TATA CONSULTANCY SERVICES

Experience certainty.

ANNUAL REPORT 2010 | 2011

Awards and Recognitions

Global Media Awards

- No. 1 Employer in India (Dataquest)
- No. 1 IT firm (Dataquest)
- Best IT-Software Company (NDTV Business Leadership Awards 2010)
- Most Admired IT Company of the Year (Bloomberg-UTV)
- India's 'Best Managed Company' (Finance Asia)
- No. 5 in Bloomberg Businessweek's Tech 100
- Listed among Forbes Asia's Fabulous 50 companies
- Top 3 consulting companies in Belgium (Data News Awards for Excellence)

Leadership Awards

N. Chandrasekaran

- Best CEO in India – 2010 (Finance Asia)
- Business Leader of the Year – 2010 (All India Management Association)
- Best Executive in India – 2010 (Asiamoney)

S. Mahalingam

- Best CFO in India – 2010 (Finance Asia)
- Best Performing CFO in IT and ITeS sector – 2010 (CNBC TV18)
- Inducted to CFO India Hall of Fame – 2010

Cover image: TCS Siruseri, Chennai, India

The Annual General Meeting will be held on Friday, July 1, 2011, at Birla Matushri Sabhagar, Sir V. T. Marg, New Marine Lines, Mumbai 400020, 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.

Contents

Board of Directors

As of March 31, 2011

(Standing - left to right)

R Sommer
Director

S Mahalingam
Chief Financial Officer and Executive Director

I Hussain
Director

V Kelkar
Director

P A Vandrevala
Executive Director and Head, Global Corporate Affairs

A Mehta
Director

V Thyagarajan
Director

(Sitting - left to right)

Laura Cha Director	**S Ramadorai** Vice Chairman	**R N Tata** Chairman	**N Chandrasekaran** Chief Executive Officer and Managing Director	**C M Christensen** Director

Financial Highlights

Revenues

Up 24.3% @ ₹37,325 crore

Operating Profits

Up 29.9% @ ₹10,417 crore

Net Profits

Up 29.5% @ ₹9,068 crore

Our Leadership Team

As of March 31, 2011

N Chandrasekaran
Chief Executive Officer and Managing Director

S Mahalingam
Chief Financial Officer and Executive Director

P A Vandrevala
Executive Director and Head, Global Corporate Affairs

A Mukherjee
VP and Head, Global Human Resources

Our success over the last 12 months would not have been possible without the dedication, commitment and performance of 1,98,614 TCSers – your Company's biggest asset.

Letter from CEO

Dear Shareholders,

It is my pleasure to report the annual results for 2010-11. Your Company has performed exceptionally in terms of growth and profitability by capturing opportunities and executing on the ground. Business demand rose steadily through the year and revenues for the financial year grew annually at 24.3% on a consolidated basis to ₹ 37,325 crore ($8.2 billion). Our ability to increase profitability in the face of strong operational headwinds was also significant. Our net profits grew by 29.5% to ₹ 9,068 crore as we delivered sustained value to our customers. This stellar performance has enabled the Board of Directors to recommend a final dividend of ₹ 8 per share taking the total dividend for 2010-11 to ₹ 14 per share.

During the year, we saw a strong revival in business demand across markets. Demand from customers in developed markets like USA, Europe and Australia continued to recover as did growth from the emerging markets of Asia-Pacific and India. Going forward, TCS will focus on increasing its solution-set to address larger segments of the market as well as grow the scale and scope of operations in each market.

Our solutions are designed to help customers optimise operations for efficiency as well as innovate and drive growth in their business across markets. Our industry-focused structure – from sales to delivery – strengthened our ability to partner with our customers on their initiatives, resulting in double digit growth in all our major verticals. Our deep domain knowledge and capabilities enables us to work closely with clients in multiple parts of their business. This is also reflected in the holistic nature of our customer engagements today.

Over the last 12 months, we have added 140 new customers. We continued to increase our share of IT spend across our key customer base by providing integrated solutions designed to propel their business forward. In this context, your Company's strategy of a full services offering is proving very effective. While the core IT services business continues its double digit growth, strong annualised growth in other service lines like assurance services (67%), infrastructure management (40%), global consulting (41%) and the intellectual-property based products business (38%) helped us post an industry-leading performance for fiscal year 2011. We believe that the service lines which are currently less than a billion dollars each have the market potential to be multi-billion dollar businesses as they scale in size and reach.

One important plank of your Company's growth strategy is its strategic portfolio of non-linear businesses – new service offerings – that aim to break the traditional linear relationship between growth in manpower and revenues as seen in traditional business models of IT service companies. These strategic units are focused on the creation of Intellectual Property and use of new technologies like cloud computing to deliver new operating models to existing and new customer segments.

Our non-linear growth businesses fall broadly under three initiatives:

- **Software Products:** Our products or asset-leveraged solutions currently contribute 3.6% of our revenues and consist primarily of our comprehensive portfolio of products under the TCS BαNCS brand for banking, capital markets and insurance. We have also invested in building solutions for the government and healthcare industries.

- **Process Clouds:** Our second foray in this area leverages the cloud computing paradigm for large enterprises. Cloud computing allows us to deliver standardised end-to-end processes as a service to customers using new operating models. With the rapid evolution of technology and scarcity of IT talent, more non-core processes would be considered for the cloud paradigm. TCS is offering specific solutions using the cloud paradigm in human resource management, procurement, analytics as well as finance and accounting. It also offers specific platforms for the life and pension industry in the UK (through its subsidiary Diligenta) as well as a reconciliation platform for commercial banks.

- **iON:** TCS launched iON, a unique integrated solution for India's small and medium business (SMB) market in February 2011. The new offering has been well received by the market. It combines hardware, network and software applications along with an effective operating model that addresses business needs of SMBs. The number of SMB customers is steadily increasing and we expect this to become a significant new business offering for TCS in markets, other than India, going forward.

The success of non-linear initiatives are important to sustain the long-term growth and manageability of the Company.

Our success over the last 12 months would not have been possible without the dedication, commitment and performance of 1,98,614 TCSers – your Company's biggest asset. Your Company is helping this energetic, young global workforce build new competencies and develop strong careers. We continue to invest in technologies, domain and process knowledge to make them more productive in an atmosphere of collaboration that engages and empowers them to realise their potential.

Building a growing organisation requires investment not only in the best people but also creating world-class infrastructure that is sustainable and adds value to those working there. TCS continues to invest in building world-class, intelligent campuses in India and overseas. We have initiated plans to build a new 10,000-seater Learning Centre in Trivandrum while other large campus facilities in Pune, Chennai, Hyderabad and Mumbai continue to come on stream.

The core of the Company is driven by a digital backbone, which aligns people to the organisation rapidly and allows us to engage, transact and learn from the collective intellect and power of the organisation. We believe that this gives us the ability to move swiftly in the marketplace and helps integrate our large intake of new employees quickly. Your Company continues to invest in and leverage technologies like social media and web 2.0 to engage and enrich associates.

Looking ahead to 2011-12, several global macro-economic challenges continue to cast a shadow on a state of strong business demand. Some of the key reasons are estimated slow GDP and employment growth as well as soaring levels of public debt in mature markets like USA and Europe; and high commodity prices, inflation and currency movement dampening growth in emerging markets like India, China and Brazil.

Global business, however, is better experienced to deal with such roadblocks. Companies are re-starting several initiatives to embrace growth by aggressively adopting new technologies like cloud computing, mobile computing, information analytics, green supply chains and social media. TCS is partnering with its customers along multiple dimensions to shape the use of these technologies in their business.

Technology continues to be one key driver of business growth worldwide, with IT spends continuing to see an annual rise for the foreseeable future. Given these trends and with just one per cent market share of global IT spends, we believe that there are adequate opportunities for your Company to capture growth going forward.

On behalf of everyone at TCS, I want to thank you for your support and commitment to TCS. Your belief in this Company has helped make TCS among the most valuable IT service companies in the world. I look forward to your continued support and best wishes to help take TCS to the next level on its growth journey.

Warm regards,
N Chandrasekaran
CEO and MD
May 20, 2011

Board of Directors
(As of March 31, 2011)

R N Tata *(Chairman)*

S Ramadorai *(Vice Chairman)*

N Chandrasekaran (*CEO & Managing Director*)

Aman Mehta

V Thyagarajan

Prof. Clayton M Christensen

Dr. Ron Sommer

Laura M Cha

S Mahalingam (*CFO & Executive Director)*

Phiroz Vandrevala (*Executive Director)*

Dr. Vijay Kelkar

Ishaat Hussain

Company Secretary
Suprakash Mukhopadhyay

Statutory Auditors
Deloitte Haskins & Sells

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

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

Registrars & Transfer Agents
TSR Darashaw 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
Website: www.tsrdarashaw.com

Management Team

Function	Name
Corporate	
CEO	N Chandrasekaran
CFO	S Mahalingam
Corporate Affairs	Phiroz Vandrevala
Global Human Resources	Ajoyendra Mukherjee
Geography Heads	
North America	Surya Kant
Europe	A S Lakshminarayanan
APAC	Girija Pande Vish Iyer Qi Qi Dong Masahiko Kaji
Latin America	Henry Manzano
MEA	Girish Ramachandran
India	Srinivasa G Raghavan
Functions	
Marketing	John Lenzen
Corporate Communication	Pradipta Bagchi
R&D	K Ananth Krishnan
Human Resources	Ritu Anand Ashok Mukherjee K Ganesan Thomas Simon S Narasimhan
Legal	Satya Hegde
Finance	B Sanyal V Ramakrishnan Pauroos Karkaria G S Lakshminarayanan Rajesh Gopinathan
Company Secretary	Suprakash Mukhopadhyay
Chief Compliance Officer	Ravindra J Shah
Security	R K Raghavan

Management Team

Function	Name
Industry Service Units	
Banking & Financial Services	Ramanamurthy Magapu
	K Krithivasan
	Susheel Vasudevan
	Tej Paul Bhatla
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
Strategic Growth Units	
TCS Financial Services	N G Subramaniam
Small & Medium Business	Venguswamy Ramaswamy
Platform BPO	Raj Agrawal
Service Units	
Global Consulting Practice	J Rajagopal
Engineering & Industrial Services	Regu Ayyaswamy
Infrastructure Services	P R Krishnan
BPO	Abid Ali Neemuchwala
Global Delivery Network	Gabriel Rozman
Assurance Services	Siva Ganesan
Enterprise Solutions	Krishnan Ramanujam
Alliances	K Jayaramakrishnan
Internal IT	Alok Kumar

Directors' Report

To the Members,

The Directors submit the Annual Report of the Company along with the audited statement of accounts for the financial year ended March 31, 2011.

