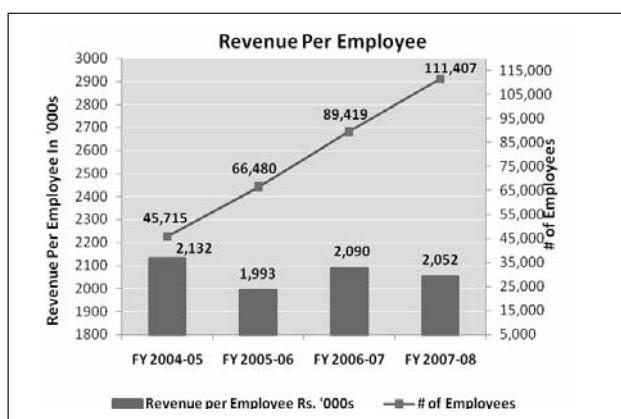
PAT of the Company has grown 2.5 times over the last four years. The margin remains steady even in adverse conditions.



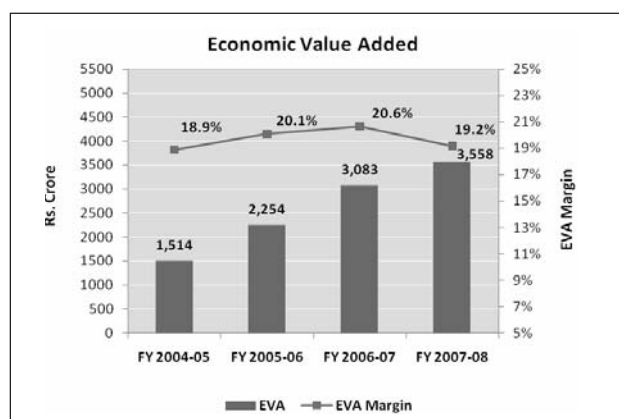
PBDIT of the Company has more than doubled in the last four years. The margin remains steady even in adverse conditions.



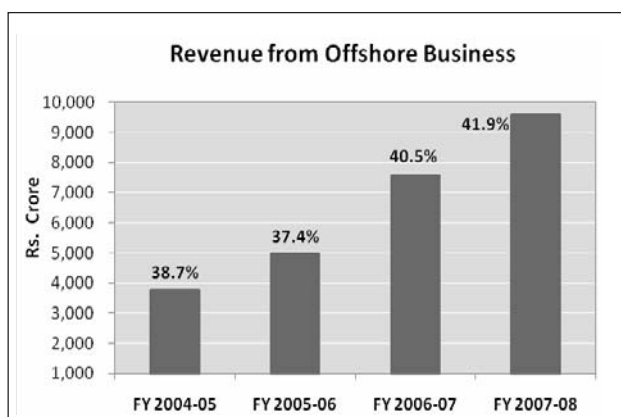
The Company's Earnings per Share has grown more than 2.5 times over the last four years.



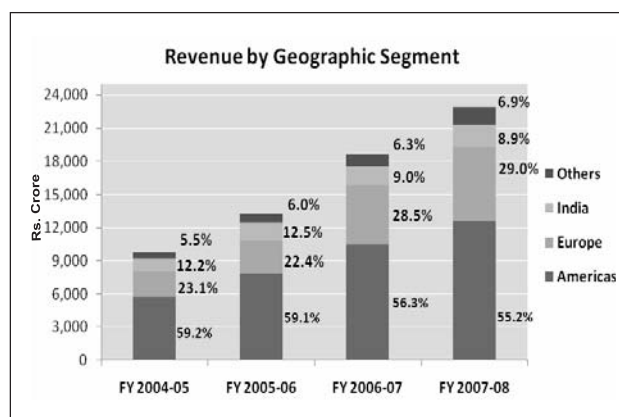
Number of Employees has been growing consistently indicating steady growth in the business of the Company. Revenue per Employee has remained healthy due to optimum utilisation of resources.



The Company continues to deliver EVA growth consistently. The EVA margin on its unconsolidated revenue has remained in the range of 19 to 20% during the last four years.



The Company's offshore business is showing a steady upward trend. This is in line with the Company's plans to increase the offshore component.



Revenues in all geographies have been growing. Dependence on Americas has been reducing relatively.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

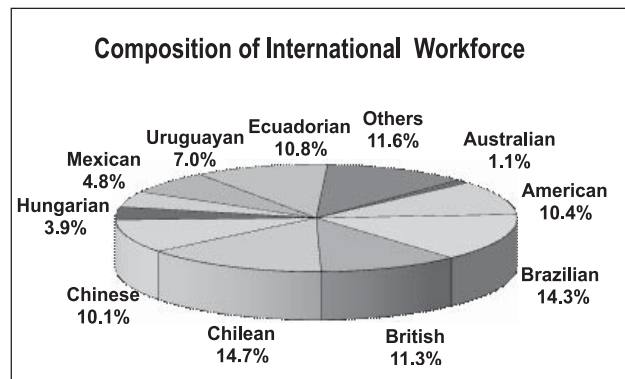
The Company has a well defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down. The Company uses a state-of-the-art ERP system to record data for accounting and management information purposes and connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with global best practices.

The Company has appointed Ernst and Young Private Limited to carry out internal audit of the Company's activities. The audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the statutory auditors and the Audit Committee. In line with international practice, the planning and conduct of internal audit is oriented towards the review of controls in the management of risks and opportunities in the Company's activities. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes in the Company, including significant subsidiaries and selected foreign branches. Safeguarding of assets and their protection against unauthorised use are also a part of these exercises.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

## DEVELOPMENTS IN HUMAN RESOURCES

During fiscal 2008, the Company has made substantial addition to human resources. The total number of employees including Indian subsidiaries as on March 31, 2008 was 111,407 (89,419 as on March 31, 2007). Of these 111,407 employees at the end of fiscal 2008, 3,709 were the employees of the Company's Indian Subsidiaries, 10,005 were in the Company's overseas branches and subsidiaries of which 4,316 were the employees at our global or regional delivery centres. The Company had a gross addition (excluding Indian subsidiaries) of 35,672 (previous year 32,462) employees and a net addition of 22,116 (previous year 22,750) employees. The attrition rate of 12.6% (previous year 11.3%) in fiscal 2008 is one of the lowest in the industry. This low attrition rate has been achieved by continuously investing in learning and development programmes for employees, competitive compensation, creating a compelling work environment, empowering employees at all levels as well as a well-structured reward and recognition mechanism. The composition of the global workforce continues to show increasing trends in the number of female employees and foreign nationals from countries across the globe. As on March 31, 2008 women constituted 28% of the Company's workforce (26% as on March 31, 2007), the Company employed persons from 62 different nationalities and the percentage of non-Indian nationals constituted 9.1% as on March 31, 2008. The composition of this International workforce as on March 31, 2008 is shown in the following chart.



Continuous interaction with universities and other educational institutions remains a central plank of the Company's strategy to attract the best scientific and engineering talent and engage in cutting-edge research and development in partnership with universities. Keeping this in mind and the Company's belief that the

future of this industry will be driven by the ability of the Company to innovate, the Company has set up a customer focused global innovation network and also an Industry - Academia collaboration network with some of the foremost Universities in the world.

### **RESEARCH AND DEVELOPMENT**

The Company has established a network of Innovation Labs across the world to help catalyse and produce innovative solutions in technologies related to its core business in the different industry areas and strategic focus areas.

Some of the areas that the Company is focusing on are at the cutting edge of IT Research. In addition to specific products for commercial exploitation, some areas of long-term focus are:

- Opportunities in the intersection of biotechnology, nanotechnology and information technology
- Effect of developments at atomic and sub-atomic levels affect on the future of computing
- Possible disruptive technologies which may change the industry structure.
- Challenges of data intensive application
- Convergence related technologies (Convergence of Information Technology, Communication, Content and Consumer Electronics Technologies)
- Opportunities in the gaming industry
- Opportunities in the Open Source areas.

The Company has applied for numerous patents in its areas of interest and is continuing to invest in R&D, innovation and great technology people. The Leadership is committed to making the Company a global leader in innovative technology, a pioneer in path breaking research and becoming known as a company which leads the way in practicing disruptive and sustainable innovation.

### **Research and Development Expenditures**

Research and Development (R&D) expenditure is charged to the profit and loss account when incurred. Fixed assets utilized for R&D are capitalized and depreciated in accordance with the applicable depreciation rates. Research and development expenditure (unconsolidated accounts) aggregated Rs. 36.94 crore in fiscal 2008 (Rs. 28.02 crore in fiscal 2007). Research and development expenditure (consolidated accounts) - aggregated Rs. 51.71 crore in fiscal 2008 (Rs. 40.89 crore in fiscal 2007).

### **Cautionary Statement**

**Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.**



## **Corporate Governance Report for the year 2007-08**

(as required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

The Company's shares were listed on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited on August 25, 2004. Accordingly, the Corporate Governance Report for the year 2007-08, which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreements contains details relating to previous years only for the period commencing from August 25, 2004.

### **I. Company's Philosophy on Corporate Governance**

The Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. It is believed that adherence to business ethics and commitment to corporate social responsibility would help the Company achieve its goal of maximising value for all its stakeholders. By combining ethical values with business acumen, globalisation with national interests and core business with emerging ones, the Company aims to be among the largest and most respected global corporations. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global software company, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the Tata Group.

As a part of the Tata Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Whole-time Directors and the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the Company's website. The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the Tata Code of Conduct for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices. The Company has in place an Information Security Policy that ensures proper utilisation of IT resources.

The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges. With the adoption of a Whistle Blower Policy and the setting up of a Nominations Committee and an Executive Committee of the Board, the Company has moved further in its pursuit of excellence in corporate governance.

### **II. Board of Directors**

- i) The Company has 11 Directors with a Non-Executive Chairman. Of the 11 Directors, 7 (i.e. 63.63%) are Non-Executive Directors and 6 (i.e. 54.54%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges and exceeds the percentages prescribed in the said Agreements.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2008 have been made by the Directors.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanship/Membership of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	No. of Board Meetings during the year 2007-08		Whether attended last AGM held on June 29, 2007	No. of Directorships in other public companies		No. of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. R.N. Tata (Chairman) DIN 00000001	Non-Independent, Non-Executive	7	5	Yes	11	2	-	-
Mr. S. Ramadorai (Chief Executive Officer & Managing Director) DIN 00000002	Non-Independent, Executive	7	7	Yes	2	10	1	2
Mr. Aman Mehta DIN 00009364	Independent, Non-Executive	7	6	Yes	-	6	2	5
Mr. Naresh Chandra DIN 00015833	Independent, Non-Executive	7	7	Yes	-	9	2	7
Mr. V. Thyagarajan DIN 00017541	Independent, Non-Executive	7	6	Yes	-	1	-	-
Prof. Clayton M. Christensen DIN 00020111	Independent, Non-Executive	7	@	No	-	-	-	-
Dr. Ron Sommer DIN 00621387	Independent, Non-Executive	7	6	No	-	-	-	-
Mrs. Laura M. Cha DIN 00909210	Independent, Non-Executive	7	3	No	-	-	-	-
Mr. S. Mahalingam* (Chief Financial Officer & Executive Director) DIN 00121727	Non - Independent, Executive	3#	3	N.A. Appointed after the AGM	1	2	-	-
Mr. N. Chandrasekaran* (Chief Operating Officer & Executive Director) DIN 00121863	Non - Independent, Executive	3#	3	N.A. Appointed after the AGM	-	2	-	1
Mr. Phiroz Vandrevala** (Executive Director) DIN 01778976	Non - Independent, Executive	3#	3	N.A. Appointed after the AGM	-	-	-	-
Mr. S. Padmanabhan*** DIN 00306299	Non - Independent, Executive	2#	2	N.A. Appointed after the AGM	-	-	-	-

\* Appointed as Additional Director and Whole-time Director (Executive Director) w.e.f. September 6, 2007

\*\* Appointed as Additional Director and Executive Director w.e.f. September 7, 2007

\*\*\* Appointed as Additional Director and Executive Director w.e.f. September 6, 2007 and ceased to be a Director and an Executive Director w.e.f. February 6, 2008

# Details provided from the date of appointment

@ Participated in 4 meetings over telecon. However, no sitting fees have been paid.

- iv) Seven Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:  
April 16, 2007, May 29, 2007, July 16, 2007, September 6, 2007, October 15, 2007, January 16, 2008 and March 12, 2008.
- v) None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.
- vi) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

### III. Audit Committee

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- ii) The terms of reference of the Audit Committee are broadly as under:
  - Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
  - Reviewing with management the annual financial statements before submission to the Board, focussing primarily on:
    - any changes in accounting policies and practices;
    - major accounting entries based on exercise of judgment by management;
    - qualifications in draft audit report;
    - significant adjustments arising out of audit;
    - the going concern assumption;
    - compliance with accounting standards;
    - compliance with stock exchange and legal requirements concerning financial statements;
    - any related party transactions as per Accounting Standard 18.
  - Reviewing the Company's financial and risk management policies.
  - Disclosure of contingent liabilities.
  - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - Reviewing compliances as regards the Company's Whistle Blower Policy.

- iii) The Audit Committee Meetings are usually held at the Corporate Office of the Company and are usually attended by the Managing Director, Executive Director & Chief Financial Officer, other Executive Directors, Vice President – Finance, representatives of the Statutory Auditors and representatives of the Internal Auditors. The Operations Heads are invited to the meetings, as required. The Company Secretary acts as Secretary of the Audit Committee.
- iv) The previous Annual General Meeting of the Company was held on June 29, 2007 and it was attended by Mr. Aman Mehta, Chairman of the Audit Committee.
- v) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of Meetings during the year 2007-08	
		Held	Attended
Mr. Aman Mehta, Chairman	Independent, Non-Executive	7	6
Mr. Naresh Chandra	Independent, Non-Executive	7	7
Mr. V. Thyagarajan	Independent, Non-Executive	7	6
Dr. Ron Sommer*	Independent, Non-Executive	4#	3

\* Appointed as Member of the Audit Committee w.e.f. September 3, 2007

# Details provided from the date of appointment

- vi) Seven Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: April 16, 2007, May 29, 2007, July 16, 2007, September 6, 2007, October 15, 2007, January 16, 2008 and March 12, 2008.

The necessary quorum was present at all the meetings.

#### IV. Remuneration Committee

- i) The Company has constituted a Remuneration Committee of Directors.
- ii) The broad terms of reference of the Remuneration Committee are as under:
  - a) To approve the Annual Remuneration Plan of the Company;
  - b) To approve the remuneration and commission/incentive remuneration payable to the Managing Director for each financial year;
  - c) To approve the remuneration and Annual Performance Bonus payable to the Chief Financial Officer and the Executive Vice Presidents of the Company for each financial year;
  - d) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.
- iii) The composition of the Remuneration Committee and the details of meetings attended by the members of the Remuneration Committee are given below:

Name	Category	No. of Meetings during the year 2007-08	
		Held	Attended
Mr. Aman Mehta, Chairman	Independent, Non-Executive	2	2
Mr. R.N. Tata	Non-Independent, Non-Executive	2	1
Mr. Naresh Chandra	Independent, Non-Executive	2	2

- iv) Two meetings of the Remuneration Committee were held during the year - on April 16, 2007 and October 15, 2007.
- v) The Chairman of the Remuneration Committee, Mr. Aman Mehta, was present at the last Annual General Meeting of the Company held on June 29, 2007.
- vi) The Company does not have any Employee Stock Option Scheme.
- vii) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and EVA based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective April 1, each year. The Remuneration Committee decides on the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 1956, based on the performance of the Company as well as that of the Managing Director and each Executive Director.

During the year, the Company paid Sitting Fee of Rs.10,000/- per meeting to its Non-Executive Directors (NEDs) for attending meetings of the Board and meetings of Committees of the Board. The Members have at the Annual General Meeting of the Company held on July 19, 2005 approved of payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the NEDs based on their attendance and contribution at Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

- viii) Details of Remuneration for the year ended March 31, 2008:

- a) Non-Executive Directors:

<b>Name</b>	<b>Commission (Rs. Lakh)</b>	<b>Sitting Fees (Rs. Lakh)</b>
Mr. R.N. Tata	55.00	0.60
Mr. Aman Mehta	70.00	1.40
Mr. Naresh Chandra	60.00	1.70
Mr. V. Thyagarajan	50.00	1.20
Prof. Clayton M. Christensen	18.00	0.00
Dr. Ron Sommer	35.00	1.00
Mrs. Laura M. Cha	12.00	0.40



## b) Managing Director and Executive Directors:

<b>Name of Director &amp; Period of Appointment</b>	<b>Salary (Rs. Lakh)</b>	<b>Benefits, Perquisites &amp; Allowances (Rs. Lakh)</b>	<b>Commission (Rs. Lakh)</b>	<b>ESPS</b>
Mr. S. Ramadorai Chief Executive Officer & Managing Director (w.e.f. August 9, 2004 for a period of 5 years)	64.77	64.37	208.00	Nil
Mr. S. Mahalingam Executive Director & Chief Financial Officer (w.e.f. September 6, 2007 for a period of 5 years)	17.88	13.95	100.00	Nil
Mr. N. Chandrasekaran Executive Director & Chief Operating Officer (w.e.f. September 6, 2007 for a period of 5 years)	15.62	17.53	108.00	Nil
Mr. Phiroz Vandrevala Executive Director (w.e.f. September 7, 2007 for a period of 5 years)	17.27	13.04	70.00	Nil
Mr. S. Padmanabhan Executive Director (w.e.f. September 6, 2007 to February 5, 2008)	10.93	6.93	74.31	Nil

The above figures do not include provisions for encashable leave and gratuity, and premiums paid for Group Health Insurance as separate actuarial valuations/premiums paid are not available for the Managing Director and Executive Directors.

The Company does not have any Employee Stock Option Scheme.

Services of the Managing Director and Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of Severance Fees.

## ix) Details of Shares of the Company held by the Directors as on March 31, 2008 are as below:

<b>Name</b>	<b>No. of Shares</b>
Mr. R.N. Tata	7,61,628
Mr. S. Ramadorai	99,560
Mr. S. Mahalingam	80,840
Mr. N. Chandrasekaran	44,264
Mr. Phiroz Vandrevala	50,304

The Company has not issued any convertible debentures.

## V. Shareholders/Investors Grievance Committee

- i) The Company has constituted a Shareholders/Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/notices/annual reports, etc.
- ii) Mr. Aman Mehta stepped down as Chairman and Member of the Shareholders/Investors Grievance Committee w.e.f. October 15, 2007 and in his place Mrs. Laura M. Cha was appointed as a Member and Chairperson of the Committee.
- iii) One meeting of the Shareholders/Investors Grievance Committee was held during the year on March 12, 2008.
- iv) The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:

Name	Category	No. of Meetings during the year 2007-08	
		Held	Attended
Mrs. Laura M. Cha, Chairperson	Independent, Non-Executive	1	1
Mr. S. Ramadorai, CEO & Managing Director	Non-Independent, Executive	1	1

- v) The Company has always valued its customer relationships. This philosophy has been extended to investor relationship and an Investor Relations Department (IRD) was set up in June 2004, prior to the Company's Initial Public Offer of shares. The IRD focusses on servicing the needs of investors, analysts, brokers and the general public.
- vi) Name, designation and address of Compliance Officer:  
Mr. Suprakash Mukhopadhyay  
Vice President and Company Secretary  
Tata Consultancy Services Limited  
10th Floor, Air India Building,  
Nariman Point,  
Mumbai 400 021.  
Tel: 022 6778 9285  
Fax: 022 6630 3672
- vii) Details of complaints received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
3	424	427	0

## VI. Other Committees

- i) Ethics and Compliance Committee:  
In terms of the Company's Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code) to be followed by directors, officers and other employees, the Company has constituted a committee called Ethics and Compliance Committee. The Committee considers matters relating to the Insider Trading Code and also considers matters relating to the Company's Code of Conduct (CoC).

Monthly reports are sent to the Members of the Committee on matters relating to the Insider Trading Code and the CoC. One meeting of the Ethics and Compliance Committee was held during the year 2007-08 on March 12, 2008.

The composition of the Ethics and Compliance Committee and details of the meetings attended by its members are given below:

Name	Category	No. of Meetings during the year 2007-08	
		Held	Attended
Mr. Naresh Chandra, Chairman	Independent, Non-Executive	1	1
Mr. S. Ramadorai, CEO & Managing Director	Non-Independent, Executive	1	1

The Board has appointed the Chief Financial Officer, Mr. S. Mahalingam, as the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.

ii) Committee of Directors for Bank Accounts:

The Company has constituted a Committee of Directors for Bank Accounts to approve of the opening and closing of bank accounts of the Company and to authorise persons to operate the bank accounts of the Company. The Committee comprises Mr. Aman Mehta, (Independent, Non-Executive) and Mr. S. Ramadorai, (Non-Independent, Executive).

iii) Nominations Committee:

A Nominations Committee of the Board has been constituted on January 15, 2007 comprising Mr. R.N. Tata, (Non-Independent, Non-Executive), Mr. V. Thyagarajan, (Independent, Non-Executive) and Prof. Clayton M. Christensen, (Independent, Non-Executive).

The Nominations Committee shall be responsible for making recommendations regarding the composition of the Board and in this regard shall identify Independent Directors to be inducted to the Board and take steps to refresh the composition of the Board from time to time.

No meeting of the Nominations Committee was held during the year.

iv) Executive Committee:

An Executive Committee of the Board has been constituted on January 15, 2007 comprising Mr. R.N. Tata, (Non-Independent, Non-Executive), Mr. S. Ramadorai, (Non-Independent, Executive), Prof. Clayton M. Christensen, (Independent, Non-Executive) and Dr. Ron Sommer, (Independent, Non-Executive). The Executive Committee's role covers a detailed review of the following matters before these are presented to the Board:

- Business and strategy review;
- Long-term financial projections and cash flows;
- Capital and Revenue Budgets and capital expenditure programmes;
- Acquisitions, divestments and business restructuring proposals;
- Senior management succession planning;
- Any other item as may be decided by the Board.

A meeting of the Executive Committee was held on March 12, 2008 and was attended by Dr. Ron Sommer and Mr. S. Ramadorai.

v) Committee for Issue of Redeemable Preference Shares:

During the year, a Committee of the Board was constituted on January 16, 2008 comprising

Mr. S. Ramadorai, (Non-Independent, Executive), Mr. Aman Mehta, (Independent, Non-Executive), Mr. Naresh Chandra, (Independent, Non-Executive) and Mr. S. Mahalingam, (Non-Independent, Executive), in connection with obtaining shareholders approval for Alteration of the Memorandum and Articles of Association of the Company and for issue and allotment of Redeemable Preference Shares to Tata Sons Limited, the Promoter of the Company. The Committee passed resolutions by circulation. With the allotment of the Redeemable Preference Shares, this Committee has ceased to exist.

## VII. General Body Meetings

### i) General Meetings:

#### a) Annual General Meeting

Details of Meeting	Date of Meeting	Time of Meeting	Venue of Meeting
Annual General Meeting 2004-05	July 19, 2005	3.30 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020.
Annual General Meeting 2005-06	June 29, 2006		
Annual General Meeting 2006-07	June 29, 2007		

#### b) Court Convened Meeting of Members

A Court convened meeting of the Members of the Company was held on October 18, 2005 at 11.00 a.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, in terms of the Order dated August 26, 2005 of the Hon'ble High Court of Judicature at Bombay, for obtaining the requisite approval of the Members for amalgamation of Tata Infotech Limited with the Company.

### ii) Postal Ballot:

An Ordinary Resolution and two Special Resolutions for alteration of the Memorandum and Articles of Association of the Company to increase the Authorised Share Capital of the Company by the creation of Redeemable Preference Shares, as also for altering the Articles of Association of the Company for inserting the rights attached to the Redeemable Preference Shares and for offering, issuing and allotting the Redeemable Preference Shares to Tata Sons Limited as contained in a Notice to the Shareholders dated January 24, 2008 were passed during the year under a Postal Ballot. Ms. Shirin Bharucha was appointed as the Scrutinizer for the Postal Ballot process.

Details of the Resolutions passed under the Postal Ballot are as under:

#### *Resolution No. 1*

- Description

Ordinary Resolution to accord the consent of the Company for increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company.

- Voting Pattern

Voting	No. of Votes	% of Total Votes
Votes in Favour	79,89,35,809	97.41
Votes Not in Favour	2,11,74,727	2.58
Invalid Votes	1,07,001	0.01
<b>Total</b>	<b>82,02,17,537</b>	<b>100.00</b>

*Resolution No. 2*

- Description

Special Resolution to accord the consent of the Company for Alteration of the Articles of Association of the Company.

- Voting Pattern

Voting	No. of Votes	% of Total Votes
Votes in Favour	79,88,85,340	97.40
Votes Not in Favour	2,11,80,543	2.58
Invalid Votes	1,51,724	0.02
<b>Total</b>	<b>82,02,17,607</b>	<b>100.00</b>

*Resolution No. 3*

- Description

Special Resolution to accord the consent of the Company for issue of Redeemable Preference Shares

- Voting Pattern

Voting	No. of Votes	% of Total Votes
Votes in Favour	79,88,72,907	97.40
Votes Not in Favour	2,11,95,939	2.58
Invalid Votes	1,47,555	0.02
<b>Total</b>	<b>82,02,16,401</b>	<b>100.00</b>

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year for the resolutions mentioned above. The results of the Postal Ballot were announced by a Director of the Company at the Registered Office of the Company on March 21, 2008 and advertised in the newspapers.

iii) Special Resolutions:

At the Annual General Meeting of the Company held on July 19, 2005, Special Resolutions were passed for (a) amendment to Articles of Association of the Company (b) place of keeping and inspection of the Registers and Annual Returns of the Company and (c) payment of commission to the non-whole-time Directors of the Company. All the resolutions were passed with the requisite majority.

In addition to the above, three special resolutions relating to the issue of shares under the Company's Employee Share Purchase Scheme – 2004 (ESPS) as contained in a Notice to the Members dated August 23, 2004 were passed under a Postal Ballot in the year 2004. The results of the Postal Ballot were announced by the Managing Director of the Company at the Registered Office of the Company on September 28, 2004 and advertised in the newspapers.

At the Annual General Meeting of the Company held on June 29, 2006, a Special Resolution was passed for amendment to the Articles of Association of the Company. The resolution was passed with the requisite majority.

At the Annual General Meeting of the Company held on June 29, 2007, a Special Resolution was passed in connection with the place of keeping and inspection of the Registers and Annual Returns of the Company. The resolution was passed with the requisite majority.



## VIII. Disclosures

- i) There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from August 25, 2004 to March 31, 2008: Nil.
- iii) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreements with the Stock Exchanges:
  - (a) The Company has set up a Remuneration Committee details of which have been given earlier in this Report.
  - (b) A communication of the half-yearly financial performance of the Company including a summary of the significant events in the six-month period was sent to every Member in October 2007.
  - (c) The statutory financial statements of the Company are unqualified.
  - (d) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.
- iv) Secretarial Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## IX. Means of Communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include The Financial Express, Indian Express, Deccan Chronicle, Lok Satta, Business Standard, Business Line, Hindustan Times, The Telegraph and Sandesh. The results are also displayed on the Company's website "www.tcs.com". Half-yearly results have been sent to the shareholders along with a message from the Managing Director on the Company's performance during the half-year. Press Releases made by the Company from time to time are also displayed on the Company's website. Presentations made to the Institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are displayed on the Company's website. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

**X. General Shareholder information**

## i) Annual General Meeting:

Date	: July 1, 2008
Time	: 3.30 p.m.
Venue	: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020.

## ii) Financial Calendar:

Year ending	: March 31
AGM in	: July
Dividend Payment	: The Final Dividend, if declared, shall be paid/credited on or after July 2, 2008.

## iii) Date of Book Closure : Friday, June 20, 2008 to Tuesday, July 1, 2008

 iv) Listing on Stock Exchanges : National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.  
Bombay Stock Exchange Limited, Floor 25, P.J. Towers, Dalal Street, Mumbai 400 001.

## v) Stock Codes/Symbol:

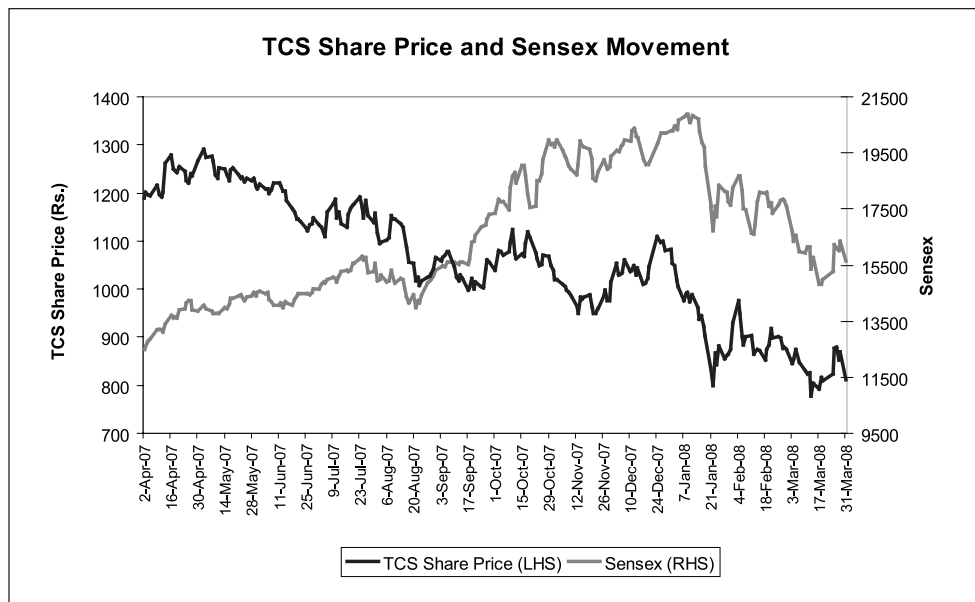
National Stock Exchange of India Limited	: TCS
Bombay Stock Exchange Limited	: 532540
Listing Fees as applicable have been paid.	

## vi) Market Price Data:

High, Low (based on the closing prices) and number of shares traded during each month in the financial year 2007-08 on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited:

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High (Rs.)	Low (Rs.)	Total No. of Shares Traded	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
APR - 07	1,315.00	1,172.00	2,75,12,387	1,330.00	1,171.10	79,12,825
MAY - 07	1,329.90	1,200.00	2,25,88,618	1,299.50	1,205.00	51,45,095
JUN - 07	1,250.00	1,117.85	1,60,57,070	1,244.00	1,118.20	82,94,726
JUL - 07	1,261.50	1,100.00	2,35,22,777	1,200.00	1,100.70	55,89,842
AUG - 07	1,188.85	996.00	2,01,42,482	1,188.40	998.00	53,16,455
SEP - 07	1,094.45	978.00	2,02,52,014	1,086.90	978.00	60,71,024
OCT - 07	1,150.00	1,000.00	3,81,12,099	1,151.00	1,000.00	92,33,756
NOV - 07	1,055.00	926.65	1,79,63,097	1,065.00	935.00	43,31,622
DEC - 07	1,120.00	1,003.30	1,64,69,962	1,124.95	1,002.20	48,25,410
JAN - 08	1,077.00	725.00	2,06,29,052	1,078.00	730.00	37,67,470
FEB - 08	989.00	850.00	1,65,24,694	987.00	821.15	36,30,691
MAR - 08	940.00	750.00	1,41,40,264	899.00	755.00	32,63,125

vii) Performance of share price of the Company in comparison to the BSE Sensex



viii) Registrar and Transfer Agents:

Name & Address : TSR Darashaw Limited (TSRDL)  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

Phone Number : 91 22 6656 8484

Fax Number : 91 22 6656 8494

E-mail : [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

ix) Places for Acceptance of documents:

Documents will be accepted at : TSR Darashaw Limited  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSRDL:

a) Branches of TSRDL:

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• TSR Darashaw Limited<br/>503, Barton Centre, 5th Floor,<br/>84, Mahatma Gandhi Road,<br/>Bangalore 560 001<br/>Tel: 080 2532 0321<br/>Fax: 080 2558 0019<br/>E-mail: tsrdlbgang@tsrdarashaw.com</li></ul> | <ul style="list-style-type: none"><li>• TSR Darashaw Limited<br/>Bungalow No.1, 'E' Road<br/>Northern Town, Bistupur<br/>Jamshedpur 831 001<br/>Tel: 0657 2426616<br/>Fax: 0657 2426937<br/>E-mail: tsrdljsr@tsrdarashaw.com</li></ul> |
| <ul style="list-style-type: none"><li>• TSR Darashaw Limited<br/>Tata Centre, 1st Floor,<br/>43, Jawaharlal Nehru Road,<br/>Kolkata 700 071<br/>Tel: 033 2288 3087<br/>Fax: 033 2288 3062<br/>E-mail: tsrdlcal@tsrdarashaw.com</li></ul>          | <ul style="list-style-type: none"><li>• TSR Darashaw Limited<br/>2/42, Sant Vihar,<br/>Ansari Road, Darya Ganj<br/>New Delhi 110 002<br/>Tel: 011 2327 1805<br/>Fax: 011 2327 1802<br/>E-mail: tsrdldel@tsrdarashaw.com</li></ul>      |

b) Agent of TSRDL:

Shah Consultancy Services Limited  
Sumatinath Complex,  
Pritam Nagar, Ellisbridge, Akhada Road,  
Ahmedabad 380 006  
Telefax: 079 2657 6038  
E-mail: shahconsultancy@hotmail.com

x) Share Transfer System:

99.96% of the shares of the Company are in the electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with TSRDL at any of the above mentioned addresses.

Transfer of shares in physical form is normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. The Directors, the Chief Financial Officer and the Company Secretary are severally empowered to approve transfers.

xi) Shareholding as on March 31, 2008:

a. Distribution of shareholding as on March 31, 2008:

No. of shares	Holding	% to Capital	No. of accounts	% to total accounts
1 - 1000	3,57,90,293	3.66	7,48,426	99.39
1001 - 5000	71,24,032	0.73	3,675	0.49
5001 - 10000	24,52,673	0.25	343	0.05
10001 - 20000	23,98,034	0.24	168	0.02
20001 - 30000	16,68,560	0.17	69	0.01
30001 - 40000	12,95,914	0.13	37	0.00
40001 - 50000	16,59,538	0.17	37	0.00
50001 - 100000	65,10,733	0.67	90	0.01
100001 - above	91,97,10,721	93.98	219	0.03
<b>GRAND TOTAL</b>	<b>97,86,10,498</b>	<b>100.00</b>	<b>7,53,064</b>	<b>100.00</b>

b. Categories of shareholders as on March 31, 2008:

Category	No. of shares	Percentage
Promoters Holdings	73,41,04,023	75.02
Other entities of the Promoters Group	2,47,81,470	2.53
Insurance Companies	3,88,34,836	3.97
Indian Public & Others	5,11,74,052	5.23
Mutual Fund & UTI	1,26,62,081	1.29
Corporate Bodies	86,58,803	0.88
Banks, Financial Institutions, State & Central Govt.	10,06,737	0.10
Foreign Institutional Investors	10,55,54,562	10.79
NRIs/OCBs/Foreign Nationals	18,33,934	0.19
<b>GRAND TOTAL</b>	<b>97,86,10,498</b>	<b>100.00</b>

xii) Dematerialisation of shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.96% of the Company's share capital are dematerialised as on March 31, 2008.

The Company's shares are regularly traded on The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

- xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on March 31, 2008, the Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

- xiv) **For shareholders of erstwhile Tata Infotech Limited (TIL) which has merged with the Company:**

Pursuant to Sections 205A and 205C of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits (relating to the erstwhile TIL) as at March 31, 2008 remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Shareholders/debentureholders/depositors are hereby informed that the Company is statutorily required to transfer to the IEPF all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits remaining unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amounts are transferred to the IEPF, no claim of the shareholder/debentureholder/depositor shall lie against the Company or the IEPF. For the information of the shareholders of the erstwhile TIL, it is hereby notified that the dividend declared on August 13, 2001 by the erstwhile TIL in respect of the financial year 2000-2001 will become part of the IEPF w.e.f. August 12, 2008 and will thereafter be transferred to the IEPF. Shareholders of the erstwhile TIL who have not yet encashed their dividend warrants are requested to do so immediately.

- xv) Plant Locations:

In view of the nature of the Company's business viz. Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and abroad and does not have any manufacturing plant except that pursuant to the merger of Tata Infotech Limited with the Company, the Company has a manufacturing facility at 17-B, Tivim Industrial Estate, Karaswada, Mapusa - Bardez, Goa.

- xvi) Address for correspondence:

Tata Consultancy Services Limited  
9th Floor, Nirmal Building,  
Nariman Point,  
Mumbai 400 021.  
Tel: 022 6778 9356/6778 9595  
Fax: 022 6630 3672

Designated E-mail address for investor services: [investor.relations@tcs.com](mailto:investor.relations@tcs.com)

Website: [www.tcs.com](http://www.tcs.com)



## COMPLIANCE CERTIFICATE

TO THE MEMBERS OF  
TATA CONSULTANCY SERVICES LIMITED

We have examined the compliance of conditions of corporate governance by **Tata Consultancy Services Limited**, for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. B. BILLIMORIA & CO.**  
*Chartered Accountants*

**N. VENKATRAM**  
*Partner*

Membership No. : 71387

Mumbai, April 21, 2008

**AUDITORS' REPORT****TO THE MEMBERS OF  
TATA CONSULTANCY SERVICES LIMITED**

1. We have audited the attached Balance Sheet of **TATA CONSULTANCY SERVICES LIMITED** ("the Company") as at March 31, 2008, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) on the basis of written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. B. BILLIMORIA & CO.**  
Chartered Accountants

**N. VENKATRAM**  
Partner

Membership No. : 71387

Mumbai, April 21, 2008

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.
- (c) There was no disposal of a substantial part of fixed assets.
- (ii) (a) The Company has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) In respect of unsecured loans granted to companies covered in the register maintained under Section 301 of the Companies Act, 1956 and according to the information and explanations given to us -
  - (a) During the year, the Company has given unsecured interest-free loans aggregating to Rs. 192.75 crores to two of its wholly owned subsidiaries. The Company has also given unsecured loans aggregating to Rs. 30.48 crores to two of its subsidiaries. At the year end, the loans granted to five subsidiaries aggregates to Rs. 439.78 crores. The maximum balance outstanding during the year is Rs. 439.78 crores.
  - (b) The rates of interest and other terms and conditions are *prima facie* not prejudicial to the interests of the Company.
  - (c) The receipt of the principal amount and interest is as per the terms of the loan agreements and are regular;
  - (d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of the Order are not applicable to the Company.
  - (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4 (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing major weakness in such internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and
- (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of electronic products, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' state insurance, Income tax, Wealth tax, Sales tax, Customs duty, Excise duty, Service tax, cess and other material statutory dues applicable to it. An amount of Rs. 0.33 crore is outstanding for more than six months with respect to the Labour Welfare Fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Investor Education and Protection Fund, Employees' state insurance, Income tax, Sales tax, Customs duty, Excise duty and cess were in arrears, as at March 31, 2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, details of dues of Sales tax, Service tax and Income tax which have not been deposited on account of any dispute are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs. in crores)
Sales Tax	2001 - 02, 2002 - 03, 2003 - 04, 2004 - 05, 2005 - 06	Tribunal	9.54
	2006 - 07	Appellate Deputy Commissioner	5.89
	2001 - 02, 2002 - 03	Commissioner of Sales Tax	0.03
	2003 - 04, 2004 - 05	Joint Commissioner	0.09
	2004 - 05, 2005 - 06	Joint Commissioner (Appeals)	0.23
	2003 - 04, 2004 - 05	Deputy Commissioner of Commercial Taxes	5.15
	2002 - 03, 2003 - 04	Assistant Commissioner	0.53
	2001 - 02	Assistant Commissioner, Appeals	0.29
	2005 - 06, 2006 - 07	Inspecting Assistant Commissioner	0.30
Service Tax	2004 - 05	Commissioner of Service Tax	3.15
Income Tax	2006 - 07	Commissioner of Income Tax (Appeals)	5.63

- (x) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - (xiv) In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
  - (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
  - (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
  - (xvii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. The issue of preference shares on par during the year is not prejudicial to the interest of the company.
  - (xviii) During the year covered by our audit report, the Company has not raised any money by way of public issue.
  - (xix) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- Clauses 4(xiii) and 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

For **S. B. BILLIMORIA & CO.**  
Chartered Accountants

**N. VENKATRAM**  
Partner  
Membership No. : 71387

Mumbai, April 21, 2008

**Balance Sheet as at March 31, 2008**

Schedule		As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SOURCES OF FUNDS:</b>			
1	SHAREHOLDERS' FUND		
	(a) Share Capital A	197.86	97.86
	(b) Reserves and Surplus B	10806.95	7961.13
		<b>11004.81</b>	<b>8058.99</b>
2	LOAN FUNDS		
	(a) Secured Loans C	9.27	41.76
	(b) Unsecured Loans D	8.98	8.98
		<b>18.25</b>	<b>50.74</b>
3	DEFERRED TAX LIABILITIES (NET) E	121.38	60.61
4	TOTAL FUNDS EMPLOYED	<b>11144.44</b>	<b>8170.34</b>
<b>APPLICATION OF FUNDS:</b>			
5	FIXED ASSETS		
	(a) Gross Block F	3240.64	2315.36
	(b) Less:- Accumulated Depreciation	1300.11	854.75
	(c) Net Block	1940.53	1460.61
	(d) Capital Work-in-Progress	889.74	757.85
		<b>2830.27</b>	<b>2218.46</b>
6	INVESTMENTS G	4509.33	3252.04
7	DEFERRED TAX ASSETS (NET) E	66.89	37.61
8	CURRENT ASSETS, LOANS AND ADVANCES		
	(a) Interest Accrued on Investments	1.07	0.51
	(b) Inventories H	17.19	12.06
	(c) Unbilled Revenues	870.18	523.88
	(d) Sundry Debtors I	3747.01	2799.80
	(e) Cash and Bank Balances J	527.52	557.14
	(f) Loans and Advances K	2166.60	1313.39
		<b>7329.57</b>	<b>5206.78</b>
9	CURRENT LIABILITIES AND PROVISIONS		
	(a) Current Liabilities L	2404.18	1639.50
	(b) Provisions M	1187.44	905.05
		<b>3591.62</b>	<b>2544.55</b>
10	NET CURRENT ASSETS [ (8) less (9) ]	<b>3737.95</b>	<b>2662.23</b>
11	TOTAL ASSETS (NET)	<b>11144.44</b>	<b>8170.34</b>
12	NOTES TO ACCOUNTS Q		

As per our report attached

For and on behalf of the Board

 For **S.B. BILLIMORIA & CO.**  
Chartered Accountants

**Ratan N. Tata**  
Chairman

**N. Venkatram**  
Partner

**S. Ramadorai**  
CEO and Managing Director

**S. Mahalingam**  
Chief Financial Officer  
and Executive Director

**N. Chandrasekaran**  
Chief Operating Officer  
and Executive Director

**Phiroz Vandrevalla**  
Head Global Corporate Affairs  
and Executive Director

**Aman Mehta**  
Director

**Naresh Chandra**  
Director

**Suprakash Mukhopadhyay**  
Company Secretary

**Laura M. Cha**  
Director

**Dr. Ron Sommer**  
Director

Mumbai, April 21, 2008

Mumbai, April 21, 2008



## Profit and Loss Account for the year ended March 31, 2008

	Schedule	2008 Rs. in crores	2007 Rs. in crores
<b>INCOME</b>			
1	Information technology and consultancy services	17690.38	14407.95
2	Sale of equipment and software licences	843.34	532.02
3	Other income (net) N	445.95	216.55
		<b>18979.67</b>	<b>15156.52</b>
<b>EXPENDITURE</b>			
4	Employee costs O	6015.19	6446.37
5	Operation and other expenses P	7498.42	4192.63
		<b>13513.61</b>	<b>10639.00</b>
<b>PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES</b>			
		<b>5466.06</b>	4517.52
6	Interest	3.42	3.43
7	Depreciation F	458.78	343.41
		<b>5003.86</b>	4170.68
<b>PROFIT BEFORE TAXES</b>			
8	PROVISION FOR TAXES		
	(a) Current tax	792.05	406.84
	(b) Deferred tax expenses / (benefit)	29.98	(11.20)
	(c) Fringe benefit tax	24.65	17.75
	(d) MAT credit entitlement	(351.58)	-
		<b>4508.76</b>	3757.29
9	Balance brought forward from previous year	4919.99	2833.30
	<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>9428.75</b>	6590.59
10	<b>APPROPRIATIONS</b>		
	(a) Interim dividend on equity shares	880.74	733.95
	(b) Proposed final dividend on equity shares	489.31	391.44
	(c) Dividend on redeemable preference shares	0.08	-
	(d) Tax on dividend	232.85	169.48
	(e) General Reserve	450.88	375.73
	(f) Balance carried to Balance Sheet	7374.89	4919.99
		<b>9428.75</b>	6590.59
11	<b>Earnings per share - Basic and diluted (Rs.)</b>	<b>46.07</b>	38.39
	Weighted average number of shares	<b>97,86,10,498</b>	97,86,10,498
12	NOTES TO ACCOUNTS Q		

As per our report attached

For **S.B. BILLIMORIA & CO.**  
Chartered Accountants

**N. Venkatram**  
Partner

**S. Ramadorai**  
CEO and Managing Director

**Phiroz Vandrevalla**  
Head Global Corporate Affairs  
and Executive Director

**Suprakash Mukhopadhyay**  
Company Secretary

For and on behalf of the Board

**Ratan N. Tata**  
Chairman

**S. Mahalingam**  
Chief Financial Officer  
and Executive Director

**Aman Mehta**  
Director

**Laura M. Cha**  
Director

**N. Chandrasekaran**  
Chief Operating Officer  
and Executive Director

**Naresh Chandra**  
Director

**Dr. Ron Sommer**  
Director

Mumbai, April 21, 2008

Mumbai, April 21, 2008

## Statement of Cash Flows for the year ended March 31, 2008

	2008 Rs. in crores	2007 Rs. in crores
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxes	5003.86	4170.68
Adjustments for:		
Depreciation	458.78	343.41
Provision for doubtful advances	8.74	0.98
Provision for doubtful debts	10.36	0.76
Interest expense	3.42	3.43
Loss on sale of fixed assets (net)	0.36	0.51
(Profit) / Loss from sale of long term investment	5.14	(66.28)
Unrealised exchange loss / (gain)	11.22	(36.48)
Exchange difference on translation of foreign currency cash and cash equivalents	27.86	13.52
Dividend income	(111.08)	(39.92)
Interest income	(36.48)	(15.87)
Profit on sale of mutual funds and other current investments (net)	(13.49)	(7.98)
<b>Operating Profit before working capital changes</b>	<b>5368.69</b>	<b>4366.76</b>
Inventories	(5.13)	10.88
Unbilled revenues	(346.30)	(169.97)
Sundry debtors	(957.57)	(474.73)
Loans and advances	(106.18)	(262.22)
Current liabilities and provisions	647.99	444.63
<b>Cash generated from operations</b>	<b>4601.50</b>	<b>3915.35</b>
Taxes paid	(773.59)	(364.09)
<b>Net cash provided by operating activities</b>	<b>3827.91</b>	<b>3551.26</b>
<b>2 CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1075.76)	(1117.80)
Proceeds from sale of fixed assets	4.81	5.20
Purchase of trade investments	(4.92)	(489.86)
Purchase of other investments (net of mutual funds dividend reinvested) (net)	(1162.28)	(498.66)
Proceeds from sale / transfer of trade investments	4.23	76.98
Loans given to subsidiaries (net)	(196.41)	(75.32)
Inter-corporate deposits (net)	(20.00)	8.00
Dividends received from subsidiaries	6.20	3.87
Dividends received from other investments	18.53	3.39
Interest received	20.70	7.78
<b>Net cash used in investing activities</b>	<b>(2404.90)</b>	<b>(2076.42)</b>
<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of redeemable preference shares (net of issue expenses)	98.58	-
Borrowings (net)	(32.49)	15.24
Dividend paid, including dividend tax	(1487.56)	(1087.10)
Interest paid	(3.30)	(3.49)
<b>Net cash used in financing activities</b>	<b>(1424.77)</b>	<b>(1075.35)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1.76)</b>	<b>399.49</b>
Cash and cash equivalents at beginning of the year	557.14	171.17
Exchange difference on translation of foreign currency cash and cash equivalents	(27.86)	(13.52)
<b>Cash and cash equivalents at end of the year</b>	<b>527.52</b>	<b>557.14</b>

Notes : 1 Cash and Cash equivalents as on March 31, 2008 includes equity share application money of Rs. 0.05 crore (March 31, 2007 Rs. 0.05 crore) and restricted cash of Rs. 3.60 crores (March 31, 2007 Rs. 2.86 crores).

2 During the year ended March 31, 2007, the Company subscribed to 10% Redeemable Preference Shares amounting to Rs. 332.18 crores (GBP 38.00 million) in its subsidiary Diligenta Limited, of which Rs. 262.22 crores (GBP 30.00 million) was by conversion of advances and Rs. 8.23 crores (GBP 0.94 million) was accrued interest.

As per our report attached

For and on behalf of the Board

For **S.B. BILLIMORIA & CO.**  
Chartered Accountants

**Ratan N. Tata**  
Chairman

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Partner

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Company Secretary

**Laura M. Cha**  
Director

**Dr. Ron Sommer**  
Director

Mumbai, April 21, 2008

Mumbai, April 21, 2008

## Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>(a) Authorised</b>		
(i) 120,00,00,000 equity shares of Re.1 each (March 31, 2007 : 120,00,00,000 equity shares of Re.1 each)	<b>120.00</b>	120.00
(ii) 100,00,00,000 redeemable preference shares of Re.1 each (March 31, 2007 : Nil)	<b>100.00</b>	-
	<b>220.00</b>	120.00
<b>(b) Issued, Subscribed and Paid up</b>		
(i) 97,86,10,498 equity shares of Re.1 each (March 31, 2007 : 97,86,10,498 equity shares of Re.1 each)	<b>97.86</b>	97.86
(ii) 100,00,00,000 redeemable preference shares of Re.1 each (March 31, 2007 : Nil)	<b>100.00</b>	-
	<b>197.86</b>	97.86

**Notes:**

- 1 Equity Shares of Rs.10 each have been sub-divided into ten equity shares of Re. 1 each pursuant to the resolution passed by the shareholders at the Annual General Meeting on May 5, 2004.
- 2 The Company allotted 9,11,00,009 equity shares as fully paid up bonus shares by capitalisation of profits transferred from General Reserve, pursuant to a shareholders' resolution passed at the Annual General Meeting on May 5, 2004.
- 3 The Authorised Share Capital was increased to 120,00,00,000 equity shares of Re.1 each pursuant to a shareholders' resolution passed at the Annual General Meeting on June 29, 2006.
- 4 The Company allotted 48,93,05,249 equity shares as fully paid up bonus shares on July 31, 2006 by utilisation of Securities Premium Account.
- 5 91,90,440 equity shares of Re. 1 each, had been allotted in 2005-06 as fully paid up to the Shareholders of erstwhile Tata Infotech Limited pursuant to the Scheme of Amalgamation.
- 6 The Authorized Share Capital was increased to Rs. 220 crores by creation of 100,00,00,000 redeemable preference shares of face value of Re.1 each pursuant to a shareholders' resolution passed by postal ballot on March 17, 2008.
- 7 Effective March 28, 2008, the Issued, Subscribed and Paid up capital increased to Rs.197.86 crores by allotment of 100,00,00,000 redeemable preference shares of face value of Re.1 each. These shares would be redeemable at par at the end of six years from the date of allotment but may be redeemed at any time after 3 years from the date of allotment at the option of shareholder. These shares would carry 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 equity shares of the company and the average rate of dividend declared on the equity shares of the company for three years preceeding the year of issue of the redeemable preference shares.
- 8 73,41,04,023 equity shares (March 31, 2007 : 75,85,56,921 equity shares) and 100,00,00,000 redeemable preference shares (March 31, 2007 : Nil) are held by Tata Sons Limited, the holding company.

**Schedules forming part of the Balance Sheet**

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
(a) Securities Premium Account		
(i) Opening balance	2017.75	2066.68
(ii) Transferred to Share Capital Account consequent to issue of bonus shares	-	(48.93)
(iii) Share issue expenses	(1.42)	-
	<b>2016.33</b>	<b>2017.75</b>
(b) General Reserve		
(i) Opening balance	915.12	671.48
(ii) Adjustment for change in accounting policy (Refer note 4, page 146)	28.67	(132.09)
(iii) Transferred from Profit and Loss Account	450.88	375.73
	<b>1394.67</b>	<b>915.12</b>
(c) Balance in Profit and Loss Account	7374.89	4919.99
(d) Foreign currency translation reserve	36.21	34.56
(e) Hedging reserve account	(15.15)	73.71
	<b>10806.95</b>	<b>7961.13</b>

Note:

The Company allotted 48,93,05,249 equity shares as fully paid up bonus shares on July 31, 2006 by utilisation of Securities Premium Account.

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
<u>From Banks</u>		
Overdrafts	9.27	41.76
	<b>9.27</b>	<b>41.76</b>

Note:

Bank overdrafts are secured against domestic book debts.

## Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
From others	<b>8.98</b>	8.98
(includes Rs. 1.25 crores repayable within one year; March 31, 2007 : Rs. 0.97 crore)		
	<b>8.98</b>	8.98

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'E'</b>		
<b>DEFERRED TAX BALANCES</b>		
(a) Deferred Tax Liabilities (Net)		
(i) Foreign branch profit tax	100.88	67.00
(ii) Depreciation	9.90	(1.72)
(iii) Others	10.60	(4.67)
	<u>121.38</u>	<u>60.61</u>
(b) Deferred Tax Assets (Net)		
(i) Depreciation	21.98	1.57
(ii) Employee benefits	23.53	23.31
(iii) Provision for doubtful debts	13.91	9.98
(iv) Others	7.47	2.75
	<u>66.89</u>	<u>37.61</u>

## Schedules forming Part of the Balance Sheet

SCHEDULE 'F'  
FIXED ASSETS

Description	Gross Block as at April 1, 2007	Additions	Deletions / Adjustments	Gross Block as at March 31, 2008	Accumulated Depreciation as at April 1, 2007	Depreciation for the year	Deletions / Adjustments	Accumulated Depreciation as at March 31, 2008	Net book value as at March 31, 2008	Net book value as at March 31, 2007
<b>(a) TANGIBLE FIXED ASSETS</b>										
FREEHOLD LANDS	209.60	64.85	(0.06)	274.39	-	-	-	-	274.39	209.60
LEASEHOLD LANDS	51.27	10.85	-	62.12	(5.36)	(1.30)	-	(6.66)	55.46	45.91
FREEHOLD BUILDINGS	623.89	228.17	-	852.06	(84.97)	(33.47)	-	(118.44)	733.62	538.92
LEASEHOLD BUILDINGS	9.78	0.03	-	9.81	(2.93)	(0.99)	-	(3.92)	5.89	6.85
LEASEHOLD IMPROVEMENTS	125.50	87.05	-	212.55	(52.83)	(44.76)	-	(97.59)	114.96	72.67
PLANT AND MACHINERY	11.06	0.69	-	11.75	(7.29)	(1.77)	-	(9.06)	2.69	3.77
COMPUTER EQUIPMENT	761.54	293.59	(4.30)	1050.83	(467.91)	(284.39)	4.26	(748.04)	302.79	293.63
MOTOR CARS	45.19	2.59	(12.15)	35.63	(22.16)	(5.91)	7.56	(20.51)	15.12	23.03
OFFICE EQUIPMENT	220.58	121.51	(0.56)	341.53	(66.73)	(31.36)	0.42	(97.67)	243.86	153.85
ELECTRICAL INSTALLATIONS	143.91	92.22	(1.24)	234.89	(46.37)	(20.87)	0.90	(66.34)	168.55	97.54
FURNITURE AND FIXTURES	100.33	42.32	(0.28)	142.37	(85.99)	(33.46)	0.28	(119.17)	23.20	14.34
<b>(b) INTANGIBLE ASSETS</b>										
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.71	-	-	12.71	(12.21)	(0.50)	-	(12.71)	-	0.50
<b>Total</b>	<b>2315.36</b>	<b>943.87</b>	<b>(18.59)</b>	<b>3240.64</b>	<b>(854.75)</b>	<b>(458.78)</b>	<b>13.42</b>	<b>(1300.11)</b>	<b>1940.53</b>	<b>1460.61</b>
Previous year	1695.13	639.95	(19.72)	2315.36	(525.35)	(343.41)	14.01	(854.75)	1460.61	1169.78
Capital Work- in- Progress (including Capital Advances Rs. 243.81 crores, (March 31, 2007 : Rs. 144.25 crores))									<b>889.74</b>	<b>757.85</b>
<b>Grand Total</b>									<b>2830.27</b>	<b>2218.46</b>

Notes :

- Freehold buildings include Rs. 2.67 crores (March 31, 2007 Rs. 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- Legal formalities relating to registration of certain assets are pending completion.