1. Financial Results

(₹ crores)

		Unconsolidated		Consolidated	
		2010 - 2011	2009 - 2010	**2010 - 2011**	2009 - 2010
(i)	Income from Sales and Services	**29,275.41**	23,044.45	**37,324.51**	30,028.92
(ii)	Other Income (net)	**494.73**	177.60	**604.00**	272.07
(iii)	Total Income	**29,770.14**	23,222.05	**37,928.51**	30,300.99
(iv)	Operating Expenditure	**20,511.88**	16,372.78	**26,146.15**	21,334.37
(v)	Profit before Interest, Depreciation and Tax	**9,258.26**	6,849.27	**11,782.36**	8,966.62
(vi)	Interest	**20.01**	9.54	**26.48**	16.10
(vii)	Depreciation and Amortisation	**537.82**	469.35	**735.26**	660.89
(viii)	Profit before Taxes	**8,700.43**	6,370.38	**11,020.62**	8,289.63
(ix)	Provision for Taxes	**1,130.44**	751.87	**1,830.83**	1,196.97
(x)	Minority Interest and Share of Loss of Associates	**-**	-	**121.75**	92.02
(xi)	Net Profit for the Year	**7,569.99**	5,618.51	**9,068.04**	7,000.64
(xii)	Balance Brought Forward from Previous Year	**10,458.13**	9,990.41	**13,604.84**	11,835.03
(xiii)	Amount Available for Appropriation	**18,028.12**	15,608.92	**22,672.88**	18,835.67
	Appropriations				
(a)	Interim Dividends on Equity Shares	**1,174.32**	1,174.32	**1,174.32**	1,174.32
(b)	Proposed Final Dividend on Equity Shares	**1,565.78**	782.89	**1,565.78**	782.89
(c)	Proposed Special Dividend on Equity Shares	**-**	1,957.22	**-**	1,957.22
(d)	Proposed Total Dividend on Equity Shares	**2,740.10**	3,914.43	**2,740.10**	3,914.43
(e)	Proposed Dividend on Redeemable Preference Shares	**11.00**	17.00	**11.00**	17.00
(f)	Tax on Dividends	**450.82**	657.51	**459.15**	663.18
(g)	General Reserve	**757.00**	561.85	**827.58**	636.22
(h)	Balance carried to Balance Sheet	**14,069.20**	10,458.13	**18,635.05**	13,604.84
		(1 crore = 10 million)			

2. Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of ₹ 8 per share for the year 2010-11 taking the total dividend to ₹ 14 per share (previous year ₹ 10 per share excluding special dividend of ₹ 10 per share) on the capital of 195,72,20,996 Equity Shares of ₹ 1 each. The final dividend on the Equity Shares, if approved by the members would involve a cash outflow of ₹ 1,819.78 crores including dividend tax. The total cash outflow on account of dividend including dividend tax for the year 2010-11 including interim dividends already paid, would aggregate ₹ 3,189.14 crores resulting in a payout of 42.13% of the unconsolidated profits of the Company.

The Redeemable Preference Shares allotted on March 28, 2008 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 Eleven paise (₹ 0.11) per share on 100,00,00,000 Redeemable Preference Shares of ₹ 1 each for the financial year 2010-11.

3. Transfer to Reserves

The Company proposes to transfer ₹ 757.00 crores to the General Reserve out of the amount available for appropriations and an amount of ₹ 14,069.20 crores is proposed to be retained in the Profit and Loss Account.

4. Company's Performance

Financial Year 2010-11 marked a strong resurgence in volume and demand growth post the financial crisis. This growth was led by developed markets of the United States and Europe with strong contributions from Asia Pacific, Middle East and Africa and was secular across all industries and markets. The second half of the year also witnessed an uptick in pricing for the first time since September 2008. The Company has registered a strong broad based sequential growth across all key markets and customer segments.

On consolidated basis for the year 2010-11, revenues at ₹ 37,324.51 crores were higher by 24.30% over the previous year's revenues of ₹ 30,028.92 crores. Operating profit (profit before taxes excluding other income) at ₹ 10,416.62 crores was higher by 29.92% over the previous year's operating profit of ₹ 8,017.56 crores. Net profit for the year at ₹ 9,068.04 crores was higher by 29.53% over the previous year's net profit of ₹ 7,000.64 crores.

On unconsolidated basis, revenues at ₹ 29,275.41 crores for the year 2010-11 were higher by 27.04% over the previous year's revenues of ₹ 23,044.45 crores. Operating profit (profit before taxes excluding other income) at ₹ 8,205.70 crores was up 32.50% from the previous year's operating profit of ₹ 6,192.78 crores. Net profit for the year at ₹ 7,569.99 crores was higher by 34.73% than the previous year's net profit of ₹ 5,618.51 crores.

5. International Credit Rating

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

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

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

6. Strategic Acquisitions and Alliances

The strategic acquisitions and alliances during the year were as follows –

(i) MahaOnline Limited:

The Company has entered into an Agreement with the Government of Maharashtra pursuant to which a new subsidiary company, MahaOnline Limited (MahaOnline) has been setup on July 28, 2010 with equity participation from TCS and Government of Maharashtra. MahaOnline provides online internet-based citizen services to the residents in Maharashtra. This citizen service portal is integrated with DigiGov – a state-of-the-art e-Governance solution developed by TCS.

(ii) Diligenta 2 Limited (formerly known as Unisys Insurance Services Limited):

On August 31, 2010, Diligenta Limited, a majority owned subsidiary, acquired the entire share capital of Unisys Insurance Services Limited (UISL), which provides life and pensions services to its clients in the UK. On this acquisition UISL was renamed as Diligenta 2 Limited. This has secured Diligenta's position as a leading service provider in the UK's life and pensions BPO market. The number of policies now administered by Diligenta has risen from 3.6 million to over 5 million.

(iii) MS CJV Investments Corporation:

On October 4, 2010, Tata America International Corporation – a wholly owned subsidiary, acquired 100% share capital of MS CJV Investments Corporation. Consequently, the group holding in Tata Consultancy Services (China) Co., Ltd. has increased from 65.94% to 74.63%.

(iv) Retail FullServe Limited (formerly known as SUPERVALU Services India Private Limited):

On October 8, 2010, the Company acquired 100% equity share capital of SUPERVALU Services India Private Limited from SUPERVALU Inc., one of the largest grocery retailers in North America. Retail FullServe Limited specialises in providing complete IT and IT-enabled services to the Retail industry. TCS has signed a multi-year agreement with SUPERVALU Inc. for full services engagement. This acquisition has strengthened the retail industry segment of the Company through integration of IT, IT infrastructure and BPO services of Retail FullServe Limited.

7. Human Resource Development

TCS is the largest private sector employer in India with total employee strength of 1,98,614 including its subsidiaries as at March 31, 2011.

A robust manpower planning process ensures that all steps from business requirements to sourcing and staffing are seamlessly aligned. Our distinct people integration model, not only ensures faster time-to-productivity, but it also integrates culturally diverse professionals into the organisation by fostering a behaviour based on a shared set of common values. This enabled the organisation to assimilate a gross addition of 69,685 employees (including subsidiaries).

The strategic initiatives for talent development through learning and development programs and experiential learning ensured that the Company had right competencies in its workforce to meet the business demand. High utilisation rates were sustained throughout the year, 83.10% excluding trainees and 76.20% including trainees as at March 31, 2011, helping to deliver better financial results.

Continued focus on talent engagement, competency development, role and career progression and benchmarked compensation and benefits for our employees helped the Company to attract and retain the best talent across the globe as well as build a pipeline of leaders to meet its future requirements. The Company has been successful in building a performance oriented culture with high levels of engagement and empowerment in an environment of teamwork.

A well defined process to review its HR policies and processes ensured that the Company complied with the regulatory requirements of the countries where it operates. The strategy to have a diverse workforce catering to its global business requirements saw a gross addition of 7,593 employees outside India (including subsidiaries) taking the count of non-Indian nationals (including subsidiaries) to 13,665 from 99 nationalities. The percentage of women working for the Company is 30.30%.

8. Quality Initiatives

TCS has been assessed enterprise-wide, at the highest maturity Level 5 of the Capability Maturity Model Integration® for CMMI®-DEV (Development) and CMMI®-SVC (Services) models. With this achievement, TCS has set a new benchmark as the first publicly stated recipient to achieve a multiple simultaneous appraisal against two constellations of the CMMI® model. TCS is also the first organisation in the world, to be appraised at Level 5 of the CMMI®-SVC model, which underscores the maturity of the firm's fast growing Business Process Outsourcing (BPO) and Infrastructure Services business.

TCS was recommended for continuation of its enterprise-wide certification for ISO 9001:2008 (Quality Management), ISO 27001:2005 (Security Management) and ISO 20000:2005 (Service Management). TCS also continues to maintain domain specific quality certifications AS 9100 (for Aerospace Industry), ISO 13485 (for Medical Devices) and TL 9000 (for Telecom Industry) thus further reinforcing the industry domain focus within the organisation.

TCS was certified enterprise-wide for ISO 14001:2004 (Environmental Management) and OHSAS 18001:2007 (Occupational Health and Safety Management) certifications. These certifications demonstrate TCS' strong commitment to the environment and the occupational health and safety of its associates and business partners; and helps convey this to all its stakeholders, including customers.

The above certifications reaffirm TCS' commitment to achieve the highest standards of quality while focusing on constantly improving quality and processes in a dynamic environment. The cornerstone of these certifications is the in-house developed integrated Quality Management System (iQMS) - a vibrant, process-driven, people-oriented and customer-focused quality management system which is continuously evolving to cater to the requirements of TCS' varied business offerings and is the backbone supporting the Global Network Delivery Model (GNDM™).

9. Corporate Sustainability

In keeping with the Tata tradition of giving back to the society, Corporate Sustainability (CS) lies at the heart of TCS' corporate culture. The guiding principle of TCS' CS programmes is "Impact through Empowerment" where empowerment is a process of strengthening the future today so that risk is minimised, value created and certainty experienced. TCS focuses on empowering the community, especially through work with youth, women and children. Affirmative action directed to less privileged communities is one of the highlight of TCS' activities under CS.

Education, Health and Environment are the core themes for TCS' CS programs. Over 6,600 TCS volunteers and families provided education and skills development to 10,225 children and partnered with 65 institutes in China, Ecuador, India, South Africa and UK. Over 4,000 villagers across Delhi, Maharashtra, Orissa and Tamil Nadu were benefited through rural development initiatives.

Mode \ Themes	Education	Health	Environment
Core Competencies Leveraged and Deployed in CSR	Adult literacy National and State level IT awareness quizzes IT and business skills programmes for youth	Deployment of Hospital Management System	Solution to address climate change
Volunteering	Working with less privileged schools	Fund raising events for cancer and other health causes	Volunteering support to environmental causes

Major CS Initiatives through Information Technology (IT)

- **Med Mantra:** An integrated Hospital Management System along with the necessary IT infrastructure including a comprehensive and fully integrated, web-based solution, 'Med Mantra' has been implemented free of cost for the Cancer Institute at Chennai.
- **Computer based Functional Literacy programme:** TCS' Computer based Functional Literacy programme that was first launched in the year 2000, has by now made around 1,50,000 persons literate. TCS is partnering the National Literacy Mission Authority to spread literacy under the Saakshar Bharat programme.

International CS initiatives

- **North America:** During the year, TCS North America has made donations in excess of $500,000 for a variety of causes to organisations like the American Cancer Society, Habitat for Humanity, Juvenile Diabetes Research Foundation, Toys R Us Children's Fund, and the National Underground Railroad Freedom Center. Approximately 10% of the associates participated in the various initiatives across North America throughout the year.

  TCS' 'goIT' program that has spread to 12 schools over 2 years, encourages local students to engage in computer science education and a career path through in-school workshops and a summer robotics camp hosted at the TCS Seven Hills Park campus in Ohio. This program has received several community and government awards including the 2010 Investing in People Award by the Workforce One Investment Board of Southwest Ohio.
- **UK and Ireland:** TCS is working with the UK Government Department for International Development to deploy its capabilities in development activities. TCS UK and Ireland donated around £200,000 during the year for influencing change in the marketplace, workplace and environment as well as supporting more than 200 charities in the areas of health and education.

  Over the past 3 years, TCS has been working with the UK Government Department for Education and the British Council to develop 300 Global Fellows, who act as ambassadors to 3,000 UK secondary schools. Furthermore, TCS partners the 'Wings of Hope' scheme to help UK students develop business skills and gain an understanding of education in India and Malawi. In addition, TCS has developed an IT entrepreneur scheme with the local authority for Carlow University, Ireland.
- **Europe:** Activities to spread awareness and raise funds for treatment of multiple sclerosis and breast cancer were carried out across Europe during the year. For contributing to the Haiti earthquake relief fund, TCS employees in Switzerland collaborated with the client of Swiss Re. TCS Belgium employees engaged in 'Discover Your Talent' along with 6 other companies to create employability for immigrant children.

- o **China:** As part of 'Operation Smile', TCS China participated in a charity auction and donated RMB 26,000 to help needy cleft lip and palate children to undergo surgery.
- o **Australia:** Following the 2011 floods in Queensland, TCS initiated a collection drive to contribute AUD $30,000 towards the Queensland Flood Disaster Fund.
- o **Chile:** Subsequent to the earthquake in Chile in February 2010, TCS donated 5 desalination plants and 2,000 water purifiers worth around one million US Dollars.

Significant Recognition for CS Activities

- o Commendation certificate for 'Significant Achievement' in CII-ITC Sustainability Awards 2010
- o TCS included in Dow Jones Sustainability World Index 2010 as one of the three Indian companies

10. Awards/Recognitions

- o TCS rated Level A+ for its Sustainability Report by Global Reporting Initiative
- o TCS wins Certificate of Commendation for Significant Achievement for Large Businesses at CII-ITC Sustainability Awards 2010
- o DataQuest Best Employer Award in India
- o 'Top Employer ICT Netherlands' with certification for Excellence in Human Resources practices and 5 stars (highest in the industry) in three categories
- o Britain's Top Employers for 2011 by the CRF Institute (formerly known as Corporate Research Foundation)
- o Recruiting and Staffing Best in Class Awards (RASBIC) in four categories for the fourth year in a row

11. Corporate Governance Report and Management Discussion and Analysis Statement

Corporate Governance Report and Management Discussion and Analysis statement are attached to this Report.

12. 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 2010-11, the applicable Accounting Standards have been followed and there are no material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments 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.

13. Subsidiary Companies and Consolidated Financial Statements

The Company had 55 subsidiaries at the beginning of the year.

Five subsidiaries namely, MahaOnline Limited, Diligenta 2 Limited, MS CJV Investments Corporation, Retail FullServe Limited and CMC eBiz Inc. were set up/acquired during the year.

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

- o Exegenix Research Inc. and ERI Holdings Corp. were merged with Tata Consultancy Services Canada Inc.
- o Custodia De Documentos Interes Limitada, Syscrom SA and Tata Consultancy Services Chile SA were merged with Tata Consultancy Services BPO Chile SA and subsequently the name of the merged entity was changed to Tata Consultancy Services Chile SA.

Financial Network Services (H.K.) Limited was liquidated and de-registered during the year.

Consequently, the total number of subsidiaries as on March 31, 2011 is 54.

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 Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate companies.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2011 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 registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices/registered offices of the respective subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any member on demand.

14. 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 as on the date of the Balance Sheet.

15. Directors

Platform based BPO is one of the Company's strategic initiatives to drive non-linear growth in the future. Diligenta Limited, the Company's subsidiary in the United Kingdom addresses the life and pension business segment by providing BPO services using the BαNCS platform built by the Company and remains one of the key components of this strategy. Mr. Phiroz Vandrevala has taken over as the Managing Director and Vice Chairman of Diligenta Limited to drive this business and its execution globally. Pursuant to his appointment in Diligenta Limited, he has ceased to be an Executive Director of the Company. The Company will continue to avail the services of Mr. Vandrevala as a Director on the Board of the Company in Non-Executive, Non-Independent capacity with effect from May 13, 2011. As per the provisions of Section 260 of the Companies Act, 1956, ("Act"), Mr. Vandrevala holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice in writing from a member under Section 257 of the Act, in respect of Mr. Vandrevala proposing his appointment as a Director of the Company.

Mr. Aman Mehta, Mr. V. Thyagarajan and Mr. S. Mahalingam, Directors, retire by rotation and being eligible have offered themselves for re-appointment.

16. Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office in accordance with the provisions of the Act upto the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

17. Particulars of employees

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, is provided in Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary.

18. 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.

19. Acknowledgements

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

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

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

On behalf of the Board of Directors,

Mumbai
May 20, 2011

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

TCS' R&D organisation is focused on creating intellectual capital for the Company and enabling innovation across the following three dimensions:

- Supporting the competitiveness of current business across industries and service lines.
- Enabling the creation of new platforms for non-linear business growth.
- Exploring new areas and technologies for future new business opportunities.

TCS has initiated 'Research Scholar' sponsorships to benefit research in the IT disciplines in Indian Academia. This will increase the number of PhDs in the Company's focus areas. This program will also build stronger ties between the academic institutes and TCS Innovation Laboratories through active mentorship. TCS Innovation Laboratories have started operating out of the IIT Research Park in Chennai. Two major academic alliances with University of California at Berkeley and Purdue University of USA have been initiated.

To foster a culture of innovation in the Company, a number of innovation platforms, contests and awards were launched. The Company also hosted innovation forums in three continents and held over 40 innovation workshops and symposia. TCS' researchers participated in more than 150 conferences and published close to 200 papers in prestigious journals.

TCS increased its Intellectual Property Rights (IPR) significantly. 223 patents were filed in several countries in FY 2010-11. Until now, cumulatively, TCS has filed 448 patent applications of which 68 have been granted. In the current financial year 6 patents have been granted.

Future Plan of Action

In the coming year R&D organisation will look at creating non-linear solutions. The research areas under focus will be tools, performance and agility, security and privacy, customer experience, ubiquity and health.

Expenditure on R&D

(₹ crores)

		Year ended 31.3.2011	Year ended 31.3.2010
(a)	Capital	**1.41**	0.39
(b)	Recurring	**97.20**	77.19
(c)	Total	**98.61**	77.58
(d)	Total R&D expenditure as percentage of total income	**0.33%**	0.33%

Foreign exchange earnings and outgo

(₹ crores)

		Year ended 31.3.2011	Year ended 31.3.2010
(a)	Foreign exchange earnings	**26,665.83**	21,289.57
(b)	CIF Value of Imports	**375.87**	112.97
(c)	Expenditure in foreign currency	**8,890.64**	7,339.16

On behalf of the Board of Directors,

Mumbai
May 20, 2011

R. N. Tata
Chairman

Management Discussion and Analysis

1. INDUSTRY OVERVIEW

1.1 Market sizing, trends and potential[1]

World-wide spending on technology and related products and services is estimated to have crossed US$ 1.6 trillion in 2010, a growth of 4.0% over 2009, with growth driven by emerging verticals and emerging geographies in addition to USA.

Global IT services spend increased from US$ 566 billion in 2009 to US$ 574 billion in 2010. The geographic revenues break-up for IT services was as follows:

- America's share 43.0% in 2010 (42.8% in 2009)
- Europe Middle-East and Africa revenues 39.7% in 2010 (40.2% in 2009)
- Asia-Pacific revenues 17.3% in 2010 (17.0% in 2009)

Global Business Process Outsourcing (BPO) services spend has increased from US$ 152 billion in 2009 to US$ 158 billion in 2010. The geographic revenues break-up for BPO spend was as follows:

- America's share at 55.3% in 2010 (55.8% in 2009)
- Europe Middle-East and Africa revenues 25.9% in 2010 (26.0% in 2009)
- Asia-Pacific revenues 18.8% in 2010 (18.2% in 2009)

Trends in global sourcing remained positive and showed a growth rate of 10.4% in 2010 over 2009 and the global sourcing market size was in the range of US$ 102 to 106 billion in 2010. IT sourcing grew at 10.3% to a market size of US$ 62 to 64 billion and BPO sourcing grew at 10.6% to a market size of US$ 40 to 42 billion.