## Schedules forming Part of the Balance Sheet

				As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'G' INVESTMENTS</b>					
In Numbers	Currency	Face Value Per Share	Description		
<b>(A) TRADE INVESTMENTS (at cost)</b>					
<b>(i) Subsidiary Companies</b>					
<b>(a) Fully Paid Equity Shares (Quoted)</b>					
77,44,961	INR	10	CMC Limited	<b>379.89</b>	379.89
<b>(b) Fully Paid Equity Shares (Unquoted)</b>					
88,41,33,400	Peso	1	TCS Iberoamerica S.A.	<b>165.23</b>	165.23
15,75,300	INR	10	AP Online Limited	-	-
1,300	Euro	325	Tata Consultancy Services Belgium S.A.	<b>1.06</b>	1.06
66,400	NLG	1000	Tata Consultancy Services Netherlands B.V.	<b>402.87</b>	402.87
1,000	SEK	100	Tata Consultancy Services Sverige AB	<b>18.89</b>	18.89
-	Euro	-	Tata Consultancy Services Deutschland GmbH	<b>1.29</b>	1.29
-	-	-	Tata Consultancy Services France S.A. (wound up on 08.02.2008)	-	0.66
20,000	USD	10	Tata America International Corporation	<b>452.92</b>	452.92
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte Limited	<b>18.69</b>	18.69
10,48,500	INR	10	WTI Advanced Technology Limited	<b>38.52</b>	38.52
10,00,000	AUD	1	* TCS FNS Pty. Ltd Australia	<b>3.38</b>	3.38
7,60,001	GBP	1	Diligenta Ltd UK	<b>199.89</b>	199.89
1,000	USD	0.25	Exegenix Canada Inc.	-	-
1	EUR	100000	Tata Infotech, Deutschland GmbH	<b>0.43</b>	0.43
55,001	SGD	1	Tata Infotech (Singapore) Pte. Ltd	<b>0.15</b>	0.15
51,00,000	INR	10	* C-Edge Technologies Limited	<b>5.10</b>	5.10
8,90,000	INR	10	* MP Online Limited	<b>0.89</b>	0.89
1000	Dirhams	10	Tata Consultancy Services Morocco SARL AU (1,000 shares subscribed during the year)	-	-
84,00,000	RAND	1	Tata Consultancy Services (Africa) (Pty) Ltd. (84,00,000 shares subscribed during the year)	<b>4.92</b>	-
<b>(c) Fully Paid Preference Shares (Unquoted)</b>					
4,20,00,000	GBP	1	Diligenta Ltd UK	<b>363.04</b>	363.04
1,99,960	USD	6.25	Exegenix Canada Inc.	<b>6.02</b>	6.02
28,00,000	INR	10	APOnline Limited	<b>2.80</b>	2.80
<b>(ii) Others</b>					
<b>(a) Fully Paid Equity Shares (Unquoted)</b>					
-	-	-	Conscripty (Pty) Ltd. (250 shares sold during the year)	-	8.71
4,63,865	USD	0.001	Yodlee, Inc.	-	-
<b>(b) Fully Paid Preference Shares (Unquoted)</b>					
35,00,000	INR	10	Rallis India Limited 7.5 % Cumulative redeemable preference shares	<b>3.50</b>	3.50
50,00,000	INR	10	Tata AutoComp Systems Limited 7% Cumulative redeemable preference shares	<b>5.00</b>	5.00

## Schedules forming Part of the Balance Sheet

				As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE G (Contd.)</b>					
In Numbers	Currency	Face Value Per Share	Description		
<b>(B) OTHERS</b>					
<b>(i) Bonds and Debentures (Quoted)</b>					
15	INR	1000000	10 % Housing Urban Development Corporation Limited Bonds (2014)	1.50	1.73
180	INR	100000	8% IDBI Bonds (2013)	1.80	1.92
10	INR	100000	8% IDBI Bonds (2018)	0.10	0.11
5	INR	500000	10 % Housing Urban Development Corporation Limited Bonds (2012)	0.25	0.27
79,300	INR	100	6.75% Tax Free US 64 Bonds (2008)	0.79	0.79
-	-	-	5.10% NABARD (2008) (15,000 bonds redeemed during the year)	-	14.75
29,870	INR	10000	5% NABARD (2008) (29,870 bonds purchased during the year)	29.30	-
<b>(ii) Bonds and Debentures (Unquoted)</b>					
2	INR	500000	14.75 % NCD in Tata Motors Limited (2008)	0.10	0.11
<b>(iii) Investment in Mutual Funds (Unquoted)</b>				2405.51	1157.93
				4513.83	3256.54
Provision for diminution in value of investment				(4.50)	(4.50)
				4509.33	3252.04
Notes : (1) Market value of quoted investments				661.29	957.53
Book value of quoted investments				413.64	399.46
Book value of unquoted investments (net of provision)				4095.69	2852.58
(2) Investments, other than in mutual funds, bonds and debentures are long-term.					
* (3) Equity investments in these companies are subject to certain restrictions on transfer, as per the terms of individual contractual agreements. (Refer note 3, page 146)					

## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
ABN AMRO Fixed Term Plan - Series 2 - 13 Month Plan-Growth	10000000	10.00	-	-	10000000	10.00	-	-
ABN AMRO Fixed Term Plan - Series IV Quarterly Plan C Dividend Maturity	30304731	30.31	253668	0.25	30558399	30.56	-	-
ABN AMRO Fixed Term Plan - Series 4 Quarterly Plan D Dividend Maturity	20162682	20.16	215631	0.22	20378313	20.38	-	-
ABN AMRO Fixed Term Plan - Series 4 - 16 Month Plan	5000000	5.00	-	-	-	-	5000000	5.00
ABN AMRO Fixed Term Plan - Series 5 - 14 month plan	15000000	15.00	-	-	-	-	15000000	15.00
ABN AMRO Fixed Term Plan - Series 5 Quarterly Plan A Dividend on Maturity	-	-	40832518	40.83	40832518	40.83	-	-
ABN AMRO Fixed Term Plan - Series 6 Quarterly Plan D Dividend on Maturity	-	-	40804280	40.81	40804280	40.81	-	-
ABN AMRO Fixed Term Plan - Series 7 Quarterly Plan A - Monthly Dividend	-	-	25522570	25.52	25522570	25.52	-	-
ABN AMRO Money Plus Institutional Plan Daily Dividend	-	-	408662072	408.67	408662072	408.67	-	-
ABN AMRO Money Plus Institutional Weekly Dividend	-	-	14996407	15.03	14996407	15.03	-	-
ABN AMRO Fixed Term Plan Series 7 Quarterly Plan C - Monthly Dividend	-	-	20825095	20.83	20825095	20.83	-	-
ABN AMRO Flexible Short Term Plan Series A Quarterly Dividend - Redemption	-	-	10160769	10.16	10160769	10.16	-	-
ABN AMRO Flexible Short Term Plan Series B Monthly Dividend Re-investment	-	-	35891563	35.89	-	-	35891563	35.89
ABN AMRO Fixed Term Plan Series 8 Yearly Plan D - Institutional Growth	-	-	25000000	25.00	-	-	25000000	25.00
ABN AMRO Floating Rate Fund-Institutional Plus-Daily Dividend	-	-	60511365	60.51	60511365	60.51	-	-
ABN AMRO Flexible Short Term Plan Series C Monthly Dividend Redemption	-	-	15532931	15.53	15532931	15.53	-	-
ABN AMRO Flexible Short Term Plan Series D Monthly Dividend Redemption	-	-	5081270	5.08	5081270	5.08	-	-
ABN AMRO Flexible Short Term Plan Series E Interval Dividend Redemption	-	-	20325748	20.33	20325748	20.33	-	-
ABN AMRO Interval Fund Quarterly Plan I Monthly Dividend Redemption	-	-	20338637	20.34	20338637	20.34	-	-

## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
ABN AMRO Flexible Short Term Plan Series A Monthly Dividend Redemption	-	-	20401816	20.40	-	-	<b>20401816</b>	<b>20.40</b>
ABN AMRO Interval Fund Quarterly Plan G - Monthly Dividend Redemption	-	-	20335021	20.34	20335021	20.34	-	-
ABN AMRO Interval Fund Quarterly Plan H Monthly Dividend Redemption	-	-	20384918	20.39	-	-	<b>20384918</b>	<b>20.39</b>
ABN AMRO Flexible Short Term Plan Series D Quarterly Dividend Redemption.	-	-	10182880	10.18	10182880	10.18	-	-
ABN AMRO Interval Fund Quarterly Plan I Quarterly Dividend Redemption	-	-	10182837	10.18	10182837	10.18	-	-
ABN AMRO Interval Fund Monthly Plan A Dividend-Redemption	-	-	20255387	20.26	20255387	20.26	-	-
ABN AMRO Flexi Debt Fund - Regular - Daily Dividend	-	-	50215931	50.22	50215931	50.22	-	-
ABN AMRO Short Term Income Fund - Institutional Daily Dividend	-	-	15045470	15.05	15045470	15.05	-	-
ABN AMRO Interval Fund Quarterly Plan K Monthly Dividend Redemption	-	-	20204202	20.20	-	-	<b>20204202</b>	<b>20.20</b>
ABN AMRO Interval Fund Monthly Plan A Calendar Monthly Dividend	-	-	20255387	20.26	-	-	<b>20255387</b>	<b>20.26</b>
AIG India Liquid Fund Super Institutional Daily Dividend	-	-	749512	75.01	749512	75.01	-	-
AIG India Treasury Plus Fund Super Institutional Daily Dividend	-	-	140066814	140.22	140066814	140.22	-	-
Birla Fixed Term Plan-Series H (13 months) - Growth	25000000	25.00	-	-	25000000	25.00	-	-
Birla Fixed Term Plan Series P	10000000	10.00	-	-	-	-	<b>10000000</b>	<b>10.00</b>
Birla Fixed Term Plan - Quarterly Series 7	20000000	20.00	-	-	20000000	20.00	-	-
Birla Short Term Fund - Monthly Dividend Reinvestment	-	-	4703359	5.00	4703359	5.00	-	-
Birla Fixed Term Plan Series U	30000000	30.00	-	-	-	-	<b>30000000</b>	<b>30.00</b>
Birla Fixed Term Plan - Quarterly Series 12 - Dividend Payout	-	-	30000000	30.00	30000000	30.00	-	-
Birla Sun Life Cash Manager - IP - Daily Dividend -Reinvestment	-	-	431491224	431.62	416482074	416.60	<b>15009150</b>	<b>15.02</b>
Birla Cash Plus Institutional Plan - Daily Dividend -Reinvestment	-	-	1229383875	1231.78	1229321717	1231.72	<b>62158</b>	<b>0.06</b>

## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
Birla Fixed Term Plan - Quarterly Series 13 - Dividend Payout	-	-	30000000	30.00	30000000	30.00	-	-
Birla Sun Life Liquid Plus- DD - Reinvestment	-	-	513687606	514.04	473659027	473.98	40028579	40.06
Birla Sun Life Liquid Plus Institutional - Growth	-	-	33254049	48.02	33254049	48.02	-	-
Birla Fixed Term Plan Quarterly- Series 21 - Dividend - Payout	-	-	20000000	20.00	20000000	20.00	-	-
Birla Sun Life Interval Income Fund - Institutional Quarterly - Series 2 - Dividend	-	-	61003860	61.00	-	-	61003860	61.00
Birla Sun Life Interval Income Fund - Institutional Quarterly - Series 3 - Dividend	-	-	60950084	60.95	-	-	60950084	60.95
Birla Sun Life Interval Income - Institutional Monthly Series 1 - Dividend - Reinvestment	-	-	30352811	30.35	30352811	30.35	-	-
Birla Sun Life Quarterly Interval - Series 4 - Dividend -Reinvestment	-	-	30559515	30.56	30559515	30.56	-	-
Birla Income Plus - Quarterly Dividend - Reinvestment	-	-	47372709	52.02	27372762	30.00	19999947	22.02
Birla Sun Life Quarterly Interval - Series 5 - Dividend - Reinvestment	-	-	20312322	20.31	-	-	20312322	20.31
Birla Sun Life Quarterly Interval - Series 7 - Dividend -Reinvestment	-	-	20238138	20.24	-	-	20238138	20.24
Birla Sun Life Quarterly Interval - Series 2 - Dividend - Reinvestment	-	-	20107571	20.11	-	-	20107571	20.11
Birla Sun Life Quarterly Interval - Series 8 - Dividend - Reinvestment	-	-	30792750	30.79	-	-	30792750	30.79
Birla Fixed Term Plan Institutional Series AN - Growth	-	-	60000000	60.00	-	-	60000000	60.00
CANLIQUID Fund - Institutional - Daily Dividend	-	-	90659946	91.03	90659946	91.03	-	-
DBS Chola Fixed Maturity Plan- Series 6-371 days	25000000	25.00	-	-	-	-	25000000	25.00
DBS Chola Fixed Maturity Plan - Series 7 (Quarterly Plan-2) - Dividend	-	-	10000000	10.00	10000000	10.00	-	-
DBS Chola Fixed Maturity Plan- Series 7 (Quarterly Plan-1) - Dividend	-	-	10000000	10.00	10000000	10.00	-	-
DBS Chola Short Term Floating Rate Fund - Daily Dividend Reinvestment Plan	-	-	29966474	30.05	29966474	30.05	-	-
DBS Chola Freedom Income STP - Institutional Monthly Dividend	-	-	24038840	26.65	24038840	26.65	-	-

## Schedules forming Part of the Balance Sheet

**SCHEDULE G (Contd.)**
**(4) Investment in Mutual Funds**

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
DBS Chola Liquid Super Institutional Plan - Weekly Dividend	-	-	46999999	47.00	46999999	47.00	-	-
DBS Chola Freedom Income STP Institutional - Daily Dividend Reinvestment Plan	-	-	202670604	202.67	202670604	202.67	-	-
DBS Chola Fixed Maturity Plan Series 7 - Quarterly Plan 4 - Dividend	-	-	10000000	10.00	10000000	10.00	-	-
DBS Chola Interval Income Fund - MPI - A - Dividend - Auto Redemption	-	-	20080866	20.11	20080866	20.11	-	-
DBS Chola Interval Income Fund - MPI - A - Dividend - Auto Rollover	-	-	20258440	20.30	10221570	10.24	<b>10036870</b>	<b>10.06</b>
DBS Chola Interval Income Fund - QPB-Institutional Dividend Auto Redemption	-	-	10167058	10.17	-	-	<b>10167058</b>	<b>10.17</b>
DBS Chola Liquid Institutional Daily Dividend Reinvestment Plan	-	-	171642030	172.19	171642030	172.19	-	-
DWS Fixed Term Fund - Series 23	20000000	20.00	-	-	20000000	20.00	-	-
DWS Fixed Term Fund - Series 24	50000000	50.00	-	-	-	-	<b>50000000</b>	<b>50.00</b>
DWS Insta Cash Plus Fund Super Institutional - Daily Dividend Plan	-	-	60317638	60.44	60317638	60.44	-	-
DSP ML Liquidity Fund Inst-Daily Dividend Reinvestment	250202	25.03	305085	30.51	555287	55.54	-	-
DSP Merrill Lynch - Strategic Bond Fund- Institutional Weekly Dividend	-	-	1651460	165.48	1651460	165.48	-	-
DSP Merrill Lynch - Fixed Term Plan Series 1N - Institutional Dividend	-	-	203518	20.35	203518	20.35	-	-
DSP Merrill Lynch - Liquid Plus - Institutional Daily Dividend	-	-	2264185	226.49	2264185	226.49	-	-
DSP Merrill Lynch Fixed Term Plan Series 1 P - Institutional Dividend	-	-	152443	15.24	152443	15.24	-	-
DSP Merrill Lynch Liquidity Fund - Institutional - Daily Dividend	-	-	545972	54.61	545972	54.61	-	-
DSP Merrill Lynch Cash Plus - Institutional - Daily Dividend	-	-	15898641	1590.02	15898641	1590.02	-	-
DSP Merrill Lynch Fixed Maturity Plan 13M Series 1 - Institutional Growth	-	-	30000000	30.00	-	-	<b>30000000</b>	<b>30.00</b>
DSP Merrill Lynch Fixed Maturity Plan 12 1/2M Series 1 - Institutional Growth	-	-	35000000	35.00	-	-	<b>35000000</b>	<b>35.00</b>
Fidelity Cash Fund - Super Institutional Dividend	-	-	139065246	139.07	139065246	139.07	-	-
HDFC Fixed Maturity Plan 16M January 2007	10000000	10.00	-	-	-	-	<b>10000000</b>	<b>10.00</b>



## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
HDFC - Liquid Fund - Premium Plus Plan - Dividend*, Option : Reinvestment	-	-	447949992	556.81	447949992	556.81	-	-
HDFC : Quarterly Interval Fund - Plan B Wholesale Dividend* , Option Payout	-	-	45000000	45.00	45000000	45.00	-	-
HDFC - Cash Management Fund - Savings Plus Plan-Weekly dividend	-	-	213768307	214.22	213768307	214.22	-	-
HDFC Floating Rate Income Fund - Short Term Plan - Daily Dividend, Option : Reinvestment	-	-	695161027	700.78	695161027	700.78	-	-
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment* , Option : Reinvestment	-	-	136169974	144.84	136169974	144.84	-	-
HDFC Liquid Fund Premium Plan - Dividend - Daily Re-invest * , Option : Reinvestment	-	-	20395876	25.00	20395876	25.00	-	-
HSBC Fixed Term Series IV	10000000	10.00	-	-	10000000	10.00	-	-
HSBC Fixed Term Series 22	10000000	10.00	-	-	-	-	10000000	10.00
HSBC Liquid Plus - Institutional Plus - Daily Dividend	-	-	343562960	344.00	343562960	344.00	-	-
HSBC Cash Fund - Institutional Plus - Daily Dividend	-	-	145400593	145.48	145400593	145.48	-	-
HSBC Interval Fund - Plan -1 - Institutional Dividend	-	-	40490220	40.50	20355161	20.36	20135059	20.14
HSBC Flexi Debt Fund - Institutional Fortnightly Dividend	-	-	9958644	10.00	-	-	9958644	10.00
HSBC Fixed Term Series - 44 Institutional Growth	-	-	10000000	10.00	-	-	10000000	10.00
ING Vysya Liquid Super Institutional Fund - Daily Dividend	-	-	588155554	588.44	562547734	562.82	25607820	25.62
ING Vysya Liquid Plus Fund - Daily Dividend	-	-	574437794	574.63	491303967	491.47	83133827	83.16
ING Fixed Maturity Fund XXV Dividend	-	-	20000000	20.00	20000000	20.00	-	-
ING Fixed Maturity Fund - XXX - Dividend	-	-	15000000	15.00	15000000	15.00	-	-
ING Fixed Maturity Fund - 36 Institutional Dividend	-	-	20000000	20.00	-	-	20000000	20.00
ING Fixed Maturity Fund - 41 Institutional Dividend	-	-	40000000	40.00	-	-	40000000	40.00
JM Fixed Maturity Fund-Series II - Yearly plan - YSA - Growth	25000000	25.00	-	-	25000000	25.00	-	-
JM Financial Fixed Maturity Plan Series IV – Q1	30447856	30.45	112560	0.11	30560416	30.56	-	-
JM Fixed Maturity Fund Series IV - Quarterly Plan 2	10113989	10.11	77925	0.08	10191914	10.19	-	-

## Schedules forming Part of the Balance Sheet

**SCHEDULE G (Contd.)**
**(4) Investment in Mutual Funds**

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
JM Fixed Maturity Fund-Series V - Quarterly Plan 1 - Institutional Dividend Plan (211)	-	-	31196619	31.20	31196619	31.20	-	-
JM Fixed Maturity Fund-Series 5 - Quarterly Plan 5 - Institutional Dividend Plan	-	-	15253016	15.25	15253016	15.25	-	-
JM Fixed Maturity Plan - Series 5 - Quarterly Plan 4 - Institutional Dividend Plan	-	-	10191910	10.19	10191910	10.19	-	-
JM Money Manager Fund - Super Plus Plan - Daily Dividend (171)	-	-	750004590	750.29	714417243	714.68	<b>35587347</b>	<b>35.61</b>
JM Fixed Maturity Fund Series VI - Quarterly Plan 2 - Institutional Dividend (253)	-	-	15254332	15.25	15254332	15.25	-	-
JM Fixed Maturity Fund - Series VI - Quarterly Plan 4 - Institutional Dividend (271)	-	-	30533214	30.53	30533214	30.53	-	-
JM Fixed Maturity Fund - Series VI - Quarterly Plan 5 - Institutional Dividend (275)	-	-	30801107	30.80	30801107	30.80	-	-
JM High Liquidity Fund - Super Institutional Plan - Daily Dividend (92)	-	-	257170200	257.59	257170200	257.59	-	-
JM Interval Fund - Quarterly Plan 1 - Institutional Dividend Plan (279)	-	-	25465048	25.47	25465048	25.47	-	-
JM Fixed Maturity Fund - Series VII - 15 Months Plan 1 - Institutional Dividend	-	-	10101910	10.10	-	-	<b>10101910</b>	<b>10.10</b>
JM Interval Fund - Quarterly Plan 2 - Institutional Dividend Plan (289)	-	-	15000000	15.00	-	-	<b>15000000</b>	<b>15.00</b>
JM Interval Fund - Quarterly Plan 3 - Institutional Dividend Plan (295)	-	-	15141000	15.14	-	-	<b>15141000</b>	<b>15.14</b>
JM Interval Fund - Quarterly Plan 4 - Institutional Dividend Plan (299)	-	-	30771934	30.77	-	-	<b>30771934</b>	<b>30.77</b>
JM Interval Fund - Quarterly Plan 6 - Institutional Dividend Plan (307)	-	-	15095385	15.10	-	-	<b>15095385</b>	<b>15.10</b>
JM Fixed Maturity Fund - Series XI - 13 Months Plan 1 - Institutional Growth Plan	-	-	10000000	10.00	-	-	<b>10000000</b>	<b>10.00</b>
JPMORGAN India Liquid Plus Fund - Dividend Plan - Reinvestment	-	-	159386287	159.53	119984375	120.09	<b>39401912</b>	<b>39.44</b>
JPMORGAN India Liquid Fund - Dividend Plan Reinvestment	-	-	73953009	74.01	73953009	74.01	-	-
Kotak Fixed Maturity Plan 3M Series 9	10123043	10.12	63754	0.06	10186797	10.18	-	-

## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
Kotak Fixed Maturity Plan 15M Series 2	5000000	5.00	-	-	-	-	5000000	5.00
Kotak Fixed Maturity Plan 3M Series 10	30292345	30.29	292700	0.29	30585045	30.58	-	-
Kotak Fixed Maturity Plan 13M Series 2	50000000	50.00	-	-	-	-	50000000	50.00
Kotak Fixed Maturity Plan 3M Series 15 - Dividend	-	-	40832106	40.83	40832106	40.83	-	-
Kotak Flexi Debt Scheme - Daily Dividend	-	-	477959125	486.10	457345049	465.42	20614076	20.68
Kotak Liquid Institutional Premium - Daily Dividend	-	-	334298557	408.78	334298557	408.78	-	-
Kotak Quarterly Interval Plan Series 1 - Dividend	-	-	20643388	20.65	20643388	20.65	-	-
Kotak Bond Short term - Monthly dividend	-	-	9977918	10.00	9977918	10.00	-	-
Kotak Fixed Maturity Plan 3M Series 26 - Dividend	-	-	50860304	50.86	50860304	50.86	-	-
Kotak Quarterly Interval Plan Series 3 - Dividend	-	-	25612043	25.61	-	-	25612043	25.61
Kotak Floater Short Term - Daily Dividend	-	-	18324715	18.40	18324715	18.40	-	-
Kotak Quarterly Interval Plan Series 2 - Dividend	-	-	10181691	10.18	10181691	10.18	-	-
Kotak Quarterly Interval Plan Series 4 - Dividend	-	-	25455890	25.46	25455890	25.46	-	-
Kotak Fixed Maturity Plan 16M Series 2 Institutional - Dividend	-	-	15181606	15.18	-	-	15181606	15.18
Kotak Quarterly Interval Plan Series 5 - Dividend	-	-	151974380	151.97	-	-	151974380	151.97
Kotak Quarterly Interval Plan Series 6 - Dividend	-	-	51255390	51.26	-	-	51255390	51.26
Kotak Fixed Maturity Plan 14M Series 4 Institutional - Growth	-	-	12000000	12.00	-	-	12000000	12.00
Kotak Fixed Maturity Plan 13M Series 3 Institutional - Growth	-	-	20000000	20.00	-	-	20000000	20.00
LICMF Liquid Plan - Dividend Plan	-	-	41924171	46.03	41924171	46.03	-	-
Lotus India - Liquid Fund - Institutional Plus - Daily Dividend	-	-	189465317	189.72	189465317	189.72	-	-
Lotus India - Liquid Fund - Institutional Plus - DD (2)	-	-	50012772	50.01	50012772	50.01	-	-
Lotus India - Fixed Maturity Plan - 3 Month Series IX - Dividend	-	-	10190018	10.19	10190018	10.19	-	-

## Schedules forming Part of the Balance Sheet

**SCHEDULE G (Contd.)**
**(4) Investment in Mutual Funds**

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
Lotus India Short Term Plan - Institutional Daily Dividend	-	-	34832602	35.13	34832602	35.13	-	-
Lotus India Liquid Fund - Super Institutional Daily Dividend	-	-	27000721	27.00	27000721	27.00	-	-
Lotus India Fixed Maturity Plan - 3 Months - Series XXII Dividend	-	-	10131741	10.13	-	-	<b>10131741</b>	<b>10.13</b>
Lotus India Quarterly Interval Fund - Plan A - Dividend	-	-	10059247	10.06	-	-	<b>10059247</b>	<b>10.06</b>
Lotus India Fixed Maturity Plan 375 Days Series VII Institutional Growth	-	-	10000000	10.00	-	-	<b>10000000</b>	<b>10.00</b>
Mirae Asset Liquid Plus Fund Super Inst Dividend Plan (Daily)	-	-	100167	10.03	100167	10.03	-	-
Principal PNB Fixed Maturity Plan - 385 days - Series I	10000000	10.00	-	-	10000000	10.00	-	-
Principal PNB Fixed Maturity Plan - 540 days - Series I	20000000	20.00	-	-	-	-	<b>20000000</b>	<b>20.00</b>
Principal Fixed Maturity Plan - 385 days -Series 4	25000000	25.00	-	-	-	-	<b>25000000</b>	<b>25.00</b>
Principal PNB Fixed Maturity Plan 91days - Series VII	30000000	30.00	-	-	30000000	30.00	-	-
Principal Floating Rate Fund Fixed Maturity Plan Institutional Option - Dividend Reinvestment Daily	-	-	444162541	444.71	404178709	404.68	<b>39983832</b>	<b>40.03</b>
Principal Floating Rate Fund Fixed Maturity Plan Institutional Option - Dividend Reinvestment Weekly	-	-	40703208	40.73	40703208	40.73	-	-
Principal Cash Mgt Fund - Liquid Option Institutional Premium Plan Daily Dividend	-	-	147368259	147.38	117364629	117.37	<b>30003630</b>	<b>30.01</b>
Principal Income Fund - Dividend Reinvestment Weekly	-	-	9288153	10.08	9288153	10.08	-	-
Principal PNB Fixed Maturity Plan (FMP-41) 91 Days - Series XII - Nov 07	-	-	20000000	20.00	-	-	<b>20000000</b>	<b>20.00</b>
Principal PNB Fixed Maturity Plan (FMP - 43) 91 Days - Series XIII - Feb 08 Regular Dividend Payout	-	-	20000000	20.00	-	-	<b>20000000</b>	<b>20.00</b>
Principal PNB Fixed Maturity Plan (FMP-42) 460 Days - Series IV - Feb 08	-	-	10000000	10.00	-	-	<b>10000000</b>	<b>10.00</b>
Principal PNB Fixed Maturity Plan (FMP - 44)540 Days - Series II - Mar 08	-	-	20000000	20.00	-	-	<b>20000000</b>	<b>20.00</b>

## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
Principal Liquid Plus Fund Dividend Reinvestment Daily	-	-	20006731	20.05	9980040	10.00	10026691	10.05
Prudential ICICI Sweep Plan - Cash Option	30018607	30.02	550991914	550.99	581010521	581.01	-	-
Prudential ICICI Fixed Maturity Plan Series 34	10001724	10.00	-	-	-	-	10001724	10.00
Prudential ICICI Fixed Maturity Plan Series 35 Three Month Plan A	30408000	30.41	159338	0.16	30567338	30.57	-	-
Prudential ICICI Fixed Maturity Plan Series 34 - 15 Month plan	30000000	30.00	-	-	-	-	30000000	30.00
Prudential ICICI Fixed Maturity Plan Series 34 -1 Year plan	80000000	80.00	-	-	-	-	80000000	80.00
ICICI Prudential Fixed Maturity Plan Series 38 - Three Months Plan A - Retail Dividend	-	-	30000000	30.00	30000000	30.00	-	-
ICICI Prudential Flexible Income Plan Dividend - Daily	-	-	625117630	660.97	625117630	660.97	-	-
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend	-	-	2483080523	2483.15	2483080523	2483.15	-	-
PFRDD ICICI Floating Rate - Plan D - Daily Dividend	-	-	135329419	135.35	135329419	135.35	-	-
PIPMRD Interval Fund 1 Month Plan A - Retail Dividend	-	-	30009402	30.16	30009402	30.16	-	-
IPQRD Interval Fund Quarterly Interval Plan -1 Retail Dividend	-	-	20837902	20.84	-	-	20837902	20.84
ICICI Prudential Interval Fund Quarterly Interval Plan - II Retail Dividend - Re-invest Dividend	-	-	25421250	25.42	25421250	25.42	-	-
ICICI Prudential Fixed Maturity Plan Series 38 - One Year Plan D - Institutional Dividend- Reinvestment Dividend	-	-	10000000	10.00	-	-	10000000	10.00
ICICI Prudential Interval Fund II Quarterly Interval Plan C - Retail Dividend - Reinvestment Dividend	-	-	20377303	20.38	20377303	20.38	-	-
ICICI Prudential Fixed Maturity Plan Series 39 - Six Months Plan A Retail Dividend - Pay Dividend	-	-	11500000	11.50	-	-	11500000	11.50
ICICI Prudential Interval Fund II Quarterly Interval Plan F - Retail Dividend - Reinvestment Dividend	-	-	20375600	20.38	20375600	20.38	-	-

## Schedules forming Part of the Balance Sheet

**SCHEDULE G (Contd.)**
**(4) Investment in Mutual Funds**

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
ICICI Prudential Interval Fund Monthly Plan II - Retail Dividend- Reinvestment Dividend	-	-	30153369	30.37	30153369	30.37	-	-
ICICI Prudential Fixed Maturity Plan Series 42 - Thirteen Months Plan B Institutional Dividend- Reinvestment Dividend	-	-	10000000	10.00	-	-	10000000	10.00
ICICI Prudential Interval Fund Quarterly Interval Plan - III Retail Dividend - Reinvestment Dividend	-	-	20000000	20.00	-	-	20000000	20.00
ICICI Prudential Institutional Income Plan Dividend Quarterly- Reinvestment Dividend	-	-	23121866	25.00	23121866	25.00	-	-
ICICI Prudential Interval Fund II Quarterly Interval Plan B - Retail Dividend - Reinvestment Dividend	-	-	20193290	20.19	-	-	20193290	20.19
ICICI Prudential Fixed Maturity Plan Series 43 - Thirteen Months Plan D Retail Growth	-	-	10000000	10.00	-	-	10000000	10.00
Reliance Fixed Horizon Fund-II- Quarterly Plan Series II	40024295	40.02	-	-	40024295	40.02	-	-
Reliance Floating Rate Fund - Daily Dividend Reinvestment Plan	-	-	39780640	40.04	39780640	40.04	-	-
Reliance Liquid Plus Fund - Institutional Option - Daily Dividend Plan	-	-	2654443	265.78	2654443	265.78	-	-
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	-	-	522471048	522.63	522471048	522.63	-	-
Reliance Monthly Interval Fund - Series I - Institutional Dividend Plan	-	-	90839093	90.93	90839093	90.93	-	-
Reliance Quarterly Interval Fund - Series II - Institutional Dividend Plan	-	-	20432053	20.43	20432053	20.43	-	-
Reliance Monthly Interval Fund - Series II - Institutional Dividend Plan	-	-	20131993	20.14	-	-	20131993	20.14
SBI Debt Fund Series - 60 Days -II (April 07) - Dividend	-	-	20250220	20.25	20250220	20.25	-	-
Magnum Insta Cash Fund - Daily Dividend Option	-	-	13746114	23.03	13746114	23.03	-	-
Magnum Insta Cash Fund - Liquid Floater Plan - Dividend	-	-	31476459	32.29	31476459	32.29	-	-
SBI Debt Fund Series - 90 Days-18-(27-Nov-07) - Dividend	-	-	10181188	10.18	10181188	10.18	-	-



## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
SBI Premier Liquid Fund - Super Institutional - Daily Dividend	-	-	74808571	75.05	54866902	55.05	19941669	20.00
Standard Chartered Liquidity Manager - Daily Dividend Reinvestment	79030732	79.04	29000115	29.02	108030847	108.06	-	-
Standard Chartered Fixed Maturity - 2nd Plan-Growth	10000000	10.00	-	-	10000000	10.00	-	-
Standard Chartered Fixed Maturity Plan Quarterly Series 3	30442800	30.44	-	-	30442800	30.44	-	-
Standard Chartered Fixed Maturity Plan - QS 5	10084700	10.08	121420	0.12	10206120	10.20	-	-
Standard Chartered Fixed Maturity Plan Quarterly Series 4	30336474	30.34	-	-	30336474	30.34	-	-
Standard Chartered Fixed Maturity Plan-Yearly Series 5	40000000	40.00	-	-	-	-	40000000	40.00
Standard Chartered Fixed Maturity Plan - Quarterly Series 9 - Dividend	-	-	51499418	51.50	51499418	51.50	-	-
Standard Chartered Liquidity Manager - Plus - Daily Dividend	-	-	2145948	214.64	2145948	214.64	-	-
SC Liquidity Manager - Plus - Daily Dividend (2)	-	-	2031592	203.20	2031592	203.20	-	-
Standard Chartered Floating rate LT - Institutional Plan B - Daily Dividend	-	-	476921718	477.08	476921718	477.08	-	-
Standard Chartered Fixed Maturity Plan - Yearly Series 10 - Growth	-	-	25000000	25.00	-	-	25000000	25.00
Standard Chartered Fixed Maturity Plan - Quarterly Series 19 - Dividend	-	-	40698000	40.70	40698000	40.70	-	-
Standard Chartered Fixed Maturity Plan - Quarterly Series 25 - Dividend	-	-	41050339	41.05	-	-	41050339	41.05
Standard Chartered Fixed Maturity Plan - Quarterly Series 26 - Dividend	-	-	20146000	20.15	-	-	20146000	20.15
Standard Chartered Fixed Maturity Plan - Yearly Series 17 - Plan B - Dividend	-	-	15000000	15.00	-	-	15000000	15.00
Standard Chartered Fixed Maturity Plan - Yearly Series 19 - Plan B - Growth	-	-	20000000	20.00	-	-	20000000	20.00
Standard Chartered Fixed Maturity Plan - Yearly Series 20 - Plan B - Growth	-	-	20000000	20.00	-	-	20000000	20.00
Sundaram BNP Paribas Liquid - Daily Dividend	-	-	329833282	330.15	329833282	330.15	-	-

## Schedules forming Part of the Balance Sheet

**SCHEDULE G (Contd.)**
**(4) Investment in Mutual Funds**

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
Sundaram Paribas Floater ST - Institutional Dividend	-	-	81597572	82.02	81597572	82.02	-	-
Sundaram Paribas Money Fund Super Institutional Dividend Reinvestment	-	-	201827496	203.75	201827496	203.75	-	-
Sundaram BNP Paribas Interval Fund Quarterly - Plan - C - Institutional Dividend	-	-	15252187	15.25	15252187	15.25	-	-
Sundaram BNP Paribas Fixed Term Plan E Institutional - Growth	-	-	10000000	10.00	-	-	10000000	10.00
Tata Fixed Horizon Fund - Series 3 - Scheme D (13 months) - Growth	10000000	10.00	-	-	10000000	10.00	-	-
Tata Fixed Horizon Fund - Series 3 - Scheme C (13 months) - Growth	30000000	30.00	-	-	30000000	30.00	-	-
Tata Fixed Horizon Fund - Series 8 - Scheme E	20281853	20.28	89014	0.09	20370867	20.37	-	-
Tata Fixed Horizon Fund Series 9 Scheme D	20128923	20.13	287625	0.29	20416548	20.42	-	-
Tata Fixed Horizon Fund Series 6 Scheme C	20000000	20.00	-	-	-	-	20000000	20.00
Tata Dynamic Bond Fund Option A - Dividend	-	-	97017632	100.88	49262707	50.72	47754925	50.16
Tata Fixed Horizon Fund Series 8 Scheme F	15135678	15.14	145577	0.15	15281255	15.29	-	-
Tata Floater Fund - Daily Dividend	-	-	1699630330	1705.68	1694548425	1700.58	5081905	5.10
Tata Floating Rate Short Term Institutional Plan - Daily Dividend	-	-	30010789	30.03	30010789	30.03	-	-
Tata Liquidity Management Fund - Daily Dividend	-	-	399349	40.03	399349	40.03	-	-
Tata Liquid Super High Investment Fund - Daily Dividend	-	-	19965297	2225.17	19597354	2184.16	367943	41.01
Tata Fixed Horizon Fund Series - 10 Scheme D - IP Monthly	-	-	40803389	40.80	40803389	40.80	-	-
Tata Fixed Horizon Fund Series - 9 Scheme B - IP Dividend	-	-	10061385	10.06	10061385	10.06	-	-
Tata Fixed Horizon Fund Series - 9 Scheme C - IP Dividend	-	-	30213225	30.21	30213225	30.21	-	-
Tata Fixed Horizon Fund Series - 10 Scheme C - E - IM Monthly	-	-	10207818	10.21	10207818	10.21	-	-
Tata Fixed Horizon Fund Series 8 Scheme G - IM Monthly	-	-	10368864	10.37	10368864	10.37	-	-
Tata Fixed Horizon Fund Series 8 Scheme - IM Monthly	-	-	20744997	20.75	20744997	20.75	-	-

## Schedules forming Part of the Balance Sheet

### SCHEDULE G (Contd.)

#### (4) Investment in Mutual Funds

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
Tata Fixed Horizon Fund Series 11 Scheme D - ID Periodic Dividend	-	-	50850964	50.85	50850964	50.85	-	-
Tata Fixed Horizon Fund Series 11 Scheme E - ID Periodic Dividend	-	-	50859294	50.86	50859294	50.86	-	-
Tata Fixed Horizon Fund Series 14 Scheme B - IG - Growth	-	-	40000000	40.00	-	-	40000000	40.00
Tata Treasury Manager SHIP Daily Dividend	-	-	1932362	193.82	1932362	193.82	-	-
Tata Fixed Income Portfolio Fund Scheme B3 Institutional Quarterly	-	-	5092102	5.09	5092102	5.09	-	-
Tata Fixed Income Portfolio Fund Scheme C2 Institutional Monthly Dividend	-	-	5096857	5.10	-	-	5096857	5.10
Tata Short Term Bond Fund - Dividend	-	-	8917382	10.07	-	-	8917382	10.07
Tata Fixed Income Portfolio Fund Scheme A1 Institutional Monthly	-	-	5057795	5.06	5057795	5.06	-	-
Tata Fixed Income Portfolio Fund Scheme A2 Institutional Monthly	-	-	5027280	5.03	5027280	5.03	-	-
Tata Fixed Income Portfolio Fund Scheme A3 Institutional Monthly	-	-	40220585	40.25	40220585	40.25	-	-
Tata Floating Rate Short Term Institutional Plan - Daily Dividend	-	-	25394665	25.41	25394665	25.41	-	-
Tata Fixed Horizon Fund Series 17 Scheme D - Institutional Plan Periodic Dividend	-	-	20149555	20.15	-	-	20149555	20.15
Tata Dynamic Bond Fund Option B - Dividend	-	-	49176297	50.00	-	-	49176297	50.00
Tata Fixed Investment Plan - 1 Scheme A - Institutional Plan - Periodic Dividend	-	-	10057511	10.06	-	-	10057511	10.06
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	-	-	2245575	224.61	2245575	224.61	-	-
Templeton Quarterly Interval Plan - Plan A - Institutional - Dividend Reinvestment	-	-	20426043	20.43	20426043	20.43	-	-
Templeton Quarterly Interval Plan - Plan C - Institutional - Dividend Reinvestment	-	-	20000000	20.00	20000000	20.00	-	-

## Schedules forming Part of the Balance Sheet

**SCHEDULE G (Contd.)**
**(4) Investment in Mutual Funds**

Name of Mutual Fund	Balance As on 01-04-2007		Purchases during the year		Sold during the year		Balance As on 31-03-2008	
	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores	No. of Units	Rs. in Crores
Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Daily Dividend Reinvestment	-	-	29943583	30.01	29943583	30.01	-	-
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment	-	-	10023487	10.04	10023487	10.04	-	-
Templeton India Income Builder Account Plan A Monthly Dividend Reinvestment	-	-	7823135	10.00	-	-	<b>7823135</b>	<b>10.00</b>
UTI - Fixed Term Income Fund Series I - Plan 18 - Quarterly - 4	10000000	10.00	-	-	10000000	10.00	-	-
UTI Fixed Maturity Plan - QFMP (2/07)	30302107	30.30	277431	0.28	30579538	30.58	-	-
UTI Fixed Maturity Plan - QFMP(1/07)	20260046	20.26	120080	0.12	20380126	20.38	-	-
UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment	-	-	8666470	883.50	8666470	883.50	-	-
UTI Money Market Fund - Daily Dividend Option - Reinvestment	-	-	53930508	95.03	53930508	95.03	-	-
UTI Fixed Maturity Plan Quarterly Series QFMP/0407/I - Dividend Plan - Reinvestment	-	-	30617072	30.62	30617072	30.62	-	-
UTI Liquid Plus Fund Institutional Plan - Daily Dividend Option - Reinvestment	-	-	6057591	605.80	6057591	605.80	-	-
UTI Fixed Maturity Plan - Quarterly Series QFMP/0607/III - Reinvestment	-	-	20324572	20.32	20324572	20.32	-	-
UTI Fixed Income Interval Fund- Quarterly Interval Plan Series - I - Institutional Dividend Plan - Payout	-	-	19994202	20.00	19994202	20.00	-	-
UTI Fixed Income Interval Fund- Monthly Interval Plan Series - I - Institutional Dividend Plan - Reinvestment	-	-	60372167	60.37	60372167	60.37	-	-
UTI Fixed Maturity Plan Quarterly Series QFMP0907/II - Institutional Dividend Plan - Reinvestment	-	-	20321865	20.32	20321865	20.32	-	-
UTI Fixed Income Interval Fund Monthly Interval Plan II - Institutional Dividend Plan Reinvestment	-	-	25155511	25.16	25155511	25.16	-	-
<b>Total</b>		<b>1157.93</b>		<b>28199.19</b>		<b>26951.61</b>		<b>2405.51</b>

## Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'H'</b>		
<b>INVENTORIES</b>		
(a) Stores and spares	0.89	1.48
(b) Raw materials, sub-assemblies and components	12.32	8.62
(c) Goods-in-transit	2.66	0.60
(d) Finished goods and Work-in-progress	1.32	1.36
	<u>17.19</u>	<u>12.06</u>
	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'I'</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
(a) Over six months		
(i) Considered good	415.74	285.21
(ii) Considered doubtful	67.44	59.19
(b) Others		
(i) Considered good	3331.27	2514.59
(ii) Considered doubtful	2.31	0.20
	<u>3816.76</u>	<u>2859.19</u>
Less: Provision for doubtful debts	(69.75)	(59.39)
	<u>3747.01</u>	<u>2799.80</u>
Due from companies under same management:		
Tata Teleservices Limited	36.82	27.52
Tata Elxsi Limited	0.09	0.08
Tata AIG Life Insurance Company Limited	3.13	1.75
Tata SKY Limited	9.17	28.08
Tata Internet Services Private Limited	0.03	0.05
Tata AIG General Insurance Limited	1.17	0.32
Tata Teleservices (Maharashtra) Limited	0.30	1.06
Wireless - TT Info Services Limited	0.53	-
Infiniti Retail Limited	2.23	-
Computational Research Laboratory Limited	0.93	-
Tata International Limited	0.05	-

**Schedules forming part of the Balance Sheet**

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'J'</b>		
<b>CASH AND BANK BALANCES</b>		
(a) Cash on hand	<b>1.65</b>	7.79
(b) Remittances in transit	-	14.46
(c) Bank Balances		
(i) with Scheduled Banks		
(1) In current accounts (including cheques on hand of Rs. 42.97 crores and Equity share application monies of Rs. 0.05 crore, March 31, 2007: Rs. 41.15 crores and Rs. 0.05 crore respectively)	<b>66.81</b>	91.33
(2) In deposit accounts (including Rs. 0.08 crore under lien to Customs Authority, March 31, 2007: Rs. 0.08 crore)	<b>125.28</b>	182.85
(ii) with Foreign Banks		
(1) In current accounts		
ABN AMRO Bank Berhad, Malaysia	<b>0.21</b>	0.23
Bank of America N.A, Australia	<b>3.64</b>	7.34
Credit Suisse, Switzerland	<b>0.54</b>	0.39
Nordea Bank, Denmark	<b>5.17</b>	1.53
HSBC Bank plc, UK	<b>122.56</b>	40.27
K & H Bank, Hungary	<b>0.87</b>	0.81
Bank of America N.A, Canada	<b>12.46</b>	2.16
ABN AMRO Bank, Taiwan	<b>0.05</b>	0.04
Standard Chartered Bank, Singapore	<b>4.82</b>	0.40
Merita Bank, Finland	<b>1.78</b>	0.67
HSBC Bank plc, Ireland	<b>2.68</b>	2.98
Nedbank, South Africa	<b>87.73</b>	95.95
La Caixa Bank, Spain	-	0.02
ASB Bank, New Zealand	<b>0.47</b>	0.16
Bank of America N.A, USA	<b>0.41</b>	2.04
Nordea Bank, Finland	<b>4.30</b>	1.54
Bank of America, Taiwan	<b>0.72</b>	0.26
Bank Sinopac, Taiwan	<b>0.04</b>	0.03
Standard Chartered Bank, Bahrain	<b>2.18</b>	2.44
Standard Chartered Bank, South Africa	<b>49.37</b>	18.63
Bank of America, Hongkong	<b>0.98</b>	0.84
Citibank NV, Israel	<b>2.55</b>	0.61
Standard Chartered Bank, Dubai	<b>0.93</b>	0.58
Bank of America, London	-	0.77
Standard Chartered Bank, Botswana	<b>1.62</b>	1.18
National City Bank, Ohio	<b>0.03</b>	3.02
Commercial Bank of Ethiopia	-	0.03
Saudi British Bank, Saudi Arabia	<b>23.05</b>	16.16
DNB Bank, Norway	<b>4.30</b>	-
ABN AMRO Bank, Poland	<b>0.32</b>	-
(2) In deposit accounts		
HSBC Bank plc, UK	-	59.63
	<b>527.52</b>	557.14



## Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'J' (Contd.)</b>		
<b>CASH AND BANK BALANCES</b>		
(d) Maximum balance outstanding - Foreign Banks		
(1) In current accounts		
ABN AMRO Bank Berhad, Malaysia	0.22	0.45
Bank of America N.A, Australia	30.25	17.30
Credit Suisse, Switzerland	0.54	0.96
Nordea Bank, Denmark	20.30	15.87
HSBC Bank plc, UK	122.56	140.41
K & H Bank, Hungary	6.73	6.79
Bank of America N.A, Canada	30.78	12.54
ABN AMRO Bank, Taiwan	0.05	0.04
Standard Chartered Bank, Singapore	5.76	5.77
Merita Bank, Finland	11.03	15.01
HSBC Bank plc, Ireland	32.35	17.52
Nedbank, South Africa	126.27	95.96
La Caixa Bank, Spain	0.03	1.02
ASB Bank, New Zealand	0.50	1.06
Bank of America N.A, USA	313.55	200.49
Nordea Bank, Finland	18.68	8.07
Bank of America, Taiwan	6.71	18.00
Bank Sinopac, Taiwan	0.04	0.16
Standard Chartered Bank, Bahrain	2.49	7.20
Standard Chartered Bank, South Africa	92.02	54.12
Bank of America, Hongkong	3.42	6.11
Citibank NV, Israel	3.19	0.95
Standard Chartered Bank, Dubai	4.54	2.80
Bank of America, London	0.74	3.07
Standard Chartered Bank, Botswana	11.33	5.95
National City Bank, Ohio	10.20	3.61
Bank of America, Singapore	-	1.28
Commercial Bank of Ethiopia	0.05	0.13
Saudi British Bank, Saudi Arabia	28.59	16.16
DNB Bank, Norway	5.58	-
ABN AMRO Bank, Poland	0.32	-
(2) In deposit accounts	65.21	59.63
HSBC Bank plc, UK		

**Schedules forming part of the Balance Sheet**

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'K'</b>		
<b>LOANS AND ADVANCES (Unsecured)</b>		
(a) Considered good		
(i) Loans and advances to employees	219.04	200.00
(ii) Loans and advances to subsidiary companies	446.74	263.29
(iii) Advances recoverable in cash or kind or for value to be received	970.77	751.16
(iv) Advance tax (including refunds receivable)	178.47	98.94
(v) MAT credit entitlement	351.58	-
	<b>2166.60</b>	<b>1313.39</b>
(b) Considered doubtful		
(i) Loans and advances to employees	13.17	6.83
(ii) Advances recoverable in cash or kind or for value to be received	5.28	2.88
	<b>18.45</b>	<b>9.71</b>
Less: Provision for doubtful loans and advances	<b>(18.45)</b>	<b>(9.71)</b>
	<b>2166.60</b>	<b>1313.39</b>
Notes :		
1 Loans and advances to subsidiary companies:		
Tata Consultancy Services Sverige AB	-	7.83
TCS FNS Pty Limited	185.16	173.98
Diligenta Limited	-	0.32
CMC Limited	29.33	38.02
Tata Consultancy Services Asia Pacific Pte. Limited	37.10	40.21
MP Online Limited	1.70	0.18
Tata Consultancy Services, Netherlands B.V.	2.41	2.75
TCS Iberoamerica S.A.	186.89	-
Tata Consultancy Services, Morocco SARL AU	4.15	-
2 Advances recoverable in cash or kind or for value to be received include fair values of foreign exchange forward and currency option contracts	59.01	53.69
3 Advances recoverable in cash or kind or for value to be received include balances with Customs and Excise Authorities	0.33	0.37
4 Advances recoverable in cash or kind or for value to be received include Intercompany deposits	20.00	-

## Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'L'</b>		
<b>CURRENT LIABILITIES</b>		
(a) Sundry creditors		
(i) Dues of micro, small and medium enterprises (Refer note 18, page 157)	3.61	1.40
(ii) Dues of other creditors	1235.76	816.73
(b) Subsidiary companies	229.56	165.64
(c) Advances from customers	44.76	76.67
(d) Advance billings and deferred revenues	460.55	407.98
(e) Equity share application monies refundable	0.05	0.05
(f) Investor Education and Protection Fund - Unpaid dividends (not due)	3.52	2.68
(g) Other liabilities	426.01	167.95
(h) Interest accrued but not due	0.36	0.40
	<b>2404.18</b>	<b>1639.50</b>
Note:		
Other liabilities include fair values of foreign exchange forward and currency option contracts.	<b>191.08</b>	17.29

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'M'</b>		
<b>PROVISIONS</b>		
(a) Current income taxes	277.15	156.20
(b) Fringe benefit tax	2.76	1.06
(c) Employee benefits	334.83	289.71
(d) Proposed dividend	489.31	391.44
(e) Tax on dividend	83.16	66.53
(f) Provision for warranties	0.23	0.11
	<b>1187.44</b>	<b>905.05</b>

**Schedules forming part of the Profit and Loss Account**

	<b>2008</b> <b>Rs. in crores</b>	<b>2007</b> <b>Rs. in crores</b>
<b>SCHEDULE 'N'</b>		
<b>OTHER INCOME</b>		
(a) Interest (includes Rs. Nil from a foreign subsidiary, previous year: Rs. 7.62 crores) (Tax deducted at source Rs. 0.28 crore, previous year : Rs. 0.17 crore)	<b>36.48</b>	15.87
(b) Dividend from subsidiaries (trade investments)	<b>6.20</b>	3.87
(c) Dividends from other long-term investments (non-trade investments)	<b>0.61</b>	0.61
(d) Dividends from mutual funds (other investments)	<b>104.27</b>	35.44
(e) Profit on sale of mutual funds and other current investments (net)	<b>13.49</b>	7.98
(f) Rent	<b>0.99</b>	2.55
(g) Profit on sale of long-term investment	-	66.28
(h) Exchange gains (net)	<b>267.45</b>	55.91
(i) Miscellaneous income	<b>16.46</b>	28.04
	<b>445.95</b>	216.55

	<b>2008</b> <b>Rs. in crores</b>	<b>2007</b> <b>Rs. in crores</b>
<b>SCHEDULE 'O'</b>		
<b>EMPLOYEE COSTS</b>		
(a) Salaries and Incentives	<b>5186.56</b>	5803.41
(b) Contributions to -		
(i) Provident Fund	<b>192.41</b>	94.81
(ii) Superannuation Scheme	<b>54.21</b>	27.02
(c) Gratuity Cost	<b>72.30</b>	14.97
(d) Social security and other benefit plans (overseas employees)	<b>31.95</b>	197.10
(e) Staff welfare expenses	<b>477.76</b>	309.06
	<b>6015.19</b>	6446.37

## Schedules forming part of the Profit and Loss Account

	2008 Rs. in crores	2007 Rs. in crores
<b>SCHEDULE 'P'</b>		
<b>OPERATION AND OTHER EXPENSES</b>		
(a) Overseas business expenses	<b>3815.05</b>	1229.26
(b) Services rendered by business associates and others	<b>689.25</b>	756.12
(c) Software, hardware and material costs	<b>838.46</b>	645.85
(d) Cost of software licences	<b>390.23</b>	229.35
(e) Communication expenses	<b>245.09</b>	196.35
(f) Travelling and conveyance expenses	<b>278.00</b>	210.17
(g) Rent	<b>322.58</b>	228.83
(h) Legal and professional fees	<b>93.12</b>	90.33
(i) Repairs and maintenance	<b>112.29</b>	92.19
(j) Electricity expenses	<b>135.57</b>	93.89
(k) Bad debts	<b>11.31</b>	6.32
(l) Provision for doubtful debts	<b>10.36</b>	0.76
(m) Provision for doubtful advances	<b>8.74</b>	0.98
(n) Advances written-off	<b>1.13</b>	2.50
(o) Recruitment and training expenses	<b>140.46</b>	107.44
(p) Loss on sale of long-term investments	<b>5.14</b>	-
(q) Commission and brokerage	<b>27.63</b>	31.05
(r) Printing and stationery	<b>33.67</b>	27.74
(s) Insurance	<b>17.68</b>	17.75
(t) Rates and taxes	<b>35.21</b>	26.39
(u) Entertainment	<b>10.44</b>	8.86
(v) Loss on sale of fixed assets (net)	<b>0.36</b>	0.51
(w) Other expenses	<b>276.65</b>	189.99
	<b>7498.42</b>	4192.63
Notes :		
1 Overseas business expenses include:		
Travel expenses	<b>270.42</b>	224.70
Employee allowances	<b>3397.86</b>	873.09
2 Repairs and maintenance includes:		
Buildings	<b>38.20</b>	32.48
Office and computer equipment	<b>74.09</b>	59.71
3 Software, hardware and material costs includes:		
Material Costs		
(a) Raw Materials, sub-assemblies and component consumed	<b>45.13</b>	21.50
(b) Opening Stock:		
Finished goods and work-in-progress	<b>1.36</b>	4.14
(c) Less: Closing Stock:		
Finished goods and work-in-progress	<b>1.32</b>	1.36
	<b>0.04</b>	2.78
	<b>45.17</b>	24.28
4 Other expenses includes:		
Stores and spare parts consumed	<b>0.68</b>	0.52

**SCHEDULE 'Q' - NOTES TO ACCOUNTS**
**1) Significant Accounting Policies**
**a) Basis of Preparation**

The financial statements are prepared under the historical cost convention and the requirements of the Companies Act, 1956.

**b) Use of estimates**

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

**c) Fixed Assets**

Fixed assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Upto March 31, 2007, exchange differences on translation of foreign currency loans obtained to purchase fixed assets from countries outside India are included in the cost of such assets.

Fixed assets exclude computers and other assets individually costing Rs. 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

**d) Depreciation**

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

Leasehold Land and Buildings	Straight line	Lease period
Freehold Buildings	Written down value	5%
Leasehold Improvements	Straight line	Lease period
Plant and Machinery	Straight line	33.33%
Computer Equipment	Straight line	50%
Motor Cars	Written down value	25.89%
Office Equipment	Written down value	13.91%
Electrical Installations	Written down value	13.91%
Furniture and Fixtures	Straight line	100%
Intellectual Property / Distribution Rights	Straight line	24 – 36 months

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

**e) Leases**

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

**f) Impairment**

At each balance sheet date, the management reviews the carrying amounts of its assets and goodwill included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of



impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

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

g) Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.

h) Employee benefits (Refer note 4 and 5, page 146)

i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

iii) Long-term employee benefits

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 recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

i) Revenue recognition

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

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

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

Revenue from sale of software licences are recognised upon delivery where there is no customization required. In case of customization the same is recognised over the life of the contract using the proportionate completion method.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenues from Business Process Outsourcing (BPO) services are recognised on time and material, fixed price and unit priced contracts. Revenue on time and material, unit priced contracts is recognised as the related

services are rendered. Revenue from fixed price contracts is recognized as per the proportionate completion method with contract cost determining the degree of completion.

Dividends are recorded when the right to receive payment is established. Interest income is recognised on time proportion basis.

j) Research and Development

Research and Development expenditure is recognised in the profit and loss account when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the depreciation rates set out in note 1(d).

k) Taxation

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

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

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

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

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

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

l) Foreign currency transactions

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date. Exchange difference arising on a monetary item that, in substance, forms part of an enterprises' net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on forward exchange contracts and currency option contracts are amortized and recognized in the profit and loss account over the period of the contract. Forward exchange contracts and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the profit and loss account.

m) Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurement" (AS-30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

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

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the profit and loss account for the period.

n) Employee Stock Purchase Scheme

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the excess of market price one day prior to the date of issue of the shares over the price at which they are issued is recognised as employee compensation cost.

o) Inventories

Raw materials, sub-assemblies and components are carried at lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods in transit are carried at cost. Work-in-progress is carried at lower of cost and net realisable value. Stores and spare parts are carried at cost, less provision for obsolescence. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

## 2) **Acquisitions / Divestments**

- a) Effective April 1, 2007, TKS Services S.A., Quartz Software Technology S.A. and Tata Consultancy Services Financial Solutions Limited (formerly known as TKS Banking Solutions S.A.) have merged with Tata Consultancy Services Switzerland Limited (formerly known as TKS – Teknosoft S.A.).
- b) On May 25, 2007, the Company, through its wholly owned subsidiary, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda, acquired 100% equity interest in a Brazil based Company, GT Participacoes S.A. Consequently, the Company's interest in Tata Consultancy Services Do Brasil S.A. has increased to 100%.  
  
Effective July 1, 2007, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda and GT Participacoes S.A. have merged with Tata Consultancy Services Do Brasil Ltda (formerly known as Tata Consultancy Services Do Brasil S.A.).
- c) On June 21, 2007, the Company subscribed to 100% share capital of Tata Consultancy Services Morocco SARL AU, a Company formed for providing a range of computer enabled services in Morocco.
- d) On July 13, 2007, the Company, through its wholly owned subsidiary, Tata America International Corporation, acquired 100% voting power in TCS Financial Management LLC.
- e) On October 01, 2007, the Company, through its wholly owned subsidiary, TCS Iberoamerica S.A. sold its shareholding interest in two of its subsidiaries Pentacrom S.A. and Pentacrom Servicios S.A. (PENTACROM) for Rs. 5.98 crores.
- f) On October 23, 2007, the Company subscribed to 60% of the share capital of Tata Consultancy Services (Africa) (Pty) Limited, a Company formed for providing IT services and investing in companies in South Africa which carry on the business of IT services. Tata Consultancy Services (Africa) (PTY) Limited holds 100% share capital of Tata Consultancy Services (South Africa) (PTY) Limited, which has been incorporated on October 31, 2007.

- g) On January 24, 2008, the Company has sold its shareholding interest in its associate, Conscripti (Pty) Ltd., for Rs. 3.83 crores.
- 3) The Company has given undertakings to (a) Bank of China Co. Limited, not to transfer its controlling interest in Financial Network Services Pty Limited, (b) The Government of Madhya Pradesh not to divest its shareholding in MP Online Limited except to an affiliate, (c) State Bank of India not to sell, transfer or otherwise dispose off its share or any interest in C-Edge Technologies Limited.
- 4) The Company adopted the Accounting Standard 15 "Employee Benefits" (AS-15) effective from April 1, 2006. Consequent upon the change in accounting policy and in accordance with the transitional provisions of the Accounting Standard, an amount of Rs. 132.09 crores (net of deferred tax) was adjusted against the opening balance in the General Reserves.