There is enough potential for growth. Estimate of the addressable global sourcing market is in the range of US$ 500 billion (US$ 280 billion for IT services and US$ 220 billion for BPO services). *(Source: NASSCOM Strategic Review 2008 - 2011)*

One of the major beneficiary countries of the global sourcing trend continues to be India whose expertise and capability in the area of Information Technology (IT) and Information Technology Enabled Services (ITES) has made it a leading destination for global corporations looking for technology partners.

1.2 Growth forecasts for IT Services Industry[1]

IT services spend is expected to increase from US$ 566 billion in 2009 to US$ 684 billion by 2014 at a CAGR[2] of 3.9%.

- IT outsourcing component is expected to grow from US$ 225 billion in 2009 to US$ 239 billion in 2014 at a CAGR of 1.1%.
- IT services offshored are expected to grow from US$ 31.1 billion in 2009 to US$ 42.8 billion in 2014 at a CAGR of 6.6%.

BPO spend is expected to increase from US$ 152.1 billion in 2009 to US$ 201.5 billion in 2014 at a CAGR of 5.8%.

IT spend forecasts by global technology analyst firms like Gartner, Forrester, IDC and others indicate a growing market for IT and ITES for industry verticals, service offerings and geographies of interest to the Company and excellent prospects for growth in the future.

2. FOCUS AREAS OF THE COMPANY

2.1 Mission and Values

TCS has built a global reputation for its ability to help customers achieve their business objectives – by providing innovative, best-in-class consulting, IT and IT-enabled solutions and services. TCS' core set of values underpin all activities in the Company and these include leadership with trust, integrity, excellence, respect for the individual and learning/sharing.

The Company plans to further strengthen and consolidate its position in the global IT industry as an integrated full services player with a global footprint in terms of innovation, operations and service delivery.

2.2 Strategy of the Company

TCS' strategy is focused on using its full services capabilities and its Global Network Delivery Model™ to create business value for its customers and help them optimise their operations and execute new growth initiatives. The Company's ability to deliver an unparalleled quality of experience allows customers to experience a high level of certainty in their IT operations.

2.2.1 Customer-centricity

The Company's strategy is to be a trusted business partner to large global corporations. TCS has built a customer-centric organisation structure which puts customers at the center of its operating units and teams. The Company's promise of certainty resonates with customers as it offers them real business results through optimal IT design and deployment. TCS' ability to solve the customer's most challenging business problems is the core business need around which our offerings and services evolve.

2.2.2 Global Network Delivery Model™

TCS has established a unique Global Network Delivery Model™ (GNDM™) that allows the Company to deliver services to customers from multiple global locations in India, China, Europe, North America and Latin America. The GNDM™ enables the Company's delivery centers to collaborate on projects and leverage all its assets in order to ensure 'One Global Service Standard'.

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[1]*(Source: NASSCOM Strategic Review 2011).*
[2]*Compounded Annual Growth Rate*

2.2.3 Integrated Full Services Offerings

TCS continues to build on its 'Full Services Play' that offers its global customers an integrated portfolio of services. This includes a comprehensive range of (1) IT services capabilities in the areas of Application Development, Application Management and Enterprise Solutions (2) Business Process Outsourcing services (3) Infrastructure management services with a strong focus on 'Remote Infrastructure Management' and transformation (4) Engineering services with a focus on Enterprise Asset Management, Industrial Embedded Systems, Plant Automation Services and Product Engineering (5) Assurance and Validation services (6) TCS' own product based solutions, primarily in financial services area with its TCS BαNCS suite of offerings and (7) Global Consulting capability that brings strong skills in program management, change management, process management and architecture.

This suite of integrated full services portfolio presents a compelling value proposition for global corporations and continues to increase traction in the market place, as customers look for opportunities and partners who can bring transformation solutions which include innovation, optimisation and time to market competitive advantage for their businesses. This integrated full-services offering strategy captures the entire value chain of IT - from consulting and design to products and solutions and from implementation to support.

2.2.4 Strategic Acquisitions

In addition to sustaining strong organic growth, the Company continues to closely look at acquisitions that are strategic in nature. Through inorganic means the Company may look to strengthen gaps in its services portfolio, enter new geographies or market segments as well as in-source domain and technology expertise. The strategic acquisitions done over the years have created new capabilities within the Company and these acquisitions continue to yield synergistic growth.

2.2.5 Non-Linear Growth Strategies

The Company is focused on a set of strategic growth business initiatives to drive non-linear growth opportunities, in addition to its continuing focus on improved productivity and process enablers for its current business lines. TCS continues to invest in non-linear growth initiatives that will allow it to drive revenue growth without commensurate growth in the number of people. TCS pursues three initiatives - Software Products, Platform based BPO services, and iON – an IT-as-a-service solution for Small and Medium Business. Cloud based software services, 'Managed Services' and 'Accelerated Solutions' bring non linearity to the mainstream IT and ITES businesses of the Company.

2.2.5.1 TCS Financial Solutions

TCS Financial Solutions is a strategic business unit that enhances the competitive capability of global financial institutions in the banking, capital markets and insurance industries using its portfolio of software products. This is marketed under the TCS BαNCS brand globally. TCS BαNCS solutions are servicing business operations in about 80 countries.

TCS Financial Solutions increased its customer base by adding 36 new clients during fiscal 2011 to its active client base of 271 clients. In addition, 20 clients went "live" on BαNCS solutions during the year.

The product vision for TCS BαNCS is driven by 'Any place is a banking place' paradigm. 'TCS BαNCS Securities Trading' went operational in India with its mobile trading application with a leading financial services provider in November 2010. TCS BαNCS consists of 27 modules and covers multiple lines of businesses like Core Banking, Insurance, Payments, Securities and Treasury.

TCS BαNCS is increasingly gaining market recognition and industry analyst endorsements as listed below:

- The 2010 'Gartner Magic Quadrant' rates TCS as a leader in International Retail Core Banking
- The 2010 'Forrester Waves & Platform Deals' rates TCS as a leader for Global Banking Platforms. TCS BαNCS scored highest in banking platform functionality, deployment and operations, product and corporate strategy.

2.2.5.2 Platform-based BPO

Platform based Business Process Outsourcing (BPO) or Process Clouds represent a new business model. TCS manages and executes customers' business processes using its own technology platform. This involves combining Information Technology, Infrastructure and BPO services into a bundled service offering that enables end-to-end execution of a business process. The strategic driver behind this offering is to address a customer's increasing need for more efficiency, superior business performance and single point of accountability in the execution of many of their business processes.

The Platform based Business Process Outsourcing strategic unit of TCS (TCS P-BPO) offered four different solutions: Analytics, Finance and Accounts (F&A), Human Resource Outsourcing (HRO) and Procurement. TCS' platform BPO offerings continued to gain acceptance with customers, with key deals being won in India and North America.

During fiscal 2011 TCS' P-BPO unit expanded its suite of offerings across the four platforms.

2.2.5.3 iON

iON is the 3rd Generation Service Delivery Model using Cloud Computing for Small and Medium Business (SMB)

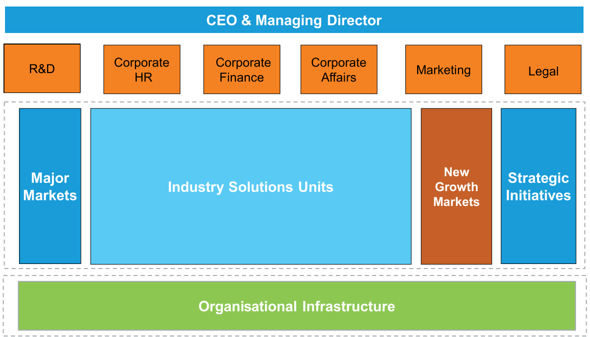
In fiscal 2011, TCS launched iON – the world's first fully integrated information technology solution for SMBs. iON is pre-configured with hardware, network and software bundled together and backed by business, technical and consulting services. iON has been developed to deliver IT in the 3rd generation service model to SMBs – deliver Technology-on-Tap. Using the very latest in scalable cloud computing technology, iON removes the need for SMBs to invest in IT assets or retain scarce IT talent. Using pay-per-use business model, iON helps SMBs leverage world-class technology at an affordable cost. Today, more than 150 SMBs across India are leveraging the iON solution and have reduced their total cost of technology ownership significantly.

To provide SMB customers with seamless service, iON has created an eco-system of 90+ Cloud Service Partners across India.

3. Organisational Structure

A key concern that sustained growth engenders, is the potential loss of agility in an organisation that has outgrown its structure. Another concern is around whether and how the organisation will be able to focus on the right sectors for future growth.

Both these concerns were addressed by the customer-centric organisation structure that the Company rolled out in 2008. This structure was designed to not only enhance customer focus and accountability, but also to provide agility by reorganising TCS into multiple, smaller operational units consisting of 3,000-14,000 employees, each pursuing the best possible growth in their individual domain.



Each of the market-facing business units owns its own resources and pursues growth in its respective domain at the best possible pace that the domain can support, with all the agility and focus of a smaller company. Further, each business unit manages its own costs and is accountable for its margins. This has turned out to be an important enabling mechanism for better control of the various margin levers. The effectiveness of this structure was evident over the last two years, when the Company had to exercise various operational levers rapidly and streamline costs to expand operating margin.

4. Industry Verticals

In the section below, the Company's positioning in the various industry verticals are discussed.

4.1 Banking, Financial Services and Insurance (BFSI)

Financial markets witnessed improved growth through the year, as equity prices rose and credit spreads tightened in major advanced economies. Authorities in major emerging market economies continued to take gradual steps to tighten monetary policy as inflationary pressures there intensified.

These evolving dynamics required financial institutions to establish and continually enhance systems that effectively responded to increasing governance, risk and compliance requirements. All of this needed to be accomplished while achieving superior levels of customer experience and successfully managing revenues and costs. The Company continues to work with leading global clients in this industry, executing complex programmes in these areas.

TCS has partnered globally with more than half of the world's top twenty banking institutions and one fourth of the world's top hundred insurers.

4.2 Telecom

The Company's differentiated domain offerings and continued customer focus in the telecom industry have enabled it to grow with most of its existing strategic clients. The Company also added a few new marquee customers with potential for future growth.

The Company's core strategy in the Telecom industry continues to be IT services-centered full services play for telecom service providers and equipment vendors. The Company continues to invest in research to play the innovator's role and be a catalyst for change in the emerging Telecom landscape. TCS has been responsible for the deployment of mobile number portability solutions and IT infrastructure for launch of 3G services in India.

The continuing recovery of the global economy, despite its uneven nature, will stimulate investments by telecom service-providers in networks and launch of new services. The Company remains focused on expanding its global footprint and expects to see increased investment in policy management, analytics, and strengthening of the trend towards outsourcing and managed services.

4.3 Manufacturing

The Company is positioned as a partner of choice for its clients in Automotive, Industrial Manufacturing and Components (IMC), Process and Chemical and Aerospace sectors.

TCS enjoys a strong position in the manufacturing industry, by virtue of its unique proposition of end-to-end business-focused IT and IT-enabled solutions and services. These offerings cover the entire value chain, from new product introduction to customer experience management and boardroom to shopfloor connect. All the major customers in manufacturing have grown moderately in the last one year.

4.4 Retail and Consumer Packaged Goods

The Retail and Consumer Packaged Goods industry has been one of the fastest growing verticals in TCS. The Company offers a complete portfolio of services in this industry – Consulting, IT Infrastructure services, BPO, Assurance and Enterprise solutions. This full services play has found resonance amongst the clientele, making the Company the preferred service provider for six of the top ten global retailers.

4.5 Other Industries

The Company also services several other industries such as Life Sciences and Healthcare, Hi-Tech, Energy, Resources and Utilities, Media and Entertainment and Travel, Transportation and Hospitality.

The Company's growing domain expertise in these industries is reflected in the higher than average growth that these verticals registered.

5. TCS' Global Footprint

The Company continues to invest in developing and optimising its global presence, in order to pursue opportunities in global markets on an ongoing basis and enable existing and potential customers to access its services seamlessly. As on March 31, 2011, TCS had 145 offices in 42 countries as well as 106 delivery centers in 20 countries.

5.1 Major Markets

TCS continues to focus on serving large global clients in the major markets of North America and Europe including UK.

The Company's key focus in these mature markets is to grow its wallet-share in key customer accounts by increasing the scope of engagement. TCS is also focused on winning new key accounts in these major markets by using its integrated full services and GNDM™ offerings.

The Industry domain and consulting led focus has enabled the Company to push for aggressive growth. The Company has numerous multi-year relationships established with global multinationals in these markets and continues to provide them a multiple range of services.

In North America, the Company has further strengthened its local presence by focusing on growing its investments in Cincinnati, Ohio, by recruiting local talent to support North American operations.

In Europe, the Company has increased its focus on the Western European markets like Germany, France, Switzerland, Benelux and the Nordic region.

5.2 New Growth Markets

The Company has been investing in emerging markets since 2002-03 and has achieved scale. New growth markets include Latin America, Middle East and Africa, Asia-Pacific and India.

TCS believes that these markets have the potential to be significant revenues drivers over the long-term.

6. Service Offerings

The Company's full services portfolio consists of Application Development and Maintenance, Business Intelligence, Enterprise Solutions, Assurance, Engineering and Industrial Services, IT Infrastructure services, Business Process Outsourcing, Consulting and Asset leveraged solutions.

6.1 Application Development and Maintenance (ADM)

The Company's ADM service offering covers the entire range of services around the software development lifecycle, including re-engineering and migration. Key highlights related to the Company's positioning in this space includes:

- Leadership position in 'Gartner Magic Quadrant' for North American and European Offshore Application Services
- Leadership position in '2010 Forrester Wave' for Europe Middle East Africa (EMEA) Application Outsourcing
- Leadership position in '2010 Forrester Wave' for North American Applications Outsourcing.

6.2 Business Intelligence (BI)

Subsequent to the financial crisis, during the recovery phase, business intelligence and analytics are becoming very important areas and the Company is focused on this segment.

6.3 Assurance Services

Growing adoption of independent and unbiased software testing and various transformational initiatives undertaken by clients spurred strong demand for the Company's Assurance Services.

TCS' in-depth knowledge of industry verticals, combined with its emphasis on process and technology has created a strong value proposition for it's customers. Also, astute investments in quality assurance and software testing space, including solution accelerators and frameworks created by the Company's in-house Research and Development (R&D) team, are paying handsome dividends.

6.4 Enterprise Solutions

The Company serves customers in the areas of Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Supply Chain and Content Management services with end-to-end offerings and solutions that address their global market needs, from strategy to transformation, blue-printing to implementation, as well as rollouts, upgrades and managed services.

In fiscal 2011, Enterprise Solutions returned to robust growth, witnessing all round demand and it won deals across verticals, markets, platforms and offerings. Key accolades received by the Company in this area were:

- Leadership position in '2010 Gartner Magic Quadrant' for Oracle ERP implementation service providers, North America
- Leadership position in '2010 Gartner Magic Quadrant' for SAP ERP implementation service providers, North America.

6.5 IT Infrastructure Services (IT IS)

IT Infrastructure Services (IT IS) is a growth engine for TCS. The Company offers end-to-end IT Infrastructure services by providing transparent solutions and superior service delivery, aligned to business metrics. These solutions are delivered by leveraging an analytics-led approach, remote management, Centers of Excellence (CoE), automation, innovation frameworks and continuous improvement processes.

During fiscal 2011, the unit bagged large end-to-end strategic managed services deals, implemented transformation deals involving consolidation, virtualisation and optimisation services, including provisioning of 'on demand environment' for customers and leveraged new delivery models like Cloud Services and Integrated Command Center (ICC).

The Company has been positioned as a leader in IT infrastructure services in the 'Forrester Wave Report', with the highest overall customer reference scores amongst all the vendors in the analysis.

6.6 Business Process Outsourcing (BPO)

TCS' BPO offers value-added transaction processing services to its customers across multiple industry verticals. It also offers knowledge-based services focused on areas of research and analytics, such as biostatistics, customer insights, risk analytics and predictive analytics.

The Company has performed well in this service area due to its differentiated position in the market backed by superior domain expertise and innovative pricing models such as transaction and outcome based pricing. TCS is the first BPO in the world to be assessed enterprise wide at Level 5 in Capability Maturity Model Integration (CMMI) for services, assuring delivery excellence to its clients.

In line with the GNDM™ strategy, during the current year, the Company opened additional BPO sites in Manila, Philippines and Midland, Michigan, USA. It also continued to invest in scaling up its BPO operations across the globe.

6.7 Engineering and Industrial Services (EIS)

EIS offers full services across the engineering, product development and R&D value stream of companies in multiple industry verticals. The EIS portfolio provides a wide range of solutions catering to individual customer needs focusing on New Product Development Solutions, Product Lifecycle Management Solutions, Plant Solutions and Services and Geospatial Solutions.

6.8 Global Consulting Practice (GCP)

GCP is a key ingredient in TCS' full services strategy to deliver greater value to clients. The Company's consulting-led, integrated portfolio of services helps organisations increase alignment between business operations and IT. GCP positions the Company for winning larger downstream deals by working with clients worldwide in the early part of their transformation lifecycle.

GCP operates as a single global unit focusing on the Company's existing customers as well as supporting new customer acquisitions. Today, GCP has breadth and depth in IT consulting, growing capability in business consulting and increased ability to go to market with multi-competency solutions. This has helped the Company gain strong traction for its consulting services in fiscal 2011.

6.9 Asset Leveraged Solutions

The Company's offerings in this area are primarily focused on the Banking, Financial Services and Insurance industry. TCS has since been replicating the model in other industry verticals. Examples include:

- Legal Management Solution in the Hi-Tech vertical,
- Customer loyalty (Rewardz) and Point of Sale (POS) solutions in the Retail vertical.

The Asset Based Solutions business has registered a progressive growth and the Company sees greater opportunities to productise these assets, working collaboratively with its clients.

6.10 Eco-Sustainability Services

It is estimated that the use of IT has the potential to reduce carbon emissions by 15% by 2020. This could translate into an economic benefit of Euro 600 billion for those businesses choosing to transition to an environmentally friendly and ecologically sustainable lower carbon footprint. To capture this sizable market opportunity, the Company set up a separate Eco-Sustainability Service with the following offerings:

- Enterprise level – Green IT, Eco-footprinting, Sustainability performance management, Eco-awareness and education, Compliance management
- Business Process level – Sustainable supply chain, Green logistics, Green product engineering
- Consumption level – Demand side Energy management, Life cycle assessments for environment.

7. Technology and Innovation

TCS' R&D remained focused on twin objectives: meeting current customer needs and innovating to meet their future business needs. The Company's customer-focused R&D initiatives connected with key customers across domains, along the themes of increasing productivity, agility, simplification, compliance and understanding of consumer behavior.

The Company's innovation offerings for infrastructure simplification, social collaboration, connected marketing and data privacy have been active differentiators with new deals and given the Company an edge over global competitors. TCS Tools have seen greater implementation in all phases of the software lifecycle, ensuring efficient delivery and cost savings for the customer. R&D initiatives in cloud computing and sustainability solutions have helped clients reduce capital expenditure and carbon footprint.

8. Intellectual Property (IP)

The Company has a long tradition of nurturing creativity and innovation. To promote a strong culture of recognising inventions the Company formed a dedicated Corporate IPR Cell in fiscal 2011, steered by the IP Management Board. The Company's IP strategy seeks to build an effective portfolio of Intellectual Property Assets for future monetisation, collaboration and risk mitigation.

The total number of patents granted till March 31 2011 were 68. TCS had over 448 patents filed in multiple jurisdictions till March 31, 2011.