Consequent to the Guidance on implementing Accounting Standard 15 "Employee Benefits" (AS-15) which clarifies the applicability of the Accounting Standard, the Company has considered certain entitlements to earned leave which can be carried forward to future periods as a long-term employee benefit. The resultant reduction of Rs. 28.67 crores (net of deferred tax) in the net liability in respect of employee benefit arising on April 1, 2006, the date of adoption has been adjusted to General Reserves.

5) **Retirement benefit plans**

a) Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall has been provided for as at the Balance Sheet date.

The Company recognised Rs. 192.41 crores (*Previous year: Rs. 94.81 crores*) for provident fund contributions and Rs. 54.21 crores (*Previous year: Rs. 27.02 crores*) for superannuation contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for service less than 15 years, three-fourth months salary for service of 15 years to 19 years and one month salary for service of 20 years and more, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2008:

	As at March 31, 2008 (Rs. in crores)	As at March 31, 2007 (Rs. in crores)
<b>i) Change in benefit obligations:</b>		
Projected benefit obligation, beginning of the year (April 1, 2007)	240.91	224.16
Service cost	48.39	53.23
Interest cost	22.10	17.99
Actuarial (gain) / loss	26.12	(35.61)
Benefits paid	(22.26)	(18.86)
<b>Projected benefit obligation, end of the year</b>	<b>315.26</b>	<b>240.91</b>
<b>ii) Change in plan assets:</b>		
Fair value of plan assets, beginning of the year (April 1, 2007)	243.13	222.74
Expected return on plan assets	20.18	18.33
Employer's contributions	19.69	18.61
Benefit paid	(22.26)	(18.86)
Actuarial gain	4.13	2.31
<b>Fair value of plan assets at the end of the year</b>	<b>264.87</b>	<b>243.13</b>
Excess of (obligation over plan assets) / plan assets over obligation	(50.39)	2.22
<b>(Accrued liability) / Prepaid benefit</b>	<b>(50.39)</b>	<b>2.22</b>
<b>iii) Net gratuity and other cost for the year ended March 31, 2008:</b>		
Service cost	48.39	53.23
Interest on defined benefit obligation	22.10	17.99
Expected return on plan assets	(20.18)	(18.33)
Net actuarial gain recognized in the year	21.99	(37.92)
<b>Net gratuity and other cost</b>	<b>72.30</b>	<b>14.97</b>
<b>Actual Return on Plan Assets</b>	<b>24.31</b>	<b>20.64</b>
<b>iv) Category of Assets as at March 31, 2008:</b>		
Special Deposits Scheme	1.73	1.73
Insurer Managed Funds	262.64	241.40
Others	0.50	-
<b>Total</b>	<b>264.87</b>	<b>243.13</b>
<b>v) Assumptions used in accounting for the gratuity plan:</b>		
	%	%
Discount rate	8.00	8.00
Salary escalation rate	6.00	6.00
Expected rate of return on plan assets	8.00	8.00

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

- 6) Unbilled revenue as at March 31, 2008 amounting to Rs. 870.18 crores (*March 31, 2007: Rs. 523.88 crores*) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

7) **Obligations towards non-cancellable lease**

Lease Obligation	2008 (Rs. in crores)	2007 (Rs. in crores)
Not later than one year	209.85	133.80
Later than one year but not later than five years	523.11	327.90
Later than five years	202.57	228.08
Total	935.53	689.78

Rental expenses of Rs. 176.46 crores (*Previous year: Rs. 204.64 crores*) in respect of obligation under operating leases have been recognised in the profit and loss account.

- 8) Research and development expenditure aggregating Rs. 36.94 crores (*Previous year: Rs. 28.02 crores*) was incurred during the year.
- 9) Sale of Equipment is net of excise duty Rs. 2.83 crores (*Previous year: Rs. 2.12 crores*).
- 10) On implementation of the new pay model effective May 1, 2007, the salaries and overseas allowances of employees deputed to an overseas location were revised. As a result, overseas business expenses have increased for the year ended March 31, 2008, as compared to the corresponding year presented.

11) **Segment Reporting**

The Company has identified geographic segments as its primary segment and industry segments as its secondary segment.

Geographic segments of the Company are Americas, Europe, India and Others.

Secondary segments of the Company are Banking, Financial Services and Insurance (BFSI), which are considered as single segment, Manufacturing, Retail and Distribution, Telecom and Others. Others comprise Transportation, Life Sciences and Healthcare, Energy and Utilities, s-Governance, Media and Entertainment, Travel and Hospitality services and sale of products, etc.

Revenue and expense directly attributable to segments are reported under each reportable segment. Expenses incurred in India on behalf of other segments and not directly identifiable to each reportable segment have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets have not been allocated between segments as these are used interchangeably between segments.



**Year ended March 31, 2008**

Particulars	Geographic Segment				(Rs. in crores)
	Americas	Europe	India	Others	Total
Revenue	<b>10460.75</b>	<b>5355.86</b>	<b>1590.47</b>	<b>1126.64</b>	<b>18533.72</b>
	8899.62	4105.58	1189.63	745.14	14939.97
Identified operating expenses	<b>5831.68</b>	<b>2713.95</b>	<b>1169.46</b>	<b>698.40</b>	<b>10413.49</b>
	5124.69	2180.66	769.50	473.71	8548.56
Allocated expenses	<b>1388.14</b>	<b>757.76</b>	<b>187.87</b>	<b>113.60</b>	<b>2447.37</b>
	958.11	469.91	140.46	93.35	1661.83
Segment result	<b>3240.93</b>	<b>1884.15</b>	<b>233.14</b>	<b>314.64</b>	<b>5672.86</b>
	2816.82	1455.01	279.67	178.08	4729.58
Unallocable expenses (net)					<b>1114.95</b>
					775.45
Operating income					<b>4557.91</b>
					3954.13
Other income					<b>445.95</b>
					216.55
Profit before taxes					<b>5003.86</b>
					4170.68
Tax expense					<b>495.10</b>
					413.39
Net profit					<b>4508.76</b>
					3757.29

**As at March 31, 2008**

	Americas	Europe	India	Others	Total
Segment assets	<b>1621.00</b>	<b>1994.43</b>	<b>1380.21</b>	<b>740.98</b>	<b>5736.62</b>
	1100.24	1574.20	887.34	473.91	4035.69
Unallocable assets					<b>8999.44</b>
					6679.20
Total assets					<b>14736.06</b>
					10714.89
Segment liabilities	<b>1320.99</b>	<b>754.75</b>	<b>407.59</b>	<b>228.60</b>	<b>2711.93</b>
	821.70	702.69	218.50	180.21	1923.10
Unallocable liabilities					<b>1019.32</b>
					732.80
Total liabilities					<b>3731.25</b>
					2655.90

**Business Segment**

The following business segments individually contribute 10 percent or more of the Company's revenues and segment assets:

**Industry Segment**

	<b>Revenues for the year ended March 31, 2008</b>	<b>Segment Assets as at March 31, 2008</b>
	(Rs. in crores)	(Rs. in crores)
Banking, Financial Services and Insurance	<b>7554.28</b> 6088.22	<b>1545.95</b> 1165.91
Manufacturing	<b>1838.41</b> 1991.11	<b>402.57</b> 320.96
Retail and Distribution	<b>1326.25</b> 970.97	<b>282.85</b> 169.13
Telecom	<b>3561.13</b> 2732.22	<b>1245.00</b> 797.06

**12) Related Party Disclosures**
**A. Related Parties and their Relationship**
**I. Holding Company**

Tata Sons Limited

**II. (A) Subsidiaries (Direct Holding)**

1. CMC Limited
2. Tata Consultancy Services Sverige AB
3. Tata Consultancy Services Asia Pacific Pte Limited
4. TCS Iberoamerica S.A.

**II. (B) Subsidiaries (Indirect Holding)**

- i) CMC Americas Inc.
- i) Swedish Indian IT Resources AB (ceased to be subsidiary on 04.04.2007 and merged with Tata Consultancy Services Sverige AB)
- i) Tata Information Technology (Shanghai) Company Limited
- ii) Tata Consultancy Services Japan Limited
- iii) Tata Consultancy Services Malaysia Sdn Bhd
- iv) Tata Consultancy Services (China) Co. Ltd. (w.e.f. 16.11.2006)
- v) PT Tata Consultancy Services Indonesia (w.e.f. 05.10.2006)
- i) TCS Solution Center S.A. Uruguay
- ii) TCS Argentina S.A.
- iii) Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda (formerly TCS Brazil S/C Ltda) (ceased to be subsidiary on 01.07.2007 and merged with Tata Consultancy Services Do Brasil Ltda)
- iv) Tata Consultancy Services De Mexico S.A. De C.V.
- v) TCS Inversiones Chile Limitada
- vi) Tata Consultancy Services De Espana S.A.
- vii) Tata Consultancy Services Do Brasil Ltda (formerly Tata Consultancy Services Do Brasil S.A.)
- viii) Tata Consultancy Services Chile S.A.
- ix) Tata Consultancy Services BPO Chile S.A. (formerly Tata Consultancy Services Chile Limited)
- x) Syscrom S.A.
- xi) Custodia De Documentos Interes Limitada

- xii) Pentacrom S.A. (ceased to be a subsidiary w.e.f. 01.10.2007)
  - xiii) Pentacrom Servicios S.A. (ceased to be a subsidiary w.e.f. 01.10.2007)
  - xiv) Tata Solution Center S.A. (w.e.f. 28.12.2006)
  - xv) GT Participacoes S.A. (w.e.f. 25.02.2007) (w.e.f. 01.07.2007 merged with TCS Do Brasil Desenvolvimento De Servicos Ltda)
  - xvi) Tata Consultancy Services Portugal Unipessoal Limitada
- 5. Tata Consultancy Services Netherlands B.V.
  - i) Tata Consultancy Services Luxembourg S.A.
  - ii) Tata Consultancy Services Switzerland Ltd. (formerly TKS – Teknosoft S.A.) (w.e.f. 31.10.2006)
  - iii) TKS Services S.A. (w.e.f. 31.10.2006)\*
  - iv) Quartz Software Technology S.A. (w.e.f. 31.10.2006)\*
  - v) Tata Consultancy Services Financial Solutions Limited (formerly TKS Banking Solutions S.A.) (w.e.f. 31.10.2006)\*
  - vi) Tata Consultancy Services France SAS (formerly TKS Teknosoft (France) SAS) (w.e.f. 31.10.2006)
- 6. TCS FNS Pty Limited
  - vii) TCS Italia SRL
  - i) TCS Financial Solutions Australia Holdings Pty Limited (formerly Financial Network Services (Holdings) Pty Limited)
  - ii) TCS Financial Solutions Australia Pty Limited (formerly Financial Network Services Pty Limited)
  - iii) Financial Network Services (Europe) Plc
  - iv) PT Financial Network Services
  - v) Financial Network Services (Africa) (Pty) Ltd.
  - vi) Financial Network Services (H.K.) Limited
  - vii) Financial Network Services Malaysia Sdn Bhd
  - viii) TCS Management Pty Ltd. (w.e.f. 08.11.2006)
  - ix) Financial Network Services (Beijing) Co. Ltd. (w.e.f. 29.12.2006)
- 7. APOnline Limited
- 8. Tata America International Corporation
  - i) TCS Financial Management LLC (w.e.f. 13.07.2007)
- 9. Tata Consultancy Services Belgium S.A.
- 10. Tata Consultancy Services Deutschland GmbH
- 11. IT Consulting Company (formerly Tata Consultancy Services France SAS) (ceased to be a subsidiary w.e.f. 08.02.2007)
- 12. WTI Advanced Technology Limited
- 13. Tata Infotech Deutschland GmbH
- 14. Tata Infotech (Singapore) Pte Limited
- 15. Exegenix Canada Inc.
- 16. Diligenta Limited

- \* Refer note 2 (a)

- Ewart Investment Limited
- Tata Capital Limited (formerly Primal Investment & Finance Limited)
- Concept Marketing and Advertising Limited
- Tata AIG General Insurance Company Limited
- Tata AIG Life Insurance Company Limited
- TCE Consulting Engineers Limited
- Tata Business Support Services Limited (formerly E2E Serwiz Solutions Limited)
- Tata Sky Limited (formerly Space TV Limited)
- THDC Limited
- Tata Teleservices Limited
- Tata Teleservices (Maharashtra) Limited
- Tata Internet Services Limited
- Tata Limited, London
- Tata International AG, ZUG
- Tata AG., ZUG
- Panatone Finvest Limited
- Tata Asset Management Limited
- Tata Petrodyne Limited
- Wireless-TT Infoservices Limited
- Infiniti Retail Limited (formerly Value Electronics Limited)
- Tata Asset Management (Mauritius) Private Limited
- Ewart Investment Private Limited (Mauritius)
- Tata Pension Management Limited
- Computational Research Laboratories Limited
- Tata Realty and Infrastructure Limited
- Tata Securities Limited (w.e.f. 30.07.2007)
- Tata Capital Markets Limited (w.e.f. 26.11.2007)
- E-NXT Financials Private Limited (w.e.f. 15.12.2007)
- Tata Investment Corporation Limited (w.e.f. 13.02.2008)
- TRIF Investments Management Limited (w.e.f. 03.08.2007)
- Tata Trustee Company Pvt. Limited (w.e.f. 13.02.2008)
- Ahinsa Realtors Private Limited (w.e.f. 18.03.2008)
- Navinya Buildcon Private Limited (w.e.f. 18.03.2008)
- Pioneer Infratech Private Limited (w.e.f. 28.05.2007)
- TRIF Gandhinagar Projects Private Limited (formerly RPVD Developers Private Limited (w.e.f. 18.03.2008)
- TRIF Hyderabad Projects Private Limited (formerly Poorvi Infrastructure Private Limited) (w.e.f. 18.03.2008)
- TRIF Infrastructure Private Limited (w.e.f. 18.03.2008)
- TRIF Kochi Projects Private Limited (formerly Navinya Infrastructure Private Limited) (w.e.f. 18.03.2008)
- TRIF Kolkata Projects Private Limited (formerly Anupama Infrastructure Private Limited) (w.e.f. 18.03.2008)
- TRIF Property Development Private Limited (w.e.f. 25.03.2008)
- TRIF Real Estate and Development Private Limited (w.e.f. 25.03.2008)
- TRIF Realty Projects Private Limited (w.e.f. 25.03.2008)
- TRIF Trivandrum Projects Private Limited (formerly Premanand Realty Developers Private Limited (w.e.f. 18.03.2008)
- TRIL Airport Developers Limited (w.e.f. 25.06.2007)
- TRIL Constructions Limited (w.e.f. 25.06.2007)
- TRIL Developers Limited (w.e.f. 14.06.2007)

#### IV. Associates

- Conscripti (Pty) Ltd.\*
- Exegenix Research Inc.
- Firstech Solution Co. Ltd.

\* Ceased to be an associate w.e.f. 24.01.2008

#### V. Key Management Personnel

- Mr. S. Ramadorai (Chief Executive Officer and Managing Director)
- Mr. S. Mahalingam (Chief Financial Officer and w.e.f. 06.09.2007 Executive Director)
- Mr. N. Chandrasekaran (Chief Operating Officer and Executive Director w.e.f. 06.09.2007)
- Mr. Phiroz Vandrevala (Executive Director w.e.f. 07.09.2007)
- Mr. S Padmanabhan (Executive Director w.e.f. 06.09.2007) \*

\* Ceased to be an Executive Director with effect from 06.02.2008

#### B. Transactions with Related Parties

Year ended March 31, 2008

(Rs. in crores)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates/ Joint Venture	Key Management Personnel	Total
Issue of 100,00,00,000 redeemable preference shares	100.00	-	-	-	-	100.00
	-	-	-	-	-	-
Issue of Bonus Shares	-	-	-	-	-	-
	38.92	-	0.01	-	0.01	38.94
Brand Equity Contribution	46.34	-	-	-	-	46.34
	37.57	-	-	-	-	37.57
Purchase of Fixed Assets	-	43.50	1.25	0.09	-	44.84
	-	64.51	3.63	0.47	-	68.61
Loans and advances	-	219.55	-	-	-	219.55
	-	87.06	-	-	-	87.06
Inter Corporate Deposit	-	-	20.00	-	-	20.00
	-	-	-	-	-	-
Purchase of Investment	-	4.93	-	-	-	4.93
	-	760.83	-	-	-	760.83
Revenues	1.23	9790.71	240.97	16.39	-	10049.30
	-	8067.17	195.37	41.94	-	8304.48
Interest Income	-	1.79	0.85	-	-	2.64
	-	8.04	-	-	-	8.04
Dividend Income	-	6.20	-	-	-	6.20
	-	3.87	-	-	-	3.87
Rent Income	-	0.31	-	-	-	0.31
	-	0.29	-	-	-	0.29
Other Income	-	-	0.02	-	-	0.02
	-	-	-	-	-	-
Purchase of goods, services, and facilities	0.13	504.26	47.59	6.14	-	558.12
	-	531.29	1.35	14.97	-	547.61

(Rs. in crores)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates/ Joint Venture	Key Management	Total
Rent Paid	0.39 0.32	37.05 33.70	1.33 1.23	0.03 0.06	- -	38.80 35.31
Provision for doubtful debts/advances	2.81 -	- 0.19	0.72 -	- -	- -	3.53 0.19
Bad debts written-off	- -	0.03 0.77	0.02 0.16	0.01 -	- -	0.06 0.93
Dividend Paid	965.80 755.09	- -	0.03 0.19	- -	0.23 0.18	966.06 755.46
Dividend on redeemable preference shares	0.09 -	- -	- -	- -	- -	0.09 -
Guarantees	- -	903.58 1878.12	- -	- -	- -	903.58 1878.12
Remuneration	- -	- -	- -	- -	9.01 3.96	9.01 3.96

 C. Balances with Related Parties

(Rs. in crores)

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates/ Joint Venture	Key Management Personnel	Total
<b>As at March 31, 2008</b>						
Debtors, Unbilled Revenue, Loans and Advances	5.33 0.96	2005.42 1409.37	61.59 74.59	- 11.56	- -	2072.34 1496.48
Sundry creditors, Advance billings and deferred revenues, Advances from Customers	52.38 29.08	482.63 392.60	10.88 5.35	0.05 6.69	- -	545.94 433.72
Guarantees	- -	2091.86 1933.30	- -	- -	- -	2091.86 1933.30

 D. Disclosure of Material Transactions with Related Parties

	2008 (Rs. in crores)	2007 (Rs. in crores)
<b><u>Purchase of Fixed Assets</u></b>		
CMC Limited	41.45	64.46
<b><u>Revenues</u></b>		
Tata America International Corporation	8480.28	7237.23
<b><u>Purchase of goods, services and facilities</u></b>		
CMC Limited	271.73	321.48
CMC Americas Inc.	118.18	103.02
<b><u>Debtors, Unbilled Revenue, Loans and Advances</u></b>		
Tata America International Corporation	848.03	657.24
Financial Network Services Pty Limited	222.48	185.83
<b><u>Guarantees' Outstanding</u></b>		
Diligenta Limited	2006.93	1852.62

	2008	2007
	(Rs. in crores)	(Rs. in crores)
<b>Sundry creditors, Advance billings and deferred revenues, Advances from Customers</b>		
Tata America International Corporation	226.22	126.29
CMC Limited	57.22	125.14
<b>Purchase of Investments</b>		
Tata Consultancy Services Netherlands B.V.	-	387.15
Diligenta Limited	-	332.18
Tata Consultancy Services (Africa) (Pty) Limited	4.92	-
<b>Loans given during the year</b>		
Financial Network Services Pty Limited	-	46.69
Tata Consultancy Services Asia Pacific Pte Limited	-	40.21
CMC Limited	28.93	-
TCS Iberoamerica S.A.	189.03	-
<b>Bad debts written-off</b>		
TCS Iberoamerica S.A.	-	0.77
Tata Teleservices Limited	-	0.16
Tata Internet Services Limited	0.02	0.01
CMC Limited	0.03	-
Conscripti (Pty) Limited	0.01	-
<b>Guarantees given during the year</b>		
Diligenta Limited	874.31	1852.62
TCS Iberoamerica S.A.	12.25	4.41
TCS FNS Pty Limited	16.46	-
<b>Remuneration to Key Management Personnel</b>		
S. Ramadorai	3.37	2.94
S. Mahalingam	2.31	1.02
N. Chandrasekaran	1.41	-
Phiroz Vandrevala	1.00	-
S. Padmanabhan	0.92	-

13) **Managerial Remuneration**

	2008	2007
	(Rs. in crores)	(Rs. in crores)
1. Managing Director and other Whole-time Directors *		
(a) Salaries (including Company contribution to Provident and Superannuation funds)	1.26	0.74
(b) Commission	5.60	1.60
(c) Estimated value of perquisites and allowances	1.16	0.60
	8.02	2.94
2. Non Whole-time Directors		
(a) Commission	3.00	2.40
(b) Sitting fees	0.06	0.07
	3.06	2.47
<b>Total Remuneration</b>	<b>11.08</b>	<b>5.41</b>

Note:

The above figures do not include provisions for encashable leave and gratuity premiums paid for the Group Health Insurance as separate actuarial valuations are not available for the Whole-time Directors.

\* includes remuneration paid to Whole-time Directors appointed during the financial year ended March 31, 2008.



## 3. Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956.

	<b>2008</b>	<b>2007</b>
	<b>(Rs. in crores)</b>	<b>(Rs. in crores)</b>
Profit before taxes and exceptional items	<b>5003.86</b>	<b>4170.68</b>
Add:		
(a) Managerial Remuneration	<b>11.08</b>	<b>5.41</b>
(b) Loss on sale of long-term investment	<b>5.14</b>	<b>-</b>
(c) Provision for bad and doubtful debts and advances	<b>19.10</b>	<b>1.74</b>
	<b>35.32</b>	<b>7.15</b>
Less:		
(a) Profit on redemption of mutual funds	<b>13.49</b>	<b>7.98</b>
(b) Profit on sale of long-term investment	<b>-</b>	<b>66.28</b>
(c) Capital profits on sale of fixed assets	<b>0.45</b>	<b>0.14</b>
	<b>13.94</b>	<b>74.40</b>
Net Profit as per Section 309 (5) of the Companies Act, 1956	<b>5025.24</b>	<b>4103.43</b>
Commission:		
(a) Whole-time Directors	<b>5.60</b>	<b>1.60</b>
(b) Non Whole-time Directors	<b>3.00</b>	<b>2.40</b>
Note:		
The remuneration payable to the Whole-time directors is subject to approval of the shareholders.		

 14) **Auditors' remuneration**

	<b>2008</b>	<b>2007</b>
	<b>(Rs. in crores)</b>	<b>(Rs. in crores)</b>
For services as Auditors, including quarterly audits	<b>1.60</b>	<b>1.20</b>
For Tax Audit	<b>0.25</b>	<b>0.25</b>
For Other services	<b>0.57</b>	<b>0.28</b>
Reimbursement of out-of-pocket expenses	<b>0.05</b>	<b>0.10</b>
For service tax *	<b>0.30</b>	<b>0.22</b>

The remuneration disclosed above excludes fees of Rs. 2.84 crores (*Previous year: Rs. 1.50 crores*) for attest and other professional services rendered by a firm of accountants in which some partners of the firm of statutory auditors are partners.

\* Service tax credit has been availed.

- 15) Current tax is net of the effect of write-back of provisions and refunds received in domestic and certain overseas jurisdictions relating to earlier years, of Rs. 37.52 crores (*Previous year: Rs. 2.59 crores*).

 16) **Contingent Liabilities**

	<b>As at March 31, 2008</b>	<b>As at March 31, 2007</b>
	<b>(Rs. in crores)</b>	<b>(Rs. in crores)</b>
Claims against the Company not acknowledged as debt (See note (i) below)	<b>130.85</b>	<b>320.21</b>
Guarantees given by the Company on behalf of subsidiaries (See note (ii) below)	<b>2091.86</b>	<b>1933.30</b>

Claims against the Company not acknowledged as debt includes:

- i) Rs. 93.37 crores (*March 31, 2007: Rs. 86.26 crores*) in respect of claims made by lessors for properties leased under tenancy agreements. These claims are being contested in the courts by the Company. The management does not expect these claims to succeed. An amount of Rs. 11.83 crores (*March 31, 2007: Rs. 11.00 crores*) has been accrued under other liabilities.
- ii) The Company has provided guarantees aggregating to Rs. 2006.93 crores (GBP 252.50 million) (*March 31, 2007: Rs. 1852.62 crores*) (GBP 217.50 million) to third parties on behalf of its subsidiary Diligenta Limited.

17) **Commitments**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 503.40 crores (*March 31, 2007: Rs. 749.74 crores*).
- ii) Pearl Group Services Limited ("Pearl") has an equity holding of 24 percent in Diligenta Limited. Under the shareholders agreement dated March 23, 2006, the Company has a call option to purchase all the shares held by Pearl at fixed price of Rs. 240.35 crores (GBP 30.24 million) at the end of fourth year and Pearl has a put option to sell the shares to the Company at the same price at the end of the fifth year.
- iii) The Company has undertaken to provide continued financial support to its subsidiary APOne Limited and MP Online Limited.

18) **Micro, Small and Medium Enterprises**

(Rs. in crores)

**Particulars**

For the year ended March 31, 2008	
Principal	Interest
3.44	0.07
23.50	-
-	0.17

For the year ended  
March 31, 2007

Principal	Interest
1.40	-
2.83	-
-	-

19) **Income in Foreign Currency**

- (a) FOB value of exports
- (b) Consultancy Services
- (c) Sale of Equipment and Software Licences
- (d) Interest Income
- (e) Other Income

2008
(Rs. in crores)
48.95
16596.68
111.30
16.79
2.76

2007

(Rs. in crores)

26.05  
13676.58  
64.53  
4.49  
13.43

20) **Expenditure in Foreign Currency**  
(subject to deduction of tax where applicable)

- (a) Royalty
- (b) Professional Fees
- (c) Interest
- (d) Business Associate Expenses
- (e) Communication Expenses
- (f) Foreign Taxes
- (g) Overseas Business Expenses
- (h) Overseas Employee Costs
- (i) Travelling and Conveyance
- (j) Software Expenses
- (k) Others

2008
(Rs. in crores)
2.29
67.85
2.98
465.94
107.88
393.96
3555.94
971.45
82.63
319.26
451.78

2007

(Rs. in crores)

0.25  
62.54  
2.96  
555.68  
89.41  
272.41  
1284.26  
3183.54  
67.56  
270.04  
374.30

**21) Value of Imports calculated on C.I.F. basis**

	<b>2008</b>	<b>2007</b>
	<b>(Rs. in crores)</b>	<b>(Rs. in crores)</b>
Raw materials, sub-assemblies and components	<b>41.19</b>	14.96
Capital goods	<b>231.55</b>	352.99
Stores and spare parts	<b>0.07</b>	-

**22) Licensed and installed capacities and production**

(Installed capacity certified by the management and accepted by the auditors without verification, this being a technical matter)

	<b>Installed Capacity (units)</b>	<b>Actual Production (units)</b>
Document Processing Systems	<b>2000</b>	442
Licensed capacity for document processing systems is not applicable.		

**23) Information in regard to finished goods**

<b>Particulars</b>	<b>Opening Stock</b>		<b>Purchase</b>		<b>Turnover</b>		<b>Closing Stock</b>	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
		(Rs. in crores)		(Rs. in crores)		(Rs. in crores)		(Rs. in crores)
Mini / micro processors based systems	-	-	-	-	-	-	-	-
	12	2.25	-	-	12	2.25	-	-
Document processing systems	<b>108</b>	<b>1.06</b>	-	-	<b>458</b>	<b>12.65</b>	<b>92</b>	<b>0.47</b>
	127	0.62	-	-	603	14.39	108	1.06
Others (including software license)	-	-	-	-	-	<b>830.69</b>	-	-
	-	-	-	-	-	515.38	-	-
		<b>1.06</b>		-		<b>843.34</b>		<b>0.47</b>
		2.87		-		532.02		1.06

**24) Value of imported and indigenous raw materials, sub-assemblies and components, stores and spare parts consumed**

	<b>Raw materials, sub-assemblies and components</b>		<b>Stores and Spare Parts</b>	
	(Rs. in crores)	%	(Rs. in crores)	%
Imported	<b>36.30</b>	<b>80.42</b>	<b>0.07</b>	<b>72.72</b>
	15.22	70.80	0.01	0.02
Indigenous	<b>8.84</b>	<b>19.58</b>	<b>0.03</b>	<b>27.28</b>
	6.28	29.20	0.51	99.98
<b>Total</b>	<b>45.14</b>	<b>100.00</b>	<b>0.10</b>	<b>100.00</b>
	21.50	100.00	0.52	100.00

Note:

Consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

## 25) Remittance in foreign currencies for dividends

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year 2006-2007 and interim dividends for the year 2007-2008, are as under:

	Number of Non-Resident Shareholders	Number of Equity Shares Held	Gross Amount of dividend	
			(Rs. in crores)	
			<b>2008</b>	2007
Final dividend for 2005-2006 declared in June 2006	6,147	3,13,18,876	-	14.09
Interim dividend declared in July 2006	6,330	3,06,05,709	-	9.18
Interim dividend declared in October 2006	6,717	5,91,23,144	-	17.74
Interim dividend declared in January 2007	7,067	6,85,47,742	-	20.56
Final dividend for 2006-2007 declared in June 2007	7,768	8,04,32,379	<b>32.17</b>	-
Interim dividend declared in July 2007	7,833	8,18,07,102	<b>24.54</b>	-
Interim dividend declared in October 2007	7,823	8,67,04,469	<b>26.01</b>	-
Interim dividend declared in January 2008	8,027	10,48,97,650	<b>31.47</b>	-

## 26) Derivative Financial Instruments

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

The Company has following outstanding derivative instruments as on March 31, 2008:

- (i) The following are outstanding Foreign Exchange Forward contracts, which have been designated as Cash Flow Hedges, as on:

Foreign Currency	March 31, 2008			March 31, 2007		
	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (Rs. in crores)	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (Rs. in crores)
	Gain / (Loss)			Gain / (Loss)		
U.S.Dollar	14	290.00	(25.21)	-	-	-
Sterling Pound	3	15.00	(3.91)	5	21.0	(0.32)
Euro	3	19.00	(11.78)	3	15.0	(0.35)

- (ii) The following are outstanding Currency Option contracts, which have been designated as Cash Flow Hedges, as on:

Foreign Currency	March 31, 2008			March 31, 2007		
	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (Rs. in crores)	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (Rs. in crores)
	Gain / (Loss)			Gain / (Loss)		
U.S.Dollar	67	3871.50	(88.70)	27	830.0	32.71
Sterling Pound	7	55.65	(2.23)	5	47.5	(1.93)
Euro	12	99.25	(38.75)	11	76.5	(0.60)

Net loss on derivative instruments of Rs. 21.83 crores recognised in Hedging Reserve as of March 31, 2008, is expected to be reclassified to the profit and loss account by March 31, 2009.

The movement in Hedging Reserve during the year ended March 31, 2008, for derivatives designated as Cash Flow Hedges is as follows:

	Year ended March 31, 2008	Year ended March 31, 2007
	(Rs. in crores)	(Rs. in crores)
Balance at the beginning of the year	73.71	(4.42)
Gains / (losses) transferred to income statement on occurrence of forecasted hedge transaction	(64.91)	4.42
Changes in the fair value of effective portion of outstanding cash flow derivatives	(174.78)	29.64
Net derivative gain / (losses) related to a discontinued cash flow hedge	150.83	44.07
Balance at the end of the year	(15.15)	73.71

In addition to the above cash flow hedges, the Company has outstanding foreign exchange forward contracts and currency option contracts aggregating Rs. 2141.23 crores (*March 31, 2007: Rs. 2062.61 crores*) whose fair value showed a loss of Rs. 4.46 crores as on March 31, 2008 (*March 31, 2007: gain of Rs. 6.76 crores*), to hedge the future cash flows. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting and accordingly these are accounted as derivatives instruments at fair value with changes in fair value recorded in the profit and loss account.

Exchange gain of Rs. 283.76 crores (*March 31, 2007: Rs. 45.13 crores*) on foreign exchange forward contracts and currency option contracts have been recognized in the year ended March 31, 2008.

27) **Disclosure required by Clause 32 of the Listing Agreement**

Amount of loans and advances in nature of loans outstanding from subsidiaries for the year ended March 31, 2008:

Subsidiary Company	Outstanding as at March 31, 2008	Maximum Amount outstanding during the year
	(Rs. in crores)	(Rs. in crores)
MP Online Limited	<b>1.70</b> <i>(0.15)</i>	<b>1.70</b> <i>(1.00)</i>
Tata Consultancy Services Asia Pacific Pte Limited*	<b>37.10</b> <i>(40.21)</i>	<b>40.21</b> <i>(46.15)</i>
Tata Consultancy Services Sverige AB	- <i>(7.83)</i>	<b>8.45</b> <i>(20.95)</i>
TCS FNS Pty Limited**	<b>185.16</b> <i>(173.98)</i>	<b>189.76</b> <i>(173.98)</i>
TCS Iberoamerica S.A.***	<b>186.89</b> -	<b>186.89</b> -
CMC Limited****	<b>28.93</b> -	<b>28.93</b> -
Tata Consultancy Services Morocco SARL AU	<b>4.15</b> -	<b>4.15</b> -

**No. of Shares**

\* Tata Consultancy Services Asia Pacific Pte Limited has made the following investments in its subsidiaries:

(a) Tata Consultancy Services Malaysia Sdn Bhd	20,00,000
(b) Tata Consultancy Services Japan Limited	1,200
(c) Tata Consultancy Services (China) Co. Ltd.	7,27,97,760
(d) PT Tata Consultancy Services Indonesia	99
(e) Tata Information Technology (Shanghai) Company Limited	50,00,000

\*\* TCS FNS Pty Limited has made the following investments in its subsidiaries:

(a) TCS Financial Solutions Australia Holdings Pty Limited (formerly Financial Network Services (Holdings) Pty Limited)	65,58,424
(b) TCS Management Pty Ltd.	3,12,328

\*\*\* TCS Iberoamerica S.A. has made the following investments in its subsidiaries:

(a) TCS Solution Centre S.A. Uruguay	50,00,000
(b) TCS Argentina S.A.	6,70,757
(c) Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda	53,99,999
(d) Tata Consultancy Services De Mexico S.A. De C.V.	49,500
(e) Tata Consultancy Services De Espana S.A.	59,598
(f) TCS Inversiones Chile Limitada	3,10,10,000

\*\*\*\* CMC Limited has made the following investments in its subsidiaries:

(a) CMC Americas Inc.	16,00,01,000
-----------------------	--------------

(28) Previous year's figures have been recast/restated wherever necessary.

(29) Previous year's figures are in italics.

## Balance Sheet Abstract and Company's General Business Profile

### I) Registration Details

Registration No.	84781	State Code	11
Balance Sheet Date	31st March, 2008		

### II) Capital Raised during the year (Amount Rs. in Thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement *
Nil	1000000

\* 100,00,00,000 Redeemable Preference Shares of face value of Re. 1 each were allotted on March 29, 2008.

### III) Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

	Total Liabilities	Total Assets
	111444411	111444411
<b>Sources of Funds</b>	Paid-up Capital	Reserves and Surplus
	1978610	108069371
	Secured Loans	Unsecured Loans
	92727	89820
	Other Liabilities	
	1213882	
<b>Application of Funds</b>	Net Fixed Assets	Investment
	28302692	45093300
	Net Current Assets	Other Assets
	37379585	668834

### IV) Performance of the Company (Amount Rs. in Thousands)

Income	Total Expenditure
189796607	139758027
Profit / (Loss) Before Tax	Profit / (Loss) After Tax
50038581	45087594
Earnings per Share in Rs. (Weighted Average)	Dividend Rate % #
46.07	1400%

# includes interim dividend of Rs. 9 per share paid during the year.

### V) Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	85249009
Product Description	Computer Software



## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF TATA CONSULTANCY SERVICES LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA CONSULTANCY SERVICES LIMITED** ('the Company'), and its subsidiaries (collectively referred as 'the TCS Group') as at March 31, 2008 and the Consolidated Profit and Loss account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets (net) of Rs. 3591.04 crores as at March 31, 2008, total revenues of Rs. 13941.59 crores and net cash outflows amounting to Rs. 143.05 crores for the year ended on that date. These financial statements and other financial information has been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. The financial statements which reflect total assets (net) of Rs. 53.16 crores as at March 31, 2008, total revenues of Rs. 6.18 crores and net cash inflow of Rs. 3.97 crores for the year ended March 31, 2008 have not been audited.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the TCS Group as at March 31, 2008;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. B. BILLIMORIA & CO.**  
Chartered Accountants

**N. VENKATRAM**  
Partner  
Membership No. 71387

Mumbai, April 21, 2008

## Consolidated Balance Sheet as at March 31, 2008

	Schedule	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SOURCES OF FUNDS:</b>			
1 SHAREHOLDERS' FUNDS			
(a) Share Capital	A	197.86	97.86
(b) Reserves and Surplus	B	12102.26	8752.24
		<b>12300.12</b>	<b>8850.10</b>
2 MINORITY INTEREST		212.73	211.80
3 LOAN FUNDS			
(a) Secured Loans	C	18.07	63.09
(b) Unsecured Loans	D	436.95	443.66
		455.02	506.75
4 DEFERRED TAX LIABILITIES (NET)	E	140.22	71.70
5 TOTAL FUNDS EMPLOYED		<b>13108.09</b>	<b>9640.35</b>
<b>APPLICATION OF FUNDS:</b>			
6 FIXED ASSETS	F		
(a) Gross Block		4291.80	3197.71
(b) Less :- Accumulated Depreciation		1622.20	1079.16
(c) Net Block		2669.60	2118.55
(d) Capital Work-in-Progress		906.87	793.04
		3576.47	2911.59
7 GOODWILL (ON CONSOLIDATION)		1264.95	1068.34
8 INVESTMENTS	G	2606.16	1256.87
9 DEFERRED TAX ASSETS (NET)	E	107.19	72.44
10 CURRENT ASSETS, LOANS AND ADVANCES			
(a) Interest Accrued on Investments		1.07	0.51
(b) Inventories	H	42.43	41.60
(c) Unbilled Revenues		1352.50	783.50
(d) Sundry Debtors	I	5378.07	4297.93
(e) Cash and Bank Balances	J	1223.40	1396.45
(f) Loans and Advances	K	2033.03	1306.57
		10030.50	7826.56
11 CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	L	3190.57	2471.79
(b) Provisions	M	1286.61	1023.66
		4477.18	3495.45
12 NET CURRENT ASSETS [(10) less (11)]		5553.32	4331.11
13 TOTAL ASSETS (NET)		<b>13108.09</b>	<b>9640.35</b>
14 NOTES TO ACCOUNTS	Q		

As per our report attached

For and on behalf of the Board

For **S.B. BILLIMORIA & CO.**  
Chartered Accountants

**Ratan N. Tata**  
Chairman

**N. Venkatram**  
Partner

**S. Ramadorai**  
CEO and Managing Director

**S. Mahalingam**  
Chief Financial Officer  
and Executive Director

**N. Chandrasekaran**  
Chief Operating Officer  
and Executive Director

**Phiroz Vandrevalla**  
Head Global Corporate Affairs  
and Executive Director

**Aman Mehta**  
Director

**Naresh Chandra**  
Director

**Suprakash Mukhopadhyay**  
Company Secretary

**Laura M. Cha**  
Director

**Dr. Ron Sommer**  
Director

Mumbai, April 21, 2008

Mumbai, April 21, 2008

## Consolidated Profit and Loss Account for the year ended March 31, 2008

	Schedule	2008 Rs. in crores	2007 Rs. in crores
<b>INCOME</b>			
1	Information technology and consultancy services	21681.30	17806.60
2	Sale of equipment and software licences	1182.09	878.61
3	Other income (net) N	486.06	229.05
		<b>23349.45</b>	<b>18914.26</b>
<b>EXPENDITURE</b>			
4	Employee costs O	7854.60	8002.85
5	Operation and other expenses P	9055.18	5543.51
		<b>16909.78</b>	<b>13546.36</b>
<b>PROFIT BEFORE INTEREST, DEPRECIATION AND TAXES</b>			
		<b>6439.67</b>	<b>5367.90</b>
6	Interest	30.01	9.45
7	Depreciation F	563.71	440.17
		<b>5845.95</b>	<b>4918.28</b>
<b>PROFIT BEFORE TAXES</b>			
8	PROVISION FOR TAXES		
	(a) Current tax	1090.59	654.02
	(b) Deferred tax expense / (benefit)	21.10	(9.92)
	(c) Fringe benefit tax	26.20	19.86
	(d) MAT credit entitlement	(351.58)	-
<b>PROFIT FOR THE YEAR BEFORE MINORITY INTEREST AND SHARE OF PROFIT OF ASSOCIATES</b>			
		<b>5059.64</b>	<b>4254.32</b>
9	Minority interest	34.42	42.77
10	Share of profit of associates	(0.80)	(1.08)
		<b>5026.02</b>	<b>4212.63</b>
<b>NET PROFIT FOR THE YEAR</b>			
11	Balance brought forward from previous year	5721.12	3190.57
12	Adjustment for change in accounting policy in a subsidiary	-	(4.02)
		<b>10747.14</b>	<b>7399.18</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>			
13	<b>APPROPRIATIONS</b>		
	(a) Interim dividend on equity shares	880.74	733.95
	(b) Proposed final dividend on equity shares	489.31	391.44
	(c) Dividend on redeemable preference shares	0.08	-
	(d) Tax on dividend	234.29	170.53
	(e) General Reserve	454.51	382.14
	(f) Balance carried to Balance Sheet	8688.21	5721.12
		<b>10747.14</b>	<b>7399.18</b>
14	<b>Earnings per share - Basic and diluted (Rs.)</b>	<b>51.36</b>	<b>43.05</b>
	Weighted average number of shares	<b>97,86,10,498</b>	<b>97,86,10,498</b>
15	NOTES TO ACCOUNTS Q		

As per our report attached

For **S.B. BILLIMORIA & CO.**  
Chartered Accountants

**N. Venkatram**  
Partner

**S. Ramadorai**  
CEO and Managing Director

**Phiroz Vandrevalla**  
Head Global Corporate Affairs  
and Executive Director

**Suprakash Mukhopadhyay**  
Company Secretary

For and on behalf of the Board

**Ratan N. Tata**  
Chairman

**S. Mahalingam**  
Chief Financial Officer  
and Executive Director

**Aman Mehta**  
Director

**Laura M. Cha**  
Director

**N. Chandrasekaran**  
Chief Operating Officer  
and Executive Director

**Naresh Chandra**  
Director

**Dr. Ron Sommer**  
Director

Mumbai, April 21, 2008

Mumbai, April 21, 2008

## Statement of Consolidated Cash Flows for the year ended March 31, 2008

	2008 Rs. in crores	2007 Rs. in crores
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxes	5845.95	4918.28
Adjustments for:		
Depreciation	563.71	440.17
Provision for doubtful debts and advances	30.70	12.13
Interest expense	30.01	9.45
Loss on sale of fixed assets (net)	1.45	0.69
Dividend income	(107.98)	(38.22)
Profit on sale of Joint Venture	-	(66.90)
Profit on sale of Subsidiary and associate (net)	(3.54)	-
Loss on sale of Investments	0.19	0.17
Profit on sale of mutual funds and other current investments (net)	(15.89)	(10.07)
Interest income	(56.99)	(21.71)
Exchange difference arising on consolidation	(69.00)	(39.41)
Exchange difference on translation of foreign currency cash and cash equivalents	20.11	7.34
Unrealised exchange loss / (gain)	11.23	(36.48)
<b>Operating Profit before working capital changes</b>	<b>6249.95</b>	<b>5175.44</b>
Inventories	(0.83)	39.04
Unbilled revenues	(569.00)	(304.35)
Sundry debtors	(1103.12)	(966.96)
Loans and advances	(137.78)	(286.79)
Current liabilities and provisions	557.70	465.34
<b>Cash generated from operations</b>	<b>4996.92</b>	<b>4121.72</b>
Taxes paid	(1090.14)	(649.85)
<b>Net cash provided by operating activities</b>	<b>3906.78</b>	<b>3471.87</b>
<b>2 CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1270.98)	(1248.59)
Proceeds from sale of fixed assets	9.03	7.26
Purchase of other investments (net of mutual funds dividend reinvested) (net)	(1247.18)	(495.68)
Proceeds from sale of Investments in Associate	3.83	-
Advance against investment in mutual funds	(0.60)	(2.00)
Acquisition of subsidiaries, net of cash acquired of Rs. 0.02 crore (March 31, 2007: Rs. 207.33 crores) (including additional consideration)	(156.84)	(180.41)
Sale of subsidiaries, net of cash of Rs. 0.09 crores	1.94	-
Sale of interest in joint venture, net of cash of Rs. 4.56 crores	-	72.42
Inter-corporate deposits (net)	(20.00)	8.00
Dividends received	20.40	4.24
Interest received	41.71	21.12
<b>Net cash used in investing activities</b>	<b>(2618.69)</b>	<b>(1813.64)</b>
<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of redeemable preference shares (net of issue expenses)	98.58	-
Borrowings (net)	(21.25)	392.54
Dividend paid, including dividend tax	(1489.62)	(1088.16)
Dividend paid to minority shareholders of a subsidiary	(5.90)	(3.68)
Proceeds from Issue of Shares to minority	3.28	21.13
Interest paid	(26.12)	(8.65)
<b>Net cash used in financing activities</b>	<b>(1441.03)</b>	<b>(686.82)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(152.94)</b>	<b>971.41</b>
Cash and cash equivalents at beginning of the year	1396.45	432.38
Exchange difference on translation of foreign currency cash and cash equivalents	(20.11)	(7.34)
<b>Cash and cash equivalents at end of the year</b>	<b>1223.40</b>	<b>1396.45</b>

Notes: 1 Cash and Cash equivalents as on March 31, 2008 includes equity share application money of Rs. 0.05 crore (March 31, 2007: Rs. 0.05 crore) and restricted cash of Rs. 3.76 crores (March 31, 2007: Rs. 2.98 crores).

2 Effective October 1, 2007, the Company sold its interest in Pentacrom S.A. and Pentacrom Servicios S.A. for a total consideration of Rs. 5.98 crores (USD 1.50 million), receivable in three installments of one-third of the price each.

As per our report attached

For and on behalf of the Board

For **S.B. BILLIMORIA & CO.**  
Chartered Accountants

**Ratan N. Tata**  
Chairman

**N. Venkatram**  
Partner

**S. Ramadorai**  
CEO and Managing Director

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Chief Financial Officer  
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Company Secretary

**Laura M. Cha**  
Director

**Dr. Ron Sommer**  
Director

Mumbai, April 21, 2008

Mumbai, April 21, 2008

## Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>(a) Authorised</b>		
(i) 120,00,00,000 equity shares of Re.1 each (March 31, 2007 : 120,00,00,000 equity shares of Re.1 each)	<b>120.00</b>	120.00
(ii) 100,00,00,000 redeemable preference shares of Re.1 each (March 31, 2007 : Nil)	<b>100.00</b>	-
	<b>220.00</b>	120.00
<b>(b) Issued, Subscribed and Paid up</b>		
(i) 97,86,10,498 equity shares of Re.1 each (March 31, 2007 : 97,86,10,498 equity shares of Re.1 each)	<b>97.86</b>	97.86
(ii) 100,00,00,000 redeemable preference shares of Re.1 each (March 31, 2007 : Nil)	<b>100.00</b>	-
	<b>197.86</b>	97.86

**Notes:**

- 1 Equity Shares of Rs.10 each have been sub-divided into ten equity shares of Re. 1 each pursuant to the resolution passed by the shareholders at the Annual General Meeting on May 5, 2004.
- 2 The Company allotted 9,11,00,009 equity shares as fully paid up bonus shares by capitalisation of profits transferred from General Reserve, pursuant to a shareholders' resolution passed at the Annual General Meeting on May 5, 2004.
- 3 The Authorised Share Capital was increased to 120,00,00,000 equity shares of Re.1 each pursuant to a shareholders' resolution passed at the Annual General Meeting on June 29, 2006.
- 4 The Company allotted 48,93,05,249 equity shares as fully paid up bonus shares on July 31, 2006 by utilisation of Securities Premium Account.
- 5 91,90,440 equity shares of Re. 1 each, had been allotted in 2005-06 as fully paid up to the Shareholders of erstwhile Tata Infotech Limited pursuant to the Scheme of Amalgamation.
- 6 The Authorized Share Capital was increased to Rs. 220 crores by creation of 100,00,00,000 redeemable preference shares of face value of Re.1 each pursuant to a shareholders' resolution passed by postal ballot on March 17, 2008.
- 7 Effective March 28, 2008, the Issued, Subscribed and Paid up capital increased to Rs.197.86 crores by allotment of 100,00,00,000 redeemable preference shares of face value of Re.1 each. These shares would be redeemable at par at the end of six years from the date of allotment but may be redeemed at any time after 3 years from the date of allotment at the option of shareholder. These shares would carry 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 equity shares of the company and the average rate of dividend declared on the equity shares of the company for three years preceeding the year of issue of the redeemable preference shares.
- 8 73,41,04,023 equity shares (March 31, 2007 : 75,85,56,921 equity shares) and 100,00,00,000 redeemable preference shares (March 31, 2007 : Nil) are held by Tata Sons Limited, the holding company.

## Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
(a) Capital Reserve (on consolidation)	5.02	5.02
(b) Capital Redemption Reserve	0.40	0.40
(c) Securities Premium Account		
(i) Opening balance	2017.75	2066.68
(ii) Transferred to Share Capital Account consequent to issue of bonus shares	-	(48.93)
(iii) Share issue expenses	(1.42)	-
	2016.33	2017.75
(d) General Reserve		
(i) Opening balance	921.05	681.52
(ii) Adjustment for change in accounting policy (Refer note 5, page 183)	31.25	(142.61)
(iii) Transferred from Profit and Loss Account	454.51	382.14
	1406.81	921.05
(e) Balance in Profit and Loss Account	8688.21	5721.12
(f) Foreign currency translation reserve	0.64	13.19
(g) Hedging reserve account	(15.15)	73.71
	12102.26	8752.24

Note:

The Company allotted 48,93,05,249 equity shares as fully paid up bonus shares on July 31, 2006 by utilisation of Securities Premium Account.

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
<u>From Banks</u>		
(i) Short-term loans from bank	-	15.00
(ii) Overdrafts	9.27	44.52
<u>From Others</u>		
(i) Obligations under finance lease	8.80	3.57
	18.07	63.09

Notes:

- 1 Short-term loans and Bank overdrafts are secured by domestic book debts, hypothecation of inventories and other current assets.
- 2 Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

## Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
From Banks	422.29	434.70
From Others	14.66	8.96
	<u>436.95</u>	<u>443.66</u>

Note:

Loans repayable within one year Rs. 22.44 crores (March 31, 2007: Rs. 0.97 crore).

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'E'</b>		
<b>DEFERRED TAX BALANCES</b>		
(a) Deferred Tax Liabilities (Net)		
(i) Foreign branch profit tax	100.88	67.00
(ii) Depreciation	9.99	(1.63)
(iii) Others	29.35	6.33
	<u>140.22</u>	<u>71.70</u>
(b) Deferred Tax Assets (Net)		
(i) Foreign branch profit tax	3.08	-
(ii) Depreciation	10.62	(8.55)
(iii) Employee benefits	47.66	39.59
(iv) Provision for doubtful debts	17.73	14.41
(v) Others	28.10	26.99
	<u>107.19</u>	<u>72.44</u>



## Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'F'  
FIXED ASSETS

FIXED ASSETS												Rs. in crores
Description	Gross Block as at April 1, 2007	Additions #	Deletions/ Adjustments	Exchange Difference	Gross Block as at March 31, 2008	Accumulated Depreciation as at April 1, 2007	Depreciation for the year	Deletions/ Adjust-ments @	Exchange Difference	Accumulated Depreciation as at March 31, 2008	Net book value as at March 31, 2008	Net book value as at March 31, 2007
(a) TANGIBLE FIXED ASSETS												
FREEHOLD LANDS	209.65	64.85	(0.05)	-	274.45	-	-	-	-	-	274.45	209.65
LEASEHOLD LANDS	56.49	25.45	-	-	81.94	(5.59)	(1.37)	-	-	(6.96)	74.98	50.90
FREEHOLD BUILDINGS	649.69	244.12	-	0.02	893.83	(86.72)	(34.11)	-	(0.01)	(120.84)	772.99	562.97
LEASEHOLD BUILDINGS	31.11	64.20	(0.35)	(0.12)	94.84	(8.88)	(5.31)	0.49	0.09	(13.61)	81.23	22.23
LEASEHOLD IMPROVEMENTS	128.70	89.19	(0.14)	0.19	217.94	(54.34)	(45.25)	0.14	(0.10)	(99.55)	118.39	74.36
PLANT AND MACHINERY	11.06	0.68	-	-	11.74	(7.28)	(1.82)	-	-	(9.10)	2.64	3.78
COMPUTER EQUIPMENT	847.70	338.50	(11.62)	0.14	1174.72	(510.49)	(304.32)	10.50	(0.50)	(804.81)	369.91	337.21
MOTOR CARS	47.62	2.90	(12.41)	0.07	38.18	(23.54)	(6.25)	8.04	(0.06)	(21.81)	16.37	24.08
OFFICE EQUIPMENT	248.01	124.27	(2.39)	0.17	370.06	(81.38)	(33.40)	2.24	(0.28)	(112.82)	257.24	166.63
ELECTRICAL INSTALLATIONS	226.61	118.27	(4.45)	9.75	350.18	(123.85)	(26.41)	0.91	(8.39)	(157.74)	192.44	102.76
FURNITURE AND FIXTURES	164.78	84.57	(6.45)	2.29	245.19	(108.03)	(48.64)	4.47	(1.51)	(153.71)	91.48	56.75
(b) INTANGIBLE ASSETS												
GOODWILL ON ACQUISITION	279.51	-	-	(18.70)	260.81	(23.76)	(22.06)	-	1.92	(43.90)	216.91	255.75
ACQUIRED CONTRACT RIGHTS	215.37	-	-	(14.41)	200.96	(18.34)	(17.00)	-	1.48	(33.86)	167.10	197.03
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.71	-	-	-	12.71	(12.22)	(0.49)	-	-	(12.71)	-	0.49
SOFTWARE LICENCES	68.70	0.15	-	(4.60)	64.25	(14.74)	(17.28)	-	1.24	(30.78)	33.47	53.96
Total	3197.71	1157.15	(37.86)	(25.20)	4291.80	(1079.16)	(563.71)	26.79	(6.12)	(1622.20)	2669.60	2118.55
Previous year	1951.04	1250.40	(43.31)	39.58	3197.71	(661.91)	(440.17)	18.14	4.78	(1079.16)	2118.55	1289.13
Capital Work-in-Progress (including Capital Advances Rs. 243.81 crores (March 31, 2007: Rs.144.25 crores))												
Grand Total											906.87	793.04
											3576.47	2911.59

## Notes:

- Freehold buildings include Rs.2.67 crores (March 31, 2007: Rs. 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- Net book value of computer equipment of Rs. 5.20 crores (March 31, 2007 Rs. 3.78 crores) and fixtures and fittings of Rs. 4.44 crores (March 31, 2007 Rs. Nil) is under finance lease.
- # Includes fixed assets of Rs. Nil (March 31, 2007 Rs. 7.70 crores) on acquisition of subsidiaries during the year.
- @ Includes cumulative depreciation of Rs. Nil (March 31, 2007 Rs. 6.00 crores) on acquisition of subsidiaries during the year.
- Legal formalities relating to registration of certain assets are pending completion.
- In March 2006, the Company, through its subsidiary Diligenta Limited ("Diligenta") acquired, on a going concern basis certain businesses of Pearl Group Services Limited ("Pearl"). The acquisition included specified insurance contracts and claim administration business and assets including goodwill and acquired contract rights, which were transferred with effect from April 1, 2006.

## Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'G'</b>		
<b>LONG-TERM INVESTMENTS (at cost)</b>		
(i) <b>Fully Paid Equity Shares (Unquoted)</b>		
(a) <u>Associates</u>		
Conscripti (Pty) Limited (20% voting interest) (Refer note 3 (g), page 183)	-	4.00
Exegenix Research Inc.(49.9% voting interest)	0.93	0.30
Firstech Solutions Co. Ltd. (20% voting interest)	1.07	1.10
(b) <u>Other</u>		
Philippine Dealing System Holdings Corporation	3.61	3.91
Yodlee, Inc.	-	-
(ii) <b>Fully Paid Preference Shares (Unquoted)</b>		
Exegenix Research Inc. (Associate)	0.78	0.75
Rallis India Limited	3.50	3.50
Tata AutoComp Systems Limited	5.00	5.00
(iii) <b>Bonds and Debentures</b>		
(a) Investment in Bonds (Quoted)	43.14	29.26
(b) Investment in Debentures (Unquoted)	0.10	0.11
	<b>58.13</b>	<b>47.93</b>
<b>CURRENT INVESTMENTS</b>		
Investment in Mutual Funds (Unquoted)	<b>2548.03</b>	1208.94
	<b>2606.16</b>	<b>1256.87</b>
Notes:		
Market value of quoted investments	42.66	28.62
Book value of quoted investments	43.14	29.26
Book value of unquoted investments (net of provisions)	2563.02	1227.61
<b>Particulars of investment in associate company</b>		
	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
Name of associate company	<b>Exegenix Research Inc.</b>	
% of Voting interest	49.90%	49.90%
Cost of acquisition	-	-
Dividends received	-	-
	-	-
Share of post acquisition reserves and surplus *	0.93	0.30
Carrying value	0.93	0.30
* includes exchange translation loss of Rs. 0.01 crore (March 31, 2007: Rs. 0.02 crore)		
	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
Name of associate company	<b>Firstech Solutions Co. Ltd.</b>	
% of Voting interest	20%	20%
Cost of acquisition	1.20	1.20
Dividends received	-	-
	1.20	1.20
Share of post acquisition reserves and surplus *	(0.13)	(0.10)
Carrying value	1.07	1.10
* includes exchange translation loss of Rs. 0.10 crore (March 31, 2007: Rs. 0.02 crore)		

## Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'H'</b>		
<b>INVENTORIES</b>		
(a) Stores and spares	6.26	10.06
(b) Raw Materials, sub-assemblies and components	14.22	8.62
(c) Goods-in-transit	2.66	0.61
(d) Finished goods and Work-in-progress	19.29	22.31
	<u>42.43</u>	<u>41.60</u>
	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'I'</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
(a) Over six months		
(i) Considered good	784.86	365.77
(ii) Considered doubtful	101.80	96.50
(b) Others		
(i) Considered good	4591.84	3930.70
(ii) Considered doubtful	4.46	0.34
	<u>5482.96</u>	<u>4393.31</u>
Less: Provision for doubtful debts	<u>(106.26)</u>	<u>(96.84)</u>
	5376.70	4296.47
(c) Future finance lease receivables	3.23	4.07
Less: Unearned finance income	<u>(1.86)</u>	<u>(2.61)</u>
	1.37	1.46
	<u>5378.07</u>	<u>4297.93</u>
	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'J'</b>		
<b>CASH AND BANK BALANCES</b>		
(a) Cash on hand	8.00	11.38
(b) Remittances in transit	1.19	27.27
(c) Bank Balances		
(i) with Scheduled Banks		
(1) In current accounts (including cheques on hand of Rs. 48.31 crores (March 31, 2007: Rs. 43.98 crores))	81.55	231.01
(2) In cash credit accounts	12.12	7.59
(3) In deposit accounts	137.03	212.45
(ii) with Foreign Banks		
(1) In current accounts	623.93	556.03
(2) In deposit accounts	359.58	350.72
	<u>1223.40</u>	<u>1396.45</u>

## Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'K'</b>		
<b>LOANS AND ADVANCES (Unsecured)</b>		
(a) Considered good		
(i) Loans and advances to employees	235.87	201.48
(ii) Advances recoverable in cash or kind or for value to be received	1176.42	955.76
(iii) Advance tax (including refunds receivable)	269.16	149.33
(iv) MAT credit entitlement	351.58	-
	<b>2033.03</b>	1306.57
(b) Considered doubtful		
(i) Loans and advances to employees	13.16	6.83
(ii) Advances recoverable in cash or kind or for value to be received	5.30	3.43
	<b>18.46</b>	10.26
Less: Provision for doubtful loans and advances	<b>(18.46)</b>	(10.26)
	<b>2033.03</b>	1306.57
Notes :		
1 Advances recoverable in cash or kind or for value to be received include fair values of foreign exchange forward and currency option contracts	59.01	53.69
2 Advances recoverable in cash or kind or for value to be received include balances with Customs and Excise Authorities	0.33	0.37
3 Advances recoverable in cash or kind or for value to be received include Intercompany deposits	20.00	-
	<b>As at March 31, 2008 Rs. in crores</b>	<b>As at March 31, 2007 Rs. in crores</b>
<b>SCHEDULE 'L'</b>		
<b>CURRENT LIABILITIES</b>		
(a) Sundry creditors		
(i) Dues of micro, small and medium enterprises (Refer note 19, page 194)	3.79	1.40
(ii) Dues of other creditors	1884.15	1328.21
(b) Advances from customers	74.64	185.48
(c) Advance billings and deferred revenues	656.03	530.04
(d) Equity share application monies refundable	0.05	0.05
(e) Investor Education and Protection Fund - Unpaid dividends (not due)	3.68	2.81
(f) Other liabilities	563.75	423.04
(g) Interest accrued but not due	4.48	0.76
	<b>3190.57</b>	2471.79
Note:		
Other liabilities include fair values of foreign exchange forward and currency option contracts	<b>191.08</b>	17.29

### Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs. in crores	As at March 31, 2007 Rs. in crores
<b>SCHEDULE 'M'</b>		
<b>PROVISIONS</b>		
(a) Current income taxes	311.28	171.57
(b) Fringe benefit tax	8.44	1.68
(c) Contingencies (Refer note 8, page 186)	3.85	25.66
(d) Employee benefits	387.51	364.61
(e) Proposed dividend	489.31	391.44
(f) Tax on dividend	85.99	68.59
(g) Provision for warranties	0.23	0.11
	<b>1286.61</b>	<b>1023.66</b>

### Schedules forming part of the Consolidated Profit and Loss Account

	2008 Rs. in crores	2007 Rs. in crores
<b>SCHEDULE 'N'</b>		
<b>OTHER INCOME</b>		
(a) Interest (Tax deducted at source Rs. 0.56 crores (Previous year: Rs. 0.30 crores))	56.99	21.71
(b) Dividend Income	107.98	38.22
(c) Profit on sale of mutual funds and other current investments (net)	15.89	10.07
(d) Rent	1.71	2.43
(e) Profit on sale of Joint Venture	-	66.90
(f) Profit on sale of Subsidiary	3.54	-
(g) Exchange gains (net)	256.62	46.09
(h) Miscellaneous income	43.33	43.63
	<b>486.06</b>	<b>229.05</b>
Note:		
Dividend Income includes :		
Dividends from other long-term investments	0.79	0.61
Dividend from other investments	107.20	37.61

## Schedules forming part of the Consolidated Profit and Loss Account

	2008 Rs. in crores	2007 Rs. in crores
<b>SCHEDULE 'O'</b>		
<b>EMPLOYEE COSTS</b>		
(a) Salaries and Incentives	6848.35	7200.52
(b) Contribution to -		
(i) Provident Fund	202.51	107.62
(ii) Superannuation Scheme	70.22	57.62
(iii) Employees State Insurance Scheme	0.29	0.06
(c) Gratuity Cost	74.09	15.72
(d) Social security and other benefit plans (overseas employees)	131.95	229.74
(e) Staff welfare expenses	527.19	391.57
	<b>7854.60</b>	<b>8002.85</b>

	2008 Rs. in crores	2007 Rs. in crores
<b>SCHEDULE 'P'</b>		
<b>OPERATION AND OTHER EXPENSES</b>		
(a) Overseas business expenses	3994.86	1368.54
(b) Services rendered by business associates and others	850.49	845.61
(c) Software, hardware and material costs	1068.26	819.12
(d) Cost of software licenses	466.23	318.22
(e) Communication expenses	308.42	237.83
(f) Travelling and conveyance expenses	419.45	346.02
(g) Rent	423.85	300.77
(h) Legal and professional fees	198.33	196.03
(i) Repairs and maintenance	145.53	122.15
(j) Electricity expenses	158.22	115.86
(k) Bad debts and advances written-off	16.59	25.61
(l) Provision for doubtful debts	21.96	10.63
(m) Provision for doubtful advances	8.74	1.50
(n) Recruitment and training expenses	173.03	144.80
(o) Commission and brokerage	35.71	32.58
(p) Printing and stationery	47.17	37.29
(q) Insurance	45.79	49.60
(r) Rates and taxes	60.65	47.36
(s) Entertainment	17.92	15.06
(t) Loss on sale of investments	0.19	0.17
(u) Loss on sale of fixed assets (net)	1.45	0.69
(v) Other expenses	592.34	508.07
	<b>9055.18</b>	<b>5543.51</b>
Notes :		
1 Overseas business expenses includes:		
Travel expenses	274.10	225.87
Employee allowances	3556.44	998.54
2 Repairs and maintenance includes:		
Buildings	62.64	71.12
Office and computer equipment	74.31	45.89

**SCHEDULE 'Q' - NOTES TO ACCOUNTS****1) Significant Accounting Policies****a) Basis of Preparation**

The consolidated financial statements of Tata Consultancy Services Limited, its subsidiaries, associates and joint venture ("the Group") are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956.

Comparative figures do not include the figures of the newly acquired subsidiaries namely, GT Participacoes S.A., which effective July 01, 2007 merged with Tata Consultancy Services Do Brazil Ltda (formerly known as Tata Consultancy Services Do Brazil S.A.).

**b) Principles of consolidation**

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

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

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii) Interest in a jointly controlled entity is reported using proportionate consolidation.
- iii) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit of the associate company has been added to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iv) The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

**c) Use of estimates**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes, accounting for contract costs expected to be incurred to complete software development and the useful lives of fixed assets.

**d) Fixed Assets**

Fixed Assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Upto March 31, 2007, exchange differences on translation of foreign currency loans obtained to purchase fixed assets from countries outside India are included in the cost of such assets.

Fixed assets exclude computers and other assets individually costing Rs. 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.



e) Depreciation

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

Leasehold Land and Buildings	Straight-Line	Lease period
Freehold Buildings	Written down value	5%
Leasehold Improvements	Straight-Line	Lease period
Plant and Machinery	Straight-Line	33.33%
Computer Equipment	Straight-Line	16% - 50%
Motor Cars	Written down value	25% - 40%
Office Equipment	Written down value	13.91%
Electrical Installations	Written down value	13% - 15%
Furniture and Fixtures	Straight-Line	10% - 100%
Goodwill	Straight-Line	12 years
Acquired Contract Rights	Straight-Line	12 years
Intellectual Property / Distribution Rights	Straight-Line	24 - 36 months
Software Licenses	Straight-Line	License Period
	Straight-Line	20%

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

f) Leases

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

Assets leased by the Company in the capacity of the lessee, where the Company 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 created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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

g) Impairment

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

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in the subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

h) Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis.

i) Employee benefits (Refer note 5 and 6, page 183 and 184))i) Post-employment benefit plans

Contribution to defined contribution retirement benefit schemes are recognised as expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

iii) Long-term employee benefits

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 recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

j) Revenue recognition

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

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

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

Revenue from sale of software licences are recognised upon delivery where there is no customization required. In case of customization the same is recognised over the life of the contract using the proportionate completion method.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Revenues from Business Process Outsourcing (BPO) services are recognised on time and material, fixed price and unit priced contracts. Revenue on time and material, unit priced contracts is recognised as the related services are rendered. Revenue from fixed price contracts is recognised as per the proportionate completion method with contract cost determining the degree of completion.

Dividends are recorded when the right to receive payment is established. Interest income is recognised on time proportion basis.

k) Research and Development

Research and Development expenditure is recognised in the profit and loss account when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the depreciation rates set out in paragraph 1(e).

l) Taxation

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

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

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

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

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

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

m) Foreign currency transactions

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on forward exchange contracts and currency option contracts are amortized and recognised in the profit and loss account over the period of the contract. Forward exchange contracts and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the profit and loss account.

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

n) Derivative instruments and hedge accounting

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments : Recognition and Measurement" (AS - 30).

The use of hedging instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

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

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to profit and loss account for the period.

o) Employee Stock Purchase Scheme

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the excess of market price one day prior to the date of issue of the shares over the price at which they are issued is recognised as employee compensation cost.

p) Inventories

Raw materials, sub-assemblies and components are carried at lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods in transit are carried at cost. Work-in-progress is carried at lower of cost and net realisable value. Stores and spare parts are carried at cost, less provision for obsolescence. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

2) a) Particulars of subsidiaries and associates

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>Percentage of voting power as at March 31, 2008</b>	<b>Percentage of voting power as at March 31, 2007</b>
<b>Subsidiaries (held directly)</b>			
APOne Limited	India	<b>89.00</b>	89.00
C-Edge Technologies Limited (w.e.f. 19.01.2006)	India	<b>51.00</b>	51.00
CMC Limited	India	<b>51.12</b>	51.12
Diligenta Limited	UK	<b>76.00</b>	76.00
MP Online Limited (w.e.f. 08.09.2006)	India	<b>89.00</b>	89.00
Exegenix Canada Inc.	Canada	<b>100.00</b>	100.00
Tata America International Corporation	USA	<b>100.00</b>	100.00
Tata Consultancy Services Asia Pacific Pte Limited	Singapore	<b>100.00</b>	100.00
Tata Consultancy Services Belgium S.A.	Belgium	<b>100.00</b>	100.00
Tata Consultancy Services Deutschland GmbH	Germany	<b>100.00</b>	100.00
IT Consulting Company (formerly Tata Consultancy Services France SAS)	France	-	100.00
Tata Consultancy Services Netherlands B.V.	Netherlands	<b>100.00</b>	100.00
Tata Consultancy Services Sverige AB	Sweden	<b>100.00</b>	100.00
Tata Infotech (Singapore) Pte Limited	Singapore	<b>100.00</b>	100.00
Tata Infotech Deutschland GmbH	Germany	<b>100.00</b>	100.00
TCS FNS Pty Limited	Australia	<b>100.00</b>	100.00
TCS Iberoamerica S.A.	Uruguay	<b>100.00</b>	100.00
WTI Advanced Technology Limited	India	<b>100.00</b>	100.00
Tata Consultancy Services Morocco SARL AU (w.e.f. 21.06.2007)	Morocco	<b>100.00</b>	-
Tata Consultancy Services (Africa) (PTY) Ltd. (w.e.f. 23.10.2007)	South Africa	<b>60.00</b>	-

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2008	Percentage of voting power as at March 31, 2007
<b>Subsidiaries (held indirectly)</b>			
CMC Americas Inc.	USA	100.00	100.00
Swedish Indian IT Resources AB	Sweden	-	100.00
Financial Network Services (Beijing) Co. Ltd. (w.e.f. 29.12.2006)	China	100.00	100.00
Tata Information Technology (Shanghai) Company Limited	China	100.00	100.00
Tata Consultancy Services (China) Co., Ltd. (w.e.f. 16.11.2006)	China	72.22	72.22
TCS Solution Center S.A.	Uruguay	100.00	100.00
TCS Argentina S.A.	Argentina	99.00	99.00
Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda (formerly TCS Brazil S/C Limitada) **	Brazil	-	99.99
Tata Consultancy Services Do Brasil Ltda (formerly Tata Consultancy Services Do Brasil S.A.)	Brazil	100.00	51.00
Tata Consultancy Services De Mexico S.A. De C.V.	Mexico	100.00	100.00
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
TCS Italia SRL	Italy	100.00	100.00
Tata Consultancy Services Japan Limited	Japan	100.00	100.00
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
Financial Network Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00
Tata Consultancy Services Portugal Unipessoal Limitada	Portugal	100.00	100.00
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
TCS Inversiones Chile Limitada	Chile	99.99	99.99
Tata Consultancy Services BPO Chile S.A. *	Chile	100.00	100.00
Syscom S.A.	Chile	100.00	100.00
Pentacrom S.A. ***	Chile	-	100.00
Pentacrom Servicios S.A.***	Chile	-	100.00
Custodia De Documentos Interes Limitada	Chile	100.00	100.00
Tatasolution Center S.A. (w.e.f. 28.12.2006)	Ecuador	100.00	100.00
TCS Financial Solutions Australia Holdings Pty Limited (formerly Financial Network Services (Holdings) Pty Limited )	Australia	100.00	100.00
TCS Financial Solutions Australia Pty Limited (formerly Financial Network Services Pty Limited) (w.e.f. 19.10.2005)	Australia	100.00	100.00

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2008	Percentage of voting power as at March 31, 2007
TCS Management Pty Ltd. (w.e.f. 08.11.2006)	Australia	100.00	100.00
Financial Network Services (Europe) Plc (w.e.f. 19.10.2005)	UK	100.00	100.00
PT Financial Network Services (w.e.f. 19.10.2005)	Indonesia	100.00	100.00
PT Tata Consultancy Services Indonesia (w.e.f. 05.10.2006)	Indonesia	100.00	100.00
Financial Network Services (Africa) (Pty) Ltd. (w.e.f. 19.10.2005)	South Africa	100.00	100.00
Financial Network Services (H.K.) Limited (w.e.f. 19.10.2005)	Hong Kong	100.00	100.00
Tata Consultancy Services Switzerland Ltd. (formerly TKS - Teknosoft S.A.) (w.e.f. 31.10.2006) ****	Switzerland	100.00	100.00
TKS Services S.A. (w.e.f. 31.10.2006) ****	Switzerland	-	100.00
Quartz Software Technology S.A. (w.e.f. 31.10.2006) ****	Switzerland	-	100.00
Tata Consultancy Services Financial Solutions Limited (formerly TKS Banking Solutions S.A.) (w.e.f. 31.10.2006) ****	Switzerland	-	100.00
Tata Consultancy Services France SAS (formerly TKS Teknosoft (France) SAS) (w.e.f. 31.10.2006)	France	100.00	100.00
Tata Consultancy Services (South Africa) (PTY) Ltd. (w.e.f. 31.10.2007)	South Africa	100.00	-
TCS Financial Management LLC (w.e.f. 13.07.2007)	USA	100.00	-
<b>Associates</b>			
Conscripti (Pty) Ltd.	South Africa	-	20.00
Exegenix Research Inc.	Canada	49.90	49.90
Firstech Solution Co. Ltd.	Thailand	20.00	20.00

\* Sisteco S.A. amalgamated with Comicro S.A. with effect from November 30, 2006 and the amalgamated entity merged with Tata Consultancy Services Chile Limitada with effect from December 31, 2006. The new entity was renamed as Tata Consultancy Services BPO Chile S.A. with effect from December 31, 2006.

\*\* On May 25, 2007, the Company through its wholly owned subsidiary, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda, acquired 100% equity interest in a Brazil based Company, GT Participacoes S.A. Consequently, the Company's interest in Tata Consultancy Services Do Brasil S.A. has increased to 100%.

Effective July 1, 2007, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda and GT Participacoes S.A. have merged with Tata Consultancy Services Do Brasil Ltda (formerly known as Tata Consultancy Services Do Brasil S.A.).

\*\*\* On October 01, 2007 the Company through its wholly owned subsidiary, TCS Iberoamerica S.A., sold its shareholding interest in two of its subsidiaries Pentacrom S.A. and Pentacrom Servicios S.A. (PENTACROM) for Rs. 5.98 crores.

\*\*\*\* Effective April 1, 2007, TKS Services S.A., Quartz Software Technology S.A. and Tata Consultancy Services Financial Solutions Limited (formerly known as TKS Banking Solutions S.A.) have merged with Tata Consultancy Services Switzerland Limited (formerly known as TKS - Teknosoft S.A.).

- b) The contribution of the subsidiaries formed or acquired during the year is as under:

(Rs. in crores)

Name of the Subsidiary	Revenue (post acquisition)	Net Profit/(Loss) (post acquisition)	Net Assets
Tata Consultancy Services Morocco SARL AU	-	(1.46)	(1.56)
Tata Consultancy Services (Africa) (PTY) Ltd.	-	(0.12)	6.83
Tata Consultancy Services (South Africa) (PTY) Ltd	24.41	3.12	8.64
TCS Financial Management LLC	-	-	-
GT Participacoes S.A.	-	-	-

### 3) Acquisitions / Divestments

- Effective April 1, 2007, TKS Services S.A., Quartz Software Technology S.A. and Tata Consultancy Services Financial Solutions Limited (formerly known as TKS Banking Solutions S.A.) have merged with Tata Consultancy Services Switzerland Limited (formerly known as TKS - Teknosoft S.A.).
  - On May 25, 2007, the Company, through its wholly owned subsidiary, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda, acquired 100% equity interest in a Brazil based Company, GT Participacoes S.A. Consequently, the Company's interest in Tata Consultancy Services Do Brasil S.A. has increased to 100%.  
Effective July 1, 2007, Tata Consultancy Services Do Brasil Desenvolvimento De Servicos Ltda and GT Participacoes S.A. have merged with Tata Consultancy Services Do Brazil Ltda (formerly known as Tata Consultancy Services Do Brazil S.A.).
  - On June 21, 2007, the Company subscribed to 100% share capital of Tata Consultancy Services Morocco SARL AU, a Company formed for providing a range of computer enabled services in Morocco.
  - On July 13, 2007, the Company, through its wholly owned subsidiary, Tata America International Corporation, acquired 100% voting power in TCS Financial Management LLC.
  - On October 01, 2007, the Company, through its wholly owned subsidiary, TCS Iberoamerica S.A., sold its shareholding interest in two of its subsidiaries Pentacrom S.A. and Pentacrom Servicios S.A. (PENTACROM) for Rs. 5.98 crores.
  - On October 23, 2007, the Company subscribed to 60% of the share capital of Tata Consultancy Services (Africa) (Pty) Limited, a company formed for providing IT services and investing in companies in South Africa, which carry on the business of IT services. Tata Consultancy Services (Africa) (PTY) Limited holds 100% share capital of Tata Consultancy Services (South Africa) (PTY) Limited, which has been incorporated on October 31, 2007.
  - On January 24, 2008, the Company has sold its shareholding interest in its associate, Conscripti (Pty) Ltd., for Rs. 3.83 crores.
- 4) The Company has given undertakings to (a) Bank of China Co. Limited, not to transfer its controlling interest in Financial Network Services Pty Limited, (b) The Government of Madhya Pradesh not to divest its shareholding in MP Online Limited except to an affiliate, (c) State Bank of India not to sell, transfer or otherwise dispose off its share or any interest in C-Edge Technologies Limited. In addition the Company's wholly owned subsidiary Tata Consultancy Services Asia Pacific Pte Limited has given undertakings to (a) Thai Re-Insurance Public Co. Limited not to divest its shareholding in Firstech Solution Co. Ltd. for a period of three years from the date of agreement dated December 15, 2005, (b) Beijing Zhongguancun Software Park Development Co. Limited, Tianjin Huayuan Software Area Construction and Development Co. Limited and Uniware Co. Limited not to divest its shareholding in Tata Consultancy Services (China) Co., Limited.
- 5) The Company adopted the Accounting Standard 15 "Employee Benefits" (AS-15) effective from April 1, 2006. Consequent upon the change in accounting policy and in accordance with the transitional provisions of the Accounting Standard, an amount of Rs. 142.61 crores (net of deferred tax) was adjusted against the opening balance in the General Reserves.

Consequent to the Guidance on Implementing Accounting Standard 15 "Employee Benefits" (AS-15) which clarifies the applicability of the Accounting Standard, the Company has considered certain entitlements to earned leave which can be carried forward to future periods as a long-term employee benefit. The resultant reduction of Rs.31.25 crores (net of deferred tax) in the net liability in respect of employee benefit arising on April 1, 2006, the date of adoption has been adjusted to General Reserves.



**6) Retirement benefit plans**
**a) Defined contribution plans**

The Company and its subsidiaries make Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company and its subsidiaries are required to contribute a specified percentage of the payroll costs to fund the benefits. The Provident Fund scheme additionally requires the Company and its subsidiaries to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall has been provided for as at the Balance Sheet date.

The Company and its subsidiaries in India contributed to Rs.202.10 crores (*Previous year: Rs.107.62 crores*) for provident fund contributions and Rs.54.33 crores (*Previous year: Rs.27.16 crores*) for superannuation contributions in the profit and loss account. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

In addition foreign subsidiaries contributed Rs.16.30 crores (*Previous year: Rs.30.46 crores*) to defined contribution plans.

**b) Defined benefit plans**

In accordance with Indian law, the Company and its subsidiaries in India provide for gratuity, post retirement medical benefit and pension plan, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five 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 plans in accordance with the local laws.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

The following table set out the funded status of the retirement benefit plans and the amounts recognised in the financial statements:

**Retirement benefits**
**i) Change in benefit obligations:**

Projected benefit obligation, beginning of the Year  
(April 1, 2007)

	<b>Indian As at March 31, 2008 (Rs. in crores)</b>	<b>Foreign As at March 31, 2008 (Rs. in crores)</b>	<b>Consolidated As at March 31, 2008 (Rs. in crores)</b>
	<b>262.45</b>	<b>108.48</b>	<b>370.93</b>
	248.59	-	248.59
Service cost	<b>50.46</b>	<b>18.88</b>	<b>69.34</b>
	55.51	21.62	77.13
Interest cost	<b>23.89</b>	<b>3.81</b>	<b>27.70</b>
	19.72	1.60	21.32
Acquisitions	-	-	-
	-	86.89	86.89
Actuarial (gain) / loss	<b>24.14</b>	<b>(14.39)</b>	<b>9.75</b>
	(38.60)	(1.63)	(40.23)
Plan Participant's contributions	-	<b>6.38</b>	<b>6.38</b>
	-	-	-
Exchange loss	-	<b>10.49</b>	<b>10.49</b>
	-	-	-
Benefit paid	<b>(23.60)</b>	<b>(14.44)</b>	<b>(38.04)</b>
	(22.77)	-	(22.77)
<b>Projected benefit obligation, end of the year</b>	<b>337.34</b>	<b>119.21</b>	<b>456.55</b>
	262.45	108.48	370.93

## Retirement benefits

### ii) Change in plan assets:

Fair value of plan assets, beginning of the year  
(April 1, 2007)

Expected return on plan assets

Plan Participant's contributions

Employer's contributions

Acquisitions

Exchange gain

Benefit paid

Actuarial (gain) / loss

**Fair value of plan assets, end of the  
12 months period (March 31, 2008)**

Excess / (shortfall) of plan assets over obligation

### iii) (Accrued) / Prepaid benefit

### iv) Net gratuity and other cost for the year ended March 31, 2008

Service cost

Interest on Defined Benefit Obligation

Expected return on plan assets

Net Actuarial (gains) / losses recognised in the year

**Net gratuity and other cost**

Actual return on Plan Assets

Indian As at March 31, 2008 (Rs. in crores)	Foreign As at March 31, 2008 (Rs. in crores)	Consolidated As at March 31, 2008 (Rs. in crores)
244.17	100.87	345.04
224.69	-	224.69
20.44	5.56	26.00
18.48	1.97	20.45
-	6.38	6.38
-	-	-
21.56	21.94	43.50
21.02	22.69	43.71
-	-	-
-	77.84	77.84
-	9.26	9.26
-	-	-
(23.52)	(14.44)	(37.96)
(22.45)	-	(22.45)
3.91	(5.26)	(1.35)
2.43	(1.63)	0.80
266.56	124.31	390.87
244.17	100.87	345.04
(70.78)	5.10	(65.68)
(18.28)	(7.61)	(25.89)
(70.78)	5.10	(65.68)
(18.28)	(7.61)	(25.89)
50.46	18.88	69.34
55.51	21.62	77.13
23.89	3.81	27.70
19.72	1.60	21.32
(20.44)	(5.56)	(26.00)
(18.48)	(1.97)	(20.45)
20.18	(9.13)	11.05
(41.03)	-	(41.03)
74.09	8.00	82.09
15.72	21.25	36.97
24.35	0.30	24.65
20.91	0.34	21.25

**Retirement benefits**

	Indian As at March 31, 2008 (Rs. in crores)	Foreign As at March 31, 2008 (Rs. in crores)	Consolidated As at March 31, 2008 (Rs. in crores)
<b>v) Category of Assets as at March 31, 2008</b>			
Corporate Bonds	-	17.01	17.01
	-	9.04	9.04
Equity Shares	-	45.24	45.24
	-	-	-
Special Deposit Scheme	1.74	15.05	16.79
	-	-	-
Index linked gilt	-	18.93	18.93
	-	9.11	9.11
Insurer Managed Funds	264.32	-	264.32
	244.17	81.05	325.22
Cash and Bank Balances	-	8.12	8.12
	-	-	-
Funds	-	19.76	19.76
	-	-	-
Others	0.50	0.20	0.70
	-	1.67	1.67
<b>Total</b>	<b>266.56</b>	<b>124.31</b>	<b>390.87</b>
	244.17	100.87	345.04

**vi) Assumptions used in accounting for the gratuity plan:**

	Indian	Foreign
Discount rate	8.00 %	3.50% - 6.85%
	6.00% - 8.25%	3.00% - 5.35%
Salary escalation rate	4.00% - 6.00%	1.50% - 3.40%
	4.00% - 7.00%	1.50%
Expected rate of return on plan assets	8.00 %	4.50% - 5.69%
	6.00% - 8.00%	4.75%

- 7) Unbilled revenue as at March 31, 2008, amounting to Rs.1352.50 crores (March 31, 2007: Rs. 783.50 crores) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis
- 8) A provision of Rs. 3.82 crores (GBP 0.48 million) as at March 31, 2008, (March 31, 2007: Rs.25.25 crores (GBP 2.96 million)) has been made to recognise the Company's legal obligation to undertake dilapidations, that existed on the date of inception of the lease. This amount is recoverable from the lessor and a corresponding receivable has been recognised

9) **Finance Lease**

a) Company as lessor

Particulars	As at March 31, 2008	As at March 31, 2007
	(Rs. in crores)	(Rs. in crores)
a) Total gross investment	3.23	4.07
b) Present value of Minimum Lease Payments receivable	1.37	1.46
c) Total gross investment for the period	3.23	4.07
• Not later than one year	0.84	0.84
• Later than one year but not later than five years	2.39	3.23
• Later than five years	-	-
d) Present value of Minimum Lease Payments receivable	1.37	1.46
• Not later than one year	0.15	0.09
• Later than one year but not later than five years	1.22	1.37
• Later than five years	-	-
e) Unearned Finance Income	1.86	2.61

b) Company as lessee

Particulars	As at March 31, 2008	As at March 31, 2007
	(Rs. in crores)	(Rs. in crores)
Minimum Lease payments:		
Less than one year	3.61	1.05
One to five years	5.12	2.52
Later than five years	-	-
	<u>8.73</u>	<u>3.57</u>
Present Value of minimum lease payments:		
Less than one year	3.61	1.05
One to five years	4.26	2.28
Later than five years	-	-
	<u>7.87</u>	<u>3.33</u>

The finance lease arrangement is renewable at the option of the lessee.

10) **Obligation under non-cancellable operating lease**

Particulars	As at March 31, 2008	As at March 31, 2007
	(Rs. in crores)	(Rs. in crores)
Not later than one year	263.84	183.61
Later than one year but not later than five years	677.46	481.80
Later than five years	352.62	392.57
<b>Total</b>	<u>1293.92</u>	<u>1057.98</u>

The total charge to the profit and loss account for the year ended March 31, 2008, is Rs.237.86 crores (Previous year: Rs. 265.68 crores).

- 11) Research and development expenditure aggregating Rs.51.71 crores (Previous year: Rs. 40.89 crores) was incurred during the year.
- 12) Sale of Equipment is net of excise duty Rs. 2.83 crores (Previous year: Rs. 2.12 crores).

- 13) On implementation of the new pay model effective May 1, 2007, the salaries and overseas allowances of employees deputed to an overseas location were revised. As a result, overseas business expenses have increased for the year ended March 31, 2008, as compared to the corresponding year presented.

**14) Segment Reporting**

The Company has identified geographic segments as its primary segment and industry segments as its secondary segment.