9. Human Resources Strategy

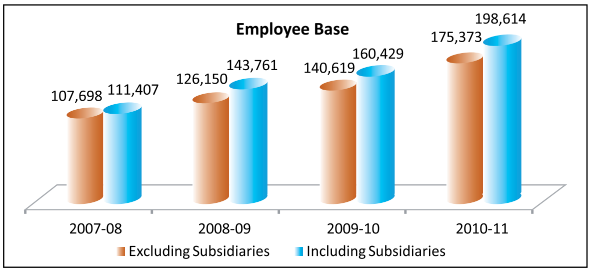
The Company continued to invest in developing its human capital, building strong relationships with academia and establishing its brand in the market to attract and retain the best talent.

The strategic initiatives include developing competencies, identifying and nurturing a strong pipeline of leaders, continually engaging talent and helping employees in their career aspirations. This has helped the Company build a culture where people are respected, performance is rewarded and where every employee can realise his or her potential.

TCS consolidated headcount fiscal 2011 summary

	India	Overseas	Total
Opening headcount (As of April 1, 2010)	1,49,410	11,019	1,60,429
Gross additions	62,092	7,593	69,685
Attrition	26,899	4,601	31,500
Net additions	35,193	2,992	38,185
Closing headcount (As of March 31, 2011)	1,84,603	14,011	1,98,614

During fiscal 2011, the Company's HR strategy helped it fulfill the demand to generate value and provide the experience of certainty to all stakeholders. TCS grew to 1,98,614 employees (including 23,241 employees working for subsidiaries) as on March 31, 2011, compared to 1,60,429 as on March 31, 2010.



9.1 Talent Acquisition

A robust talent acquisition ecosystem and an evolved people transition model helped the Company source, transition and effectively integrate new recruits. Close collaboration between the 'Talent Acquisition' team, 'Learning and Development' teams and the business units has ensured that the sourcing-to-deployment process supported business in fulfilling demand.

The Company set yet another benchmark with a gross addition (including subsidiaries) of 69,685 employees and a net addition of 38,185 employees in fiscal 2011 – the largest in the industry. This included over 1,626 people insourced from customer organisations globally.

The Company continues to invest in talent development through a well established Academic Interface Programme, providing internships, conducting faculty development programmes, conducting student workshops to orient students to the IT industry and sponsoring technical and research programmes in various institutes. TCS also launched a programme in fiscal 2011 to support bright students to pursue doctoral programmes thus contributing to national talent development.

The Company's Industry - Academia collaboration network with over 500 of the foremost universities in India and overseas helps it source the best engineering talent in the country. TCS got day one slots at over 99.4% of the campuses visited in fiscal 2011, up from 98.4% in the previous year.

For fiscal 2012, the Company has made 37,396 campus offers, up from 20,050 made for fiscal 2011. These recruits will be inducted in a staggered manner.

9.2 Learning and Development

The Company continued its focus on talent development to build skills and competencies in four dimensions namely Technology, Domain, Process and Soft Skills including foreign language capability.

Regular classroom-based training, technology-enabled learning, external certifications, on the job training and sponsorship for higher education constituted the other key channels for competency development. Increased focus on technology-enabled learning initiatives has enhanced the Company's ability to provide these opportunities to its global workforce deployed across 42 countries.

Initial Learning Program (ILP) content was revised and training infrastructure was scaled to address business needs. During fiscal 2011, 28,170 trainees completed ILP programme and a total of 15,84,480 learning days effort were spent on ILP.

Continuous Learning Programmes (CLP) addressed the business need of building competencies in advance and helped fulfilling demand and improved workforce productivity. TCS invested 6,67,683 learning days to build competencies in niche technology and 24,656 certifications were completed by its employees during fiscal 2011. The Company's web-based learning platform was enhanced with richer content, additional programmes and greater domain coverage.

9.3 Talent Management and Leadership Development

Highly engaged employees are critical for sustaining the Company's growth. A continuous focus on improving HR practices around talent engagement, talent deployment, performance and career management, reward and recognition for high performance and competitive compensation and benefits, helped the Company to attract and retain the best talent.

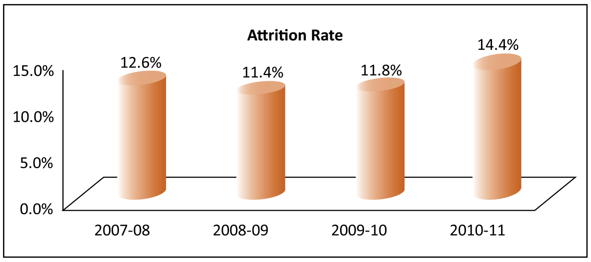
Communication and engagement with employees, rotating talent across projects, countries and roles, providing opportunities for upgrading competencies and helping employees progress to higher level roles, provides the necessary platform for employees to realise their potential.

Leadership Development Programmes (LDP) address the need for developing the necessary leadership talent pool for the current growth as well as future requirements. Candidates are identified and nominated for LDPs and provided experiential learning to hone their skills and take up leadership positions.

Programmes were offered in-house at the TCS Leadership Institute at Trivandrum and the Tata Management Training Centre at Pune. Senior leaders were sponsored for programmes at reputed institutes in India and abroad.

A number of employee engagement initiatives including fun events, wellness programmes and talent shows were organised. Employees were encouraged to volunteer for Corporate Social Responsibility (CSR) programmes. These initiatives helped improve employee bonding, develop their personalities and manage stress at work. The Company's culture of listening to employees, taking their feedback and addressing their concerns swiftly has helped improve employee satisfaction.

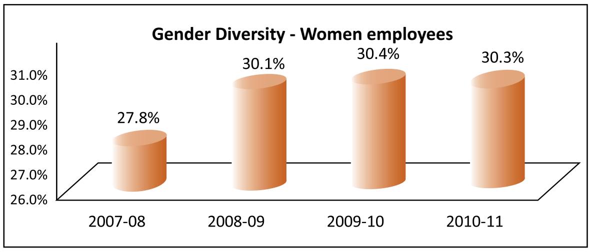
These practices have helped the Company win recognition and a number of awards globally. TCS remains the industry benchmark for talent retention. The Company's attrition rate including BPO went up to 14.4% in fiscal 2011 as compared to 11.8% in the previous year, due to higher demand in the industry. However, this represents the lowest attrition figure in the industry.

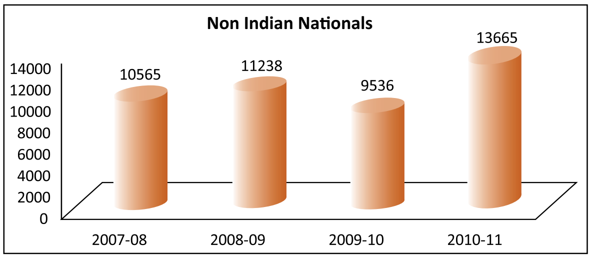


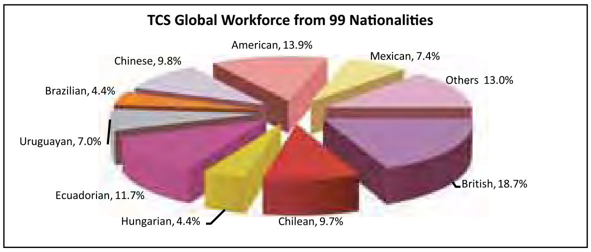
9.4 Talent Diversity

The Company has improved its workforce diversity through an equal-opportunity global recruitment program and as an outcome of strategic initiatives like Mergers and Acquisitions (M&A) and insourcing. Avenues have also been provided to integrate differently-abled people with the mainstream workforce. The annual 'Talent Acquisition' plan includes an optimal mix of fresh and experienced recruits with diverse educational and cultural backgrounds.

As of March 31, 2011, women constituted 30.30% of the Company's workforce. The Company employed persons from 99 different nationalities.







9.5 Giving back to society

The Company encouraged employees to volunteer in a range of CSR activities classified under three focus areas: Education/Skill Development, Environmental Sustainability and Health Awareness. Employees participated in issues of larger global impact through events like Earth Hour 2011, World Water Day and Earth Day.

The Company's advanced computer training center trained visually impaired youth, thereby opening new avenues for employment and further studies. Adult literacy camps were organised in collaboration with the National Literacy Mission using its computer-based functional literacy package.

The Company runs a programme to improve employability of underprivileged graduates and those hailing from scheduled castes and scheduled tribes, under which over 2,000 candidates were trained. As of March 31, 2011, over 1,000 were under training. Provisional employment offers were made to 428 candidates.

9.6 Compliance

The Compliance Cell within HR continues to track development in immigration, employment and labour laws globally and recommends changes in policies and procedures to mitigate future risks arising out of changes in the legal environment.

10 OPPORTUNITIES AND RISKS

10.1 Opportunities

TCS is the industry leader in India and amongst the Top 10 IT services companies in the world in terms of revenues, profits, market capitalisation and number of employees. Continuing investments in technology by its clientele, a growing preference for global sourcing and the emergence of newer technologies and business models offer many opportunities for TCS.

The Company's integrated full services capability, global delivery footprint and scale have expanded its addressable market, strengthened its reputation and ensured its inclusion in the top tier list of vendors invited for the largest and most complex bids. These offer a sizable growth opportunity for the Company.

10.2 Risks and Risk Mitigation

The Company has put in place an Enterprise-wide Risk Management (ERM) programme based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework. Reports are placed before the Board of Directors at regular intervals.

The risk management process is continuously improved and adapted to the changing global risk scenario. The agility of the risk management process is monitored and reviewed for appropriateness with the changing risk landscape. The process of continuous evaluation of risks, includes taking stock of the risk landscape on an event-driven as well as quarterly basis.

The risk categories covered under the ERM programme includes strategic, operational and financial as well as compliance-related risks across various levels of the organisation. This includes risk assessment and mitigation at the company level, business / functional unit level, relationship level and project level.