Geographic segments of the Company are Americas, Europe, India and Others.

Secondary segments of the Company are Banking, Financial Services and Insurance (BFSI), which are considered as single segment, Manufacturing, Retail and Distribution, Telecom and Others. Others comprise Transportation, Life Sciences and Healthcare, Energy and Utilities, s-Governance, Media and Entertainment, Travel & Hospitality services and sale of products, etc.

Revenue and expense directly attributable to segments are reported under each reportable segment. Expenses incurred in India on behalf of other segments and not directly identifiable to each reportable segment have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets have not been allocated between segments as these are used interchangeably between segments.

**Year ended March 31, 2008**

Particulars	Geographic Segment				(Rs. in crores)
	Americas	Europe	India	Others	Total
Revenue	<b>12612.44</b>	<b>6627.62</b>	<b>2045.62</b>	<b>1577.71</b>	<b>22863.39</b>
	10514.81	5320.48	1681.99	1167.93	18685.21
Identified operating expenses	<b>6910.03</b>	<b>3848.65</b>	<b>1494.69</b>	<b>994.38</b>	<b>13247.75</b>
	5756.47	3278.50	1122.81	751.35	10909.13
Allocated expenses	<b>1710.14</b>	<b>760.02</b>	<b>221.17</b>	<b>209.90</b>	<b>2901.23</b>
	1243.02	471.54	167.19	172.99	2054.74
Segment result	<b>3992.27</b>	<b>2018.95</b>	<b>329.76</b>	<b>373.43</b>	<b>6714.41</b>
	3515.32	1570.44	391.99	243.59	5721.34
Unallocable expenses (net)					<b>1354.52</b>
					1031.94
Operating income					<b>5359.89</b>
					4689.40
Other income					<b>486.06</b>
					228.88
Profit before taxes					<b>5845.95</b>
					4918.28
Tax expense					<b>786.31</b>
					663.96

Particulars	Geographic Segment				(Rs. in crores)
	Americas	Europe	India	Others	Total
Net Profit before Minority Interest and share of profit of associate					<b>5059.64</b> 4254.32
Minority Interest					<b>34.42</b> (42.77)
Share of profit of associate					<b>0.80</b> 1.08
Net profit for the year					<b>5026.02</b> 4212.63
<b>As at March 31, 2008</b>					
Segment Assets	<b>3643.52</b> 2937.64	<b>2946.64</b> 2571.11	<b>1921.68</b> 1410.26	<b>1251.44</b> 933.84	<b>9763.28</b> 7852.85
Unallocable assets					<b>7821.99</b> 5282.95
Total Assets					<b>17585.27</b> 13135.80
Segment Liabilities	<b>1602.69</b> 1036.22	<b>865.14</b> 907.31	<b>593.89</b> 371.68	<b>358.36</b> 319.98	<b>3420.08</b> 2635.19
Unallocable Liabilities					<b>1652.34</b> 1438.71
Total Liabilities					<b>5072.42</b> 4073.90

### **Business Segment**

The following business segments individually contribute 10 percent or more of the Company's revenues and segment assets.

Industry Segment	Revenues for the year ended March 31, 2008	Segment Assets as at March 31, 2008
	(Rs. in crores)	(Rs. in crores)
Banking, Financial Services and Insurance	<b>10091.24</b> 8200.26	<b>2214.28</b> 2014.07
Manufacturing	<b>2245.41</b> 2375.89	<b>313.05</b> 498.31
Retail and Distribution	<b>1475.75</b> 1101.96	<b>475.66</b> 319.31
Telecom	<b>3691.21</b> 3006.17	<b>1374.64</b> 952.92

**15) Related Party Disclosures****A) Related Parties and their Relationship****I) Holding Company**

Tata Sons Limited

**II) Fellow Subsidiaries**

- Ewart Investment Limited
- Tata Capital Limited (formerly Primal Investment & Finance Limited)
- Concept Marketing and Advertising Limited
- Tata AIG General Insurance Company Limited
- Tata AIG Life Insurance Company Limited
- TCE Consulting Engineers Limited
- Tata Business Support Services Limited (formerly E2E Serwiz Solutions Limited)
- Tata Sky Limited (formerly Space TV Limited)
- THDC Limited
- Tata Teleservices Limited
- Tata Teleservices (Maharashtra) Limited
- Tata Internet Services Limited
- Tata Limited, London
- Tata International AG, ZUG
- Tata AG., ZUG
- Panatone Finvest Limited
- Tata Asset Management Limited
- Tata Petrodyne Limited
- Wireless-TT Infoservices Limited
- Infiniti Retail Limited (formerly Value Electronics Limited)
- Tata Asset Management (Mauritius) Private Limited
- Ewart Investment Private Limited (Mauritius)
- Tata Pension Management Limited
- Computational Research Laboratories Limited
- Tata Realty and Infrastructure Limited
- Tata Securities Limited (w.e.f. 30.07.2007)
- Tata Capital Markets Limited (w.e.f. 26.11.2007)
- E-NXT Financials Private Limited (w.e.f. 15.12.2007)
- Tata Investment Corporation Limited (w.e.f. 13.02.2008)
- TRIF Investments Management Limited (w.e.f. 03.08.2007)
- Tata Trustee Company Pvt. Limited (w.e.f. 13.02.2008)
- Ahinsa Realtors Private Limited (w.e.f. 18.03.2008)
- Navinya Buildcon Private Limited (w.e.f. 18.03.2008)
- Pioneer Infratech Private Limited (w.e.f. 28.05.2007)
- TRIF Gandhinagar Projects Private Limited (formerly RPVD Developers Private Limited (w.e.f. 18.03.2008)
- TRIF Hyderabad Projects Private Limited (formerly Poorvi Infrastructure Private Limited) (w.e.f. 18.03.2008)
- TRIF Infrastructure Private Limited (w.e.f. 18.03.2008)
- TRIF Kochi Projects Private Limited (formerly Navinya Infrastructure Private Limited) (w.e.f. 18.03.2008)
- TRIF Kolkata Projects Private Limited (formerly Anupama Infrastructure Private Limited) (w.e.f. 18.03.2008)
- TRIF Property Development Private Limited (w.e.f. 25.03.2008)



- TRIF Real Estate and Development Private Limited (w.e.f. 25.03.2008)
- TRIF Realty Projects Private Limited (w.e.f. 25.03.2008)
- TRIF Trivandrum Projects Private Limited (formerly Premanand Realty Developers Private Limited (w.e.f. 18.03.2008)
- TRIL Airport Developers Limited (w.e.f. 25.06.2007)
- TRIL Constructions Limited (w.e.f. 25.06.2007)
- TRIL Developers Limited (w.e.f. 14.06.2007)

### III) Associates

- Conscripti (Pty) Ltd. (ceased to be an associate on 24.01.2008)
- Exegenix Research Inc.
- Firstech Solution Co. Ltd.

### IV) Key Management Personnel

- Mr. S. Ramadorai (Chief Executive Officer and Managing Director)
- Mr. S. Mahalingam (Chief Financial Officer and w.e.f. 06.09.2007 Executive Director)
- Mr. N. Chandrasekaran (Chief Operating Officer and Executive Director w.e.f. 06.09.2007)
- Mr. Phiroz Vandrevala (Executive Director w.e.f. 07.09.2007)
- Mr. S Padmanabhan (Executive Director w.e.f. 06.09.2007) \*

\* Ceased to be an Executive Director with effect from 06.02.2008

### B) Transactions with related parties

#### Year ended March 31, 2008

Particulars	(Rs. in crores)				
	Holding Company	Fellow Subsidiaries	Associates/ Joint Venture	Key Management Personnel	Total
Issue of 100,00,00,000 redeemable preference shares of Re.1/- each	100.00	-	-	-	100.00
	-	-	-	-	-
Issue of Bonus Shares	-	-	-	-	-
	38.92	0.01	-	0.01	38.94
Brand Equity Contribution	47.64	-	-	-	47.64
	40.02	-	-	-	40.02
Purchase of Fixed Assets	-	1.25	0.09	-	1.34
	-	3.63	0.47	-	4.10
Inter Corporate Deposit	-	20.00	-	-	20.00
	-	-	-	-	-
Purchase of Investment	-	-	-	-	-
	-	-	1.20	-	1.20
Revenues	1.24	288.14	16.39	-	305.77
	-	206.75	41.94	-	248.69
Other Income	-	0.02	1.13	-	1.15
	-	-	0.48	-	0.48
Purchase of goods, services, and facilities	0.20	49.35	6.14	-	55.69
	0.08	3.38	14.97	-	18.43
Rent Paid	0.39	1.33	0.03	-	1.75
	0.55	1.23	0.06	-	1.84

(Rs. in crores)					
Particulars	Holding Company	Fellow Subsidiaries	Associates/ Joint Venture	Key Management Personnel	Total
Provision for doubtful debts / advances	2.81	0.72	-	-	3.53
	-	-	-	-	-
Bad debts written off	-	0.02	0.01	-	0.03
	-	0.16	-	-	0.16
Dividend Paid	965.80	0.03	-	0.23	966.06
	755.09	0.19	-	0.18	755.46
Dividend on redeemable preference shares	0.09	-	-	-	0.09
	-	-	-	-	-
Remuneration	-	-	-	9.01	9.01
	-	-	-	3.96	3.96
C) <u>Balances with related parties</u>					
<b>As at March 31, 2008</b>					
Debtors, Unbilled Revenue, Loans and Advances	5.33	63.44	-	-	68.77
	0.96	78.07	11.87	-	90.90
Sundry creditors, Advance billings and deferred revenues, Advances from Customers	53.70	10.97	0.52	-	65.19
	32.01	5.48	6.69	-	44.18

 D) Disclosure of Material Transactions with Related Parties

	2008 (Rs. in crores)	2007 (Rs. in crores)
<b><u>Revenues</u></b>		
Tata Teleservices Limited	209.83	139.42
Tata Sky Limited (formerly Space TV Ltd.)	32.35	61.10
Conscripti (Pty) Ltd.	16.39	41.87
<b><u>Purchase of goods, services and facilities</u></b>		
Conscripti (Pty) Ltd.	-	14.97
Tata AIG General Insurance Company Limited	7.41	0.03
Tata Teleservices Limited	23.33	0.44
Tata Teleservices (Maharashtra) Limited	15.12	-
Exegenix Research Inc.	6.14	-
<b><u>Purchase of Fixed Assets</u></b>		
TCE Consulting Engineers Limited	1.22	3.59
Conscripti (Pty) Ltd.	0.09	0.47
<b><u>Purchase of Investment</u></b>		
Firstech Solution Co. Ltd.	-	1.20
<b><u>Rent paid</u></b>		
Tata Limited, London	1.33	1.23
Tata Sons Limited	0.39	0.55

	2008	2007
	(Rs. in crores)	(Rs. in crores)
<b>Bad debts written off</b>		
Tata Teleservices Limited	-	0.16
Tata AIG General Insurance Company Limited	-	-
Tata Internet Services Limited	0.02	-
Conscripti (Pty) Ltd.	0.01	-
<b>Dividend Paid</b>		
Tata Sons Limited	965.80	755.09
<b>Debtors, Unbilled Revenue, Loans and Advances</b>		
Tata Sky Limited (formerly Space TV Ltd.)	6.09	29.13
Tata Teleservices Limited	42.12	45.24
Conscripti (Pty) Ltd.	-	11.56
Tata Capital Limited (formerly Primal Investment & Finance Limited)	10.30	-
<b>Sundry creditors, Advance billings and deferred revenues, Advances from Customers</b>		
Tata Sons Limited	53.70	32.01
Conscripti (Pty) Ltd.	0.05	6.67
<b>Remuneration to Key Management Personnel</b>		
S. Ramadorai	3.37	2.94
S. Mahalingam	2.31	1.02
N. Chandrasekaran	1.41	-
Phiroz Vandrevala	1.00	-
S. Padmanabhan	0.92	-

- 16) Current tax is net of the effect of write back of provisions and refunds received in certain overseas jurisdictions relating to earlier years, of Rs. 37.52 crores (*Previous year : Rs. 2.59 crores*).

17) **Contingent Liabilities**

Particulars	As at March 31, 2008	As at March 31, 2007
	(Rs. in crores)	(Rs. in crores)
Claims against the Company not acknowledged as debts (See note (i) below)	148.91	341.62
Guarantees given by the Group (See note (ii) below)	2091.86	1933.30
Unexpired Letters of Credit	29.28	37.55
Other Contingencies	2.96	-

Notes:

- Claims against the Company not acknowledged as debt includes:  
Rs.93.37 crores (*March 31, 2007: Rs. 86.26 crores*) in respect of claims made by lessors for properties leased under tenancy agreements. These claims are being contested in the courts by the Company. The management does not expect these claims to succeed. An amount of Rs.11.83 crores (*March 31, 2007: Rs. 11.00 crores*) has been accrued under other liabilities.
- The Company has provided guarantees aggregating to Rs.2006.93 crores (GBP 252.50 million) (*March 31, 2007: Rs. 1852.62 crores, GBP 217.50 million*) to third parties on behalf of its subsidiary Diligenta Limited.
- The Company 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.

18) **Commitments**

- i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 515.88 crores (*March 31, 2007: Rs. 758.22 crores*).
- ii) Pearl Group Services Limited ("Pearl") has an equity holding of 24 percent in Diligenta Limited. Under the shareholders agreement dated March 23, 2006, the Company has a call option to purchase all the shares held by Pearl at fixed price of Rs. 240.35 crores (GBP 30.24 million) at the end of fourth year and Pearl has a put option to sell the shares to the Company at the same price at the end of the fifth year.
- iii) The share purchase agreement for acquisition of Comicrom S.A. provides for additional consideration, contingent upon certain conditions being met, including achieving specified earning levels in the acquired business in future years. The additional contingent consideration payable to the seller is subject to maximum amount of Rs. 270.68 crores (USD 67.48 million). A sum of Rs. 71.74 crores (USD 17.23 million) has been paid or accrued to the previous owners of Comicrom S.A. upto March 31, 2008 and has been capitalized to goodwill. The balance contingent consideration would be recorded as and when the contingency is resolved and the consideration is paid or becomes payable.

19) **Micro, Small and Medium Enterprises**

Particulars	Year ended March 31, 2008		(Rs. in crores)	
	Principal Interest		Year ended March 31, 2007	
	Principal	Interest	Principal	Interest
Amount due to vendor	3.62	0.09	1.40	-
Principal amount paid (includes unpaid) beyond the appointed date	23.73	-	3.12	-
Interest accrued and remaining unpaid (includes interest disallowable)	-	0.17	-	-

20) **Derivative financial instruments**

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

The Company has following outstanding derivative instruments as on March 31, 2008:

- i) The following are outstanding Foreign Exchange Forward contracts, which have been designated as Cash Flow Hedges, as on:

Foreign Currency	March 31, 2008			March 31, 2007		
	No. of Contracts	Notional amount of forward contracts (million)	Fair Value (Rs. in crores)	No. of Contracts	Notional amount of forward contracts (million)	Fair Value (Rs. in crores)
	Gain/(Loss)			Gain/(Loss)		
U.S.Dollar	14	290.00	(25.21)	-	-	-
Sterling Pound	3	15.00	(3.91)	5	21.00	(0.32)
Euro	3	19.00	(11.78)	3	15.00	(0.35)

- ii) The following are outstanding Currency Option contracts, which have been designated as Cash Flow Hedges, as on:

Foreign Currency	March 31, 2008			March 31, 2007		
	No. of Contracts	Notional amount of forward contracts (million)	Fair Value (Rs. in crores)	No. of Contracts	Notional amount of forward contracts (million)	Fair Value (Rs. in crores)
	Gain/(Loss)			Gain/(Loss)		
U.S.Dollar	67	3871.50	(88.70)	27	830.00	32.71
Sterling Pound	7	55.65	(2.23)	5	47.50	(1.93)
Euro	12	99.25	(38.75)	11	76.50	(0.60)

Net loss on derivative instruments of Rs.21.83 crores recognized in Hedging Reserve as of March 31, 2008, is expected to be reclassified to the profit and loss account by March 31, 2009

The movement in Hedging Reserve during year ended March 2008, for derivatives designated as Cash Flow Hedges is as follows:

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
	(Rs. In crores)	(Rs. In crores)
Balance at the beginning of the year	73.71	(4.42)
Gains / (losses) transferred to income statement on occurrence of forecasted hedge transaction	(64.91)	4.42
Changes in the fair value of effective portion of outstanding cash flow derivatives	(174.78)	29.64
Net derivative gain/(losses) related to a discontinued cash flow hedge	150.83	44.07
Balance at the end of the year	(15.15)	73.71

In addition to the above cash flow hedges, the Company has outstanding foreign exchange forward contracts and currency option contracts aggregating Rs. 2167.95 crores (*previous year : Rs.2062.61 crores*), whose fair value showed a loss of Rs.4.46 crores as on March 31, 2008 (*previous year : gain of Rs 6.76 crores*), to hedge the future cash flows. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting and accordingly these are accounted as derivatives instruments at fair value with changes in fair value recorded in the profit and loss account.

Exchange gain of Rs.283.96 crores (*previous year gain of Rs.45.13 crores*) on foreign exchange forward contracts and currency option contracts have been recognized in the year ended March 31 , 2008.

- 21) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.
- 22) Previous year's figures have been recast / restated wherever necessary.
- 23) *Previous year's figures are in italics.*

# Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1.	APOnline Limited	INR	1.00	4.57	(4.26)	6.59	6.28	-	2.16	(0.20)	-	(0.20)	-	India
2.	MP Online Limited	INR	1.00	1.00	(1.55)	1.90	2.45	-	0.11	(1.18)	0.01	(1.19)	-	India
3.	C-Edge Technologies Limited	INR	1.00	10.00	1.26	15.60	4.34	5.35	11.92	0.55	0.10	0.45	-	India
4.	CMC Limited	INR	1.00	15.15	288.38	662.26	358.73	95.63	989.09	117.11	28.89	88.22	16.67	India
5.	Diligenta Limited	GBP	79.48	341.76	149.56	605.00	113.68	-	562.63	(34.94)	(10.72)	(24.22)	-	U.K.
6.	Exegenix Canada Inc.	CAD	39.18	7.58	(5.27)	2.64	0.33	1.71	2.58	(0.27)	-	(0.27)	-	Canada
7.	Tata America International Corporation	USD	40.11	0.80	1,051.85	2,428.71	1,376.06	-	9,695.61	507.17	202.11	305.06	-	U.S.A.
8.	Tata Consultancy Services Asia Pacific Pte Limited	USD	40.11	17.65	41.44	263.26	204.17	4.70	337.76	13.50	1.78	11.72	-	Singapore
9.	Tata Consultancy Services Belgium S.A.	EUR	63.33	1.18	27.98	89.10	59.94	-	202.54	17.85	5.78	12.07	-	Belgium
10.	Tata Consultancy Services Deutschland GmbH	EUR	63.33	0.49	34.00	230.19	195.70	-	424.63	22.26	7.42	14.84	-	Germany
11.	IT Consulting Company (formerly Tata Consultancy Services France SAS) *	EUR	63.33	0.72	(0.32)	0.40	-	-	0.01	(0.05)	-	(0.05)	-	France
12.	Tata Consultancy Services Netherlands B.V.	EUR	63.33	417.98	102.13	623.90	103.79	-	549.65	53.21	13.42	39.79	-	Netherlands
13.	Tata Consultancy Services Sverige AB	SEK	6.74	0.07	29.55	129.28	99.66	-	192.11	(1.05)	(0.14)	(0.91)	-	Sweden
14.	Tata Infotech (Singapore) Pte Limited	USD	40.11	0.13	1.08	1.24	0.03	-	0.04	0.01	(0.06)	0.07	-	Singapore
15.	Tata Infotech Deutschland GmbH	EUR	63.33	0.63	(0.04)	0.62	0.03	-	0.03	(0.02)	-	(0.02)	-	Germany
16.	TCS FMS Pty Limited	AUD	36.60	3.66	(1.04)	136.63	134.01	-	0.27	(1.08)	-	(1.08)	-	Australia
17.	TCS Iberoamerica S.A.	USD	40.11	56.40	113.12	142.01	(27.51)	-	6.11	2.93	-	2.93	-	Uruguay
18.	WTI Advanced Technology Limited	INR	1.00	1.05	51.64	53.53	0.84	36.17	9.23	2.07	0.01	2.06	-	India
19.	Tata Consultancy Services Morocco SARL AU	MAD	5.51	0.01	(1.57)	3.00	4.56	-	0.16	(1.57)	-	(1.57)	-	Morocco
20.	Tata Consultancy Services (Africa) (PTY) Ltd.	ZAR	4.96	6.94	(0.11)	6.84	0.01	-	0.01	(0.11)	-	(0.11)	-	South Africa
21.	CMC Americas Inc.	USD	40.11	6.41	10.62	58.86	41.83	-	135.15	6.23	2.13	4.10	-	U.S.A.
22.	Financial Network Services (Beijing) Co. Ltd.	CNY	5.72	1.10	2.61	21.97	18.26	-	30.06	2.61	-	2.61	-	China
23.	Tata Information Technology (Shanghai) Company Limited	CNY	5.72	23.15	41.03	84.53	20.35	-	146.47	36.83	3.52	33.31	-	China
24.	Tata Consultancy Services (China) Co., Ltd.	CNY	5.72	57.66	(7.18)	52.55	2.07	-	7.29	(4.68)	-	(4.68)	-	China
25.	TCS Solution Center S.A.	USD	40.11	0.83	(3.05)	39.27	41.49	-	107.95	(13.46)	(0.02)	(13.44)	-	Uruguay
26.	TCS Argentina S.A.	USD	40.11	2.51	(3.67)	4.85	6.01	-	14.29	(0.98)	-	(0.98)	-	Argentina
27.	Tata Consultancy Services Do Brasil Ltda (formerly Tata Consultancy Services Do Brasil S.A.)	USD	40.11	9.28	14.04	277.94	254.62	-	426.62	21.88	8.98	12.90	-	Brazil
28.	Tata Consultancy Services De Mexico S.A. De C.V.	USD	40.11	0.93	13.71	38.29	23.65	-	61.45	8.87	2.09	6.78	-	Mexico
29.	Tata Consultancy Services De Espana S.A.	USD	40.11	0.07	(0.87)	27.02	27.82	-	51.82	6.98	-	6.98	-	Spain

Rs. in crores

Rs. in crores

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment Other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
30.	TCS Italia SRL	EUR	63.33	0.63	(4.07)	68.43	71.87	-	66.63	(3.01)	1.06	(4.07)	-	Italy
31.	Tata Consultancy Services Japan Limited	JPY	0.40	2.40	22.93	84.02	58.69	-	198.05	9.46	4.13	5.33	-	Japan
32.	Tata Consultancy Services Malaysia Sdn Bhd	MYR	12.54	2.51	4.00	9.75	3.24	-	11.88	1.18	-	1.18	-	Malaysia
33.	Financial Network Services Malaysia Sdn Bhd @	MYR	12.54	0.13	(0.11)	0.08	0.06	-	-	(0.05)	-	(0.05)	-	Malaysia
34.	Tata Consultancy Services Luxembourg S.A.	EUR	63.33	9.50	2.43	34.76	22.83	-	59.88	3.73	1.04	2.69	-	Luxembourg
35.	Tata Consultancy Services Portugal Unipessoal Limitada	USD	40.11	0.03	5.45	11.15	5.67	-	19.42	5.58	1.51	4.07	-	Portugal
36.	Tata Consultancy Services Chile S.A.	USD	40.11	1.13	10.77	13.37	1.47	-	41.60	2.87	0.36	2.51	-	Chile
37.	TCS Inversiones Chile Limitada	USD	40.11	104.29	94.43	203.43	4.71	-	0.03	0.01	-	0.01	-	Chile
38.	Tata Consultancy Services BPO Chile S.A.	USD	40.11	104.40	139.58	361.44	117.46	5.39	236.13	57.94	7.58	50.36	-	Chile
39.	Syscom S.A.	CLP	0.92	0.59	17.42	18.98	0.97	-	7.11	3.72	0.62	3.10	-	Chile
40.	Custodia De Documentos Interes Limitada	CLP	0.92	0.03	5.79	6.21	0.39	-	1.95	1.37	0.24	1.13	-	Chile
41.	Tatasolution Center S.A.	USD	40.11	4.01	9.02	53.11	40.08	-	111.54	12.07	3.06	9.01	-	Ecuador
42.	TCS Financial Solutions Australia Holdings Pty Limited (formerly Financial Network Services (Holdings) Pty Limited)	AUD	36.60	50.98	(14.64)	36.34	-	-	-	(1.43)	-	(1.43)	-	Australia
43.	TCS Financial Solutions Australia Pty Limited (formerly Financial Network Services Pty Limited)	AUD	36.60	0.01	(1.82)	221.50	223.31	-	274.25	16.48	-	16.48	-	Australia
44.	TCS Management Pty Ltd.	AUD	36.60	1.14	(6.03)	8.45	13.34	-	34.70	(6.15)	0.26	(6.41)	-	Australia
45.	Financial Network Services (Europe) Plc	GBP	79.48	0.40	(0.25)	0.24	0.09	-	2.85	0.61	-	0.61	-	U.K.
46.	PT Financial Network Services	USD	40.11	0.24	(0.56)	2.73	3.05	-	4.24	0.87	-	0.87	-	Indonesia
47.	PT Tata Consultancy Services Indonesia	USD	40.11	0.40	0.31	5.63	4.92	-	5.51	0.11	0.04	0.07	-	Indonesia
48.	Financial Network Services (Africa) (Pty) Ltd. @	ZAR	4.96	0.01	-	0.01	-	-	-	-	-	-	-	South Africa
49.	Financial Network Services (H.K.) Limited	HKD	5.15	0.01	(0.35)	0.01	0.35	-	3.71	(0.05)	-	(0.05)	-	Hong Kong
50.	Tata Consultancy Services Switzerland Ltd. (formerly TKS – Teknosoft S.A.)	CHF	40.30	6.05	113.45	237.29	117.79	9.16	286.68	27.55	7.47	20.08	-	Switzerland
51.	Tata Consultancy Services France SAS (formerly TKS Teknosoft (France) SAS)	EUR	63.33	6.33	0.84	90.30	83.13	-	105.63	0.97	0.83	0.14	-	France
52.	Tata Consultancy Services (South Africa) (PTY) Ltd.	ZAR	4.96	6.70	1.94	34.83	26.19	-	21.67	2.75	0.81	1.94	-	South Africa
53.	TCS Financial Management LLC	USD	40.11	-	-	-	-	-	-	-	-	-	-	U.S.A.

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2008.
2. @ The financial year of these companies ends on June 30. However, the results given are as of March 31, 2008.
3. \* Dissolved on February 8, 2008.



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## TATA CONSULTANCY SERVICES LIMITED

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

### ATTENDANCE SLIP

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Thirteenth Annual General Meeting of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 at 3.30. p.m. on Tuesday, July 1, 2008.

Full name of the Member (in Block Letters)

Signature

Folio No. : \_\_\_\_\_ DP ID No. \* \_\_\_\_\_ Client ID No. \* \_\_\_\_\_

\* Applicable for Member holding shares in electronic form.

Full name of the Proxy (in Block Letters)

Signature

- NOTES :
1. Member/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
  2. Member/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.



## TATA CONSULTANCY SERVICES LIMITED

Registered Office: 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021

### PROXY

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ being

a Member/Members of the above named Company, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing

him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on Tuesday, July 1, 2008 at 3.30. p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Folio No. : \_\_\_\_\_ DP ID No. \* \_\_\_\_\_ Client ID No. \* \_\_\_\_\_

\* Applicable for Member holding shares in electronic form.

No. of Shares held:

Signature

Affix  
15 Paise  
Revenue  
Stamp

This form is to be used     \*\* In favour of     the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

    \*\* against    

\*\* Strike out whichever is not desired.

- NOTES:
1. This Proxy must be lodged with the Company at its Registered Office at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
  2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/ Proxy.



## Awards and Recognitions

- National Award for Excellence in Corporate Governance (Institute of Company Secretaries of India)
- Dataquest Best IT Employer in India for the 4<sup>th</sup> year in a row
- Most Admired Knowledge Enterprise (MAKE) award
- Achieved Enterprise-wide CMMI Level 5 of the CMMI® v1.2 model
- American Society for Training & Development (ASTD) BEST Award for the third time
- 'Silver Band' in the United Kingdom's "Business in the Community's" Corporate Responsibility Index—a leading benchmark of responsible business
- Urban Heritage Award for TCS Banyan Park, Mumbai
- Ranked among Top 25 in BusinessWeek's 2007 Information Technology 100
- TCS BaNCS Core Banking ranked China's No. 1 Core Banking Solution
- Forbes' "Asia's Fab 50" list of the best publicly traded Asia-Pacific companies
- Distinguished Corporate Partner Award from University of California, Riverside
- Dataquest Best e-Governance Vendor Award
- National Awards for e-Governance won by three TCS clients
- Positioned in the Leaders Quadrant for North American Offshore Applications Services Firm based on Completeness of Vision and Ability to Execute
- Ranked No. 1 in DataQuest Top 20 list in Engineering Services in India
- Ranked 10<sup>th</sup> Leading Global Provider of Financial Technology, the FinTech 100, an annual international listing of the top vertical technology providers
- InfoWorld 100 Award with Project Ultimatix for Most Creative and Cutting-Edge Implementations of Enterprise Technology
- Honoured with second consecutive Global Services 100 Listing; TCS wins Best Performing IT Services Provider title



## **TATA CONSULTANCY SERVICES**

Tata Consultancy Services Limited  
9th floor Nirmal Building Nariman Point Mumbai 400 021  
[www.tcs.com](http://www.tcs.com)