Some of the key strategic risks the Company faces, their impact and corresponding risk mitigation actions undertaken by the Company are discussed in the table:

Key risks	Impact on TCS	Approach to Mitigation
Uncertainties in global economy	Slow or uncertain recovery in the major markets or economic shocks resulting from instability in the Middle East or sovereign defaults in Southern Europe could lead to cuts in IT budgets and result in demand compression, pricing pressure and / or increased credit risk from vulnerable clients.	• Diversification across geographies with focus on emerging markets • Diversification of product and services offerings • Building greater client intimacy by optimising operating metrics to lower their costs • Broad-basing the number of key clients by gradually moving clients up the revenues bands, so concentration risks are reduced.
Protectionism in major markets	Restrictive legislations that impede the free flow of talent in key markets could disrupt operations and hamper growth in those markets.	• Leveraging the GNDM™ where possible • Advance planning of visas • More local recruitment • Working through industry bodies to articulate the Company's point of view to legislators and the public.
Commoditisation of offerings / value proposition	Greater competition could result in pricing pressures and hurt the Company's profitability.	• Broadening the Company's service offerings to become an integrated full services partner to its clients • Greater focus on larger, more complex deals that play to the Company's strengths in programme management and domain expertise • Building greater brand awareness with the Company's Experience certainty 2.0 theme • Investments in building intellectual property, in newer business models and in tools that improve productivity.
Service model redundancy	Newer models which change the manner of consumption of IT could result in demand compression / pricing pressure on the existing model.	• Continually scanning the environment and polling clients to detect emerging trends early enough • Investing in building intellectual property • Investing in emerging business models that leverage cloud computing to deliver software on a pay-per-use basis.
Reputational risks	TCS has a track-record and reputation for quality and delivery certainty and for integrity and ethical dealing as a corporation. Damage to that reputation could lead to loss of market share.	• Continued focus on quality rigour and process compliance through the Company's integrated quality management systems • Strong Corporate Governance framework, adequate controls throughout the organisation and strict adherence to the Tata Code of Conduct.

Key risks	Impact on TCS	Approach to Mitigation
Innovation-related risks	Innovational initiatives are often linked to strategic growth objectives, so failures could not only lead to write-offs of the investments made and potential reputational damage and / or service / product liabilities but also imperil those strategic objectives.	• Structured periodic reviews of all such programmes by senior management • Oversight by the Chief Technology Office (CTO) organisation for tracking all technology-led innovation initiatives • Separate risk evaluation at a business unit level for the Company's Strategic Growth Initiatives.
Integration risks in M&A	Loss of value paid for the asset, distraction to management focus, disruption to existing operations.	• Well-laid out integration plans and close monitoring and review of these transactions to ensure that the goals and milestones related to the transactions are achieved.
Regulatory non-compliance	TCS has a global footprint and failure to comply with any of the relevant regulations in any location could result in financial penalties and reputational damage.	• Establishment of a separate office of Chief Compliance Officer and an institutionalised structure to ensure 100% regulatory and legal compliance across the globe • The use of local managers as well as consultants, auditors, lawyers, specialists and experts facilitates compliance • A security policy that complies with international information security and data privacy laws, backed by rigourous processes and a robust infrastructure assures physical and virtual security • Collection and processing of personal data takes place under highly controlled conditions, minimising risk of breaches of private employee information.
Supply-side risks	TCS's is a people-centric business and any impairment in its ability to attract and retain talent can impact demand fulfillment and by extension, revenue growth.	• Broadening the Comapny's catchment area and recruiting science graduates to expand the available pool of fresh recruits • The Company's Academic Interface Programme continues to improve the quality of graduates while strengthening its brand image on campuses and getting it the coveted day one placement slot during recruitment season • Highly mature HR processes, competitive remuneration, growth opportunities and an empowering, engaging workplace continue to help attract and retain talent. • Scaling up the Company's global footprint through Global Delivery Centers.

Key risks	**Impact on TCS**	**Approach to Mitigation**
Financial risks	Wage inflation and other cost escalations could reduce the Company's margins. An appreciating rupee can shrink revenues and squeeze earnings.	• Decentralised controls backed by an institutionalised framework to keep expenses under control • Focus on improving productivity and leveraging the employee pyramid • Use of currency forward contracts and options to hedge receivables and revenues as per the Risk Management Board's assessment • Quarterly review of hedging strategies by the Risk Management Board.

PERFORMANCE TREND

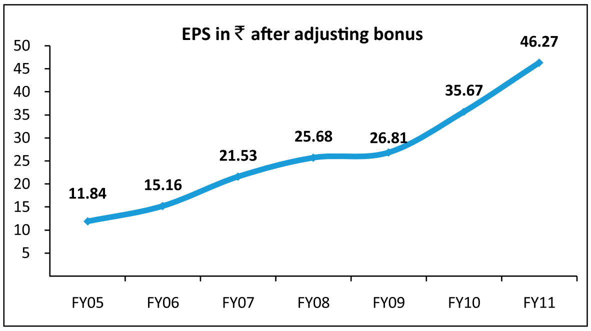
Over the years, TCS has built itself into an organisation that not only partners with its customers, but also provides value addition, through a repertoire of innovative solutions and superior quality of services. It has thus emerged from being a trusted expert, to a trusted business advisor to all its clients. Today, TCS has risen to eminence, as a leading Company in the IT / ITES space in the globe.

In its journey of business success and excellence, TCS has created significant wealth for all its stakeholders.

VALUE ADDITION SINCE FISCAL 2005

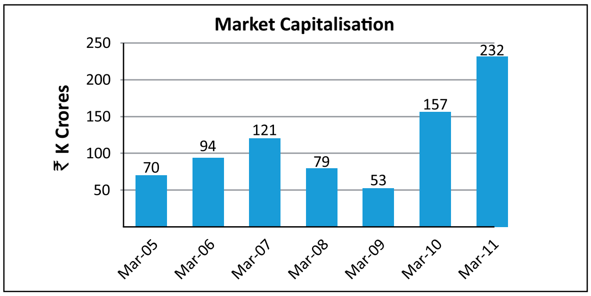
Earnings per share

Earnings per share (EPS), adjusted for two 1:1 bonus issues, went up from ₹ 11.84 in FY 2005 to ₹ 46.27, in FY 2011 – almost a four-fold increase.



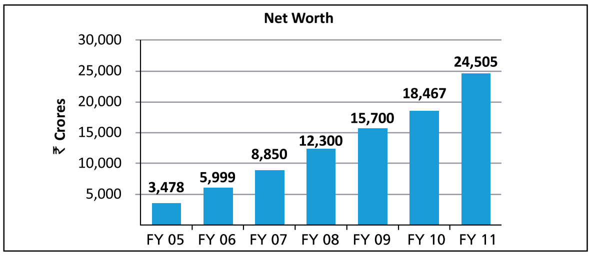
Market Capitalisation

Market capitalisation saw a phenomenal increase from ₹ 47,254 crores in August 2005, to ₹ 2,31,713 crores in March 2011, a rise of almost five times.



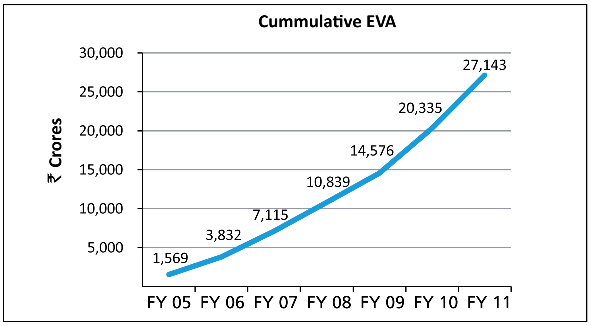
Increase in net worth

The net worth of the Company has increased seven times in the last seven years.



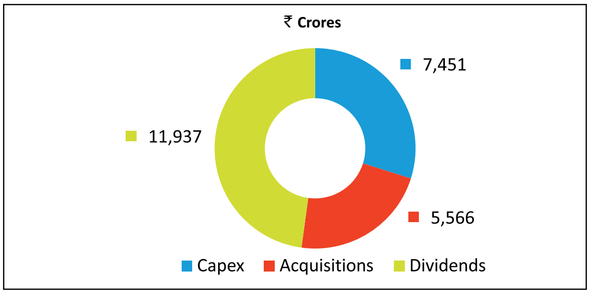
Economic Value Addition (EVA)

EVA in FY 2011 has increased more than four times from FY 2005. The chart below shows the cumulative EVA in the last seven years, indicating a steady and consistent increase in the value created.

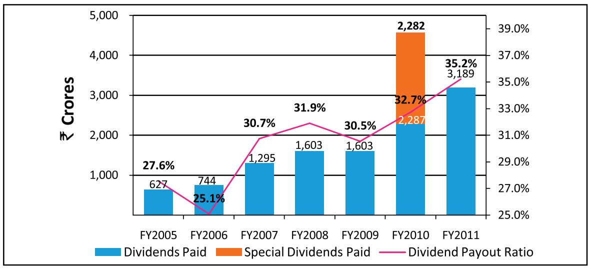


SHARING OF CASH GENERATED SINCE FISCAL 2005

As much as 48% of the cash generated from FY 2005 to FY 2011 has been distributed to the shareholders as dividend.



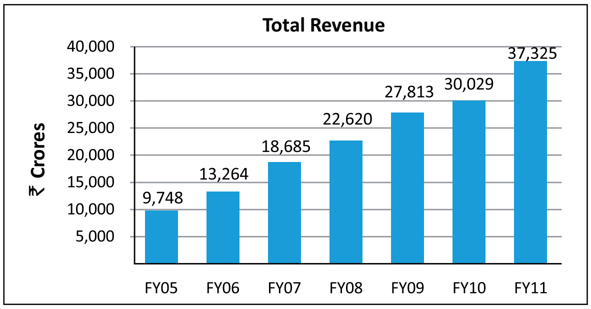
The Company's dividend payment record is one of the best in the industry.



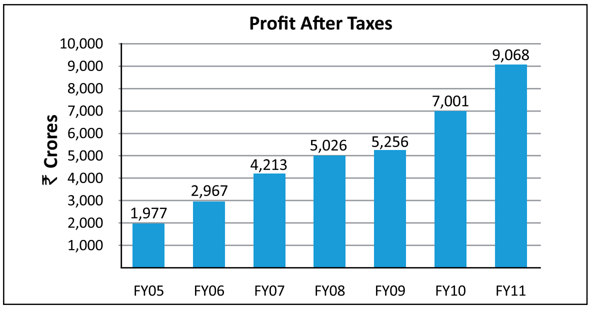
OPERATIONAL EXCELLENCE

Revenue trend

Revenues grew to a record high of ₹ 37,325 crores ($ 8.2 billion) in 2010-11 – a rise of almost four times from 2004-05, with a compounded annual growth rate (CAGR) of 21.14%.

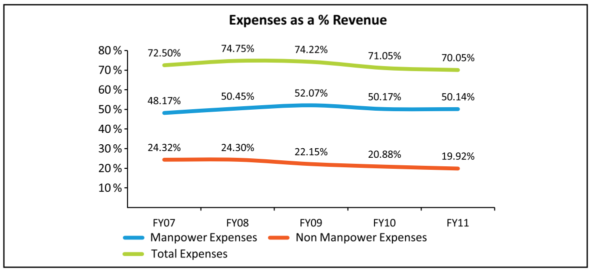


Profits after taxes (PAT) have grown by more than four times from ₹ 1,977 crores in FY 2005 to ₹ 9,068 crores in FY 2011.

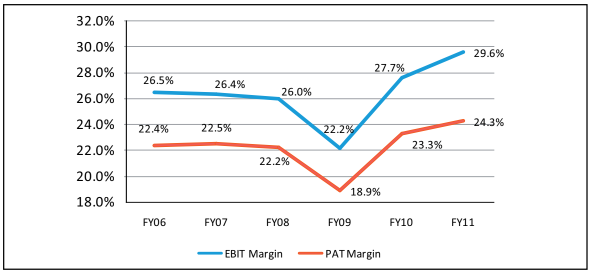


Management of costs

The company has been able to strengthen its cost management processes. The operating costs, as percentage of revenues have come down.

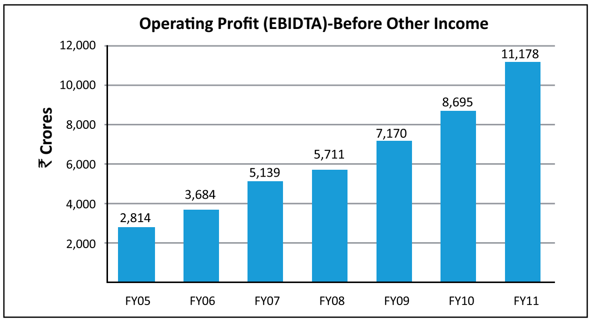


Profitability has been one of the focus areas of the Company. In recent times profitability has improved substantially.



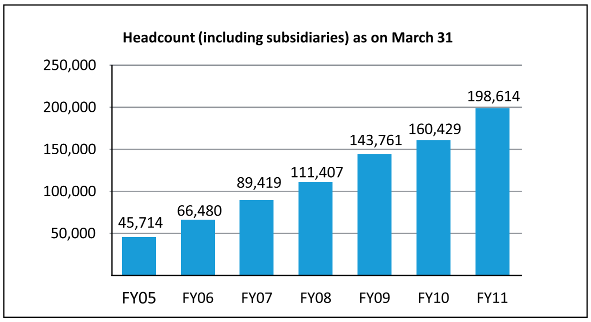
Earnings trends

Earnings before interest, depreciation, tax and amortisation (EBIDTA) excluding other income have grown by four times from ₹ 2,814 crores in FY 2005 to ₹ 11,178 crores in FY 2011.



GROWTH OF MANPOWER RESOURCE

Headcount (including subsidiaries) has expanded by more than four times from 45,714 in FY 2005 to 1,98,614 in FY 2011.



FINANCIAL PERFORMANCE - (CONSOLIDATED)

Tata Consultancy Services Limited (TCS Limited) is a public company listed on "National Stock Exchange of India Limited (NSE)" and "The Bombay Stock Exchange Limited (BSE)" since August 25, 2004.

The financial statements of TCS Limited are prepared in compliance with the Companies Act, 1956 and generally accepted accounting principles in India (Indian GAAP).

TCS Limited has a number of subsidiary companies which are either wholly-owned or partly-owned.

TCS Limited discloses audited financial results on a quarterly and annual basis. The financial results of TCS Limited as per Indian GAAP are discussed hereunder in two parts:

(i) Tata Consultancy Services Limited (Consolidated) which includes performance of subsidiaries of TCS Limited. Preparation and presentation of such Consolidated Financial Statements depicts comprehensively the performance of the TCS group of companies and is more relevant for understanding the overall performance of TCS.

(ii) Tata Consultancy Services Limited (Unconsolidated) which excludes the performance of subsidiaries of TCS Limited. [see Management Discussion and Analysis (unconsolidated)].

The following discussion and analysis should be read together with the Consolidated Indian GAAP Financial Statements of Tata Consultancy Services Limited (hereinafter referred to as TCS or the Company) for the financial years ended March 31, 2011, 2010 and 2009.

Financial performance summary (consolidated)

The Global economy and the IT industry in particular have been going through volatile times. The major markets in which the Company operates had to navigate through a phase of one of the worst economic crisis the world has ever faced. The period of crisis was used by the Company for revamping its internal business processes, without losing focus on delivering value to customers and growth with profitability for the company. Driven by the passion for continuous improvement and diligent implementation of its strategy, the Company has gone from strength to strength and is well positioned for future growth.

In fiscal 2011, the global economic environment improved. The Company remained focused on overall growth and management of costs. As compared to fiscal 2010, there has been all round improvement in its financial performance in fiscal 2011.

The trends in the financial performance of the Company can be seen in the section 'Company's Performance Trend (Indian GAAP Consolidated)'.

In fiscal 2011, the consolidated revenues of the Company aggregated ₹ 37,324.51 crores (₹ 30,028.92 crores in fiscal 2010), registering a growth of 24.30%.

The consolidated profit before taxes (PBT) aggregated ₹ 11,020.62 crores in fiscal 2011 (₹ 8,289.63 crores in fiscal 2010) – a growth of 32.94%. Pre-tax profit as a percentage of revenues improved from 27.61% in fiscal 2010 to 29.53% in fiscal 2011.

The consolidated net profit for the fiscal 2011 after taxes aggregated ₹ 9,068.04 crores (₹ 7,000.64 crores in fiscal 2010) – a growth of 29.53%. Post-tax profit as a percentage of revenues improved from 23.31% in fiscal 2010 to 24.30% in fiscal 2011.

In fiscal 2011, the Company's consolidated earnings per share were ₹ 46.27 (₹ 35.67 in fiscal 2010).

FINANCIAL PERFORMANCE — (CONSOLIDATED)

The Management Discussion and Analysis below relates to the consolidated audited financial statements of TCS Limited and includes the results of its subsidiaries. The discussion should be read in conjunction with the consolidated financial statements and the related 'notes to the consolidated accounts' for the year ended March 31, 2011.

	For the year ended March 31, 2011		For the year ended March 31, 2010		FY 2011 vs. FY 2010
Revenues from operations	**(₹ crores)**	**% of Revenues**	**(₹ crores)**	**% of Revenues**	**% growth**
Information technology and consultancy services	**36,046.13**	**96.57**	29,085.21	96.86	**23.93**
Sale of equipment and software licenses	**1,278.38**	**3.43**	943.71	3.14	**35.46**
Total revenues	**37,324.51**	**100.00**	30,028.92	100.00	**24.30**
Expenditure					
Employee costs	**13,726.10**	**36.78**	10,879.57	36.23	**26.16**
Overseas business expenses (employee allowances paid overseas)	**4,986.69**	**13.36**	4,186.18	13.94	**19.12**
Total employee costs	**18,712.79**	**50.14**	15,065.75	50.17	**24.21**
Overseas business expenses (other than employee allowances paid overseas)	**542.52**	**1.45**	383.89	1.28	**41.32**
Services rendered by business associates and others	**1,836.55**	**4.92**	1,261.97	4.20	**45.53**
Operation and other expenses	**5,054.29**	**13.54**	4,622.76	15.39	**9.33**
Total expenditure	**26,146.15**	**70.05**	21,334.37	71.05	**22.55**
Other income, (net)	**604.00**	**1.62**	272.07	0.91	**122.00**
Profit before interest, depreciation and taxes	**11,782.36**	**31.57**	8,966.62	29.86	**31.40**
Interest	**26.48**	**0.07**	16.10	0.05	**64.47**
Depreciation and amortisation	**735.26**	**1.97**	660.89	2.20	**11.25**
Profit before taxes	**11,020.62**	**29.53**	8,289.63	27.61	**32.94**
Provision for taxes					
Income tax expense (Including deferred tax, fringe benefit tax and MAT credit entitlement)	**1,830.83**	**4.91**	1,196.97	3.99	**52.96**
Net profit for the year before minority interest and share of loss of associate	**9,189.79**	**24.62**	7,092.66	23.62	**29.57**
Minority interest	**(121.45)**	**(0.33)**	(90.99)	(0.31)	**33.48**
Share of loss of associate	**(0.30)**	**-**	(1.03)	-	**-**
Net profit	**9,068.04**	**24.30**	7,000.64	23.31	**29.53**

Revenues

Revenues from operations

The Company's consolidated revenues increased in fiscal 2011 to ₹ 37,324.51 crores from ₹ 30,028.92 crores in fiscal 2010, a growth of 24.30% (7.97% in fiscal 2010).

Revenues from information technology and consultancy services increased in fiscal 2011 to ₹ 36,046.13 crores from ₹ 29,085.21 crores in fiscal 2010, a growth of 23.93%. Revenues from information technology and consultancy services constituted 96.57% of the total revenues in fiscal 2011 (96.86%in fiscal 2010).

Consolidated revenues from sale of equipment and software licenses increased by 35.46% to ₹ 1,278.38 crores in fiscal 2011 from ₹ 943.71 crores in fiscal 2010.

Analysis of revenue growth

	Fiscal 2011	Fiscal 2010	Fiscal 2009
	% growth	% growth	% growth
Volume	**29.65**	17.37	19.33
Price	**(0.30)**	(3.32)	(4.89)
Mix (onsite / offshore)	**(0.85)**	(8.12)	(2.27)
Exchange rate	**(4.20)**	2.04	10.80
Total growth	**24.30**	7.97	22.97

The growth in volume in fiscal 2011 was 29.65%, significantly more than that of fiscal 2010 (17.37%) and fiscal 2009 (19.33%). The growth in volume is attributable to increased demand for services from existing and new customers in fiscal 2011.

Unlike in earlier years, which witnessed pricing pressure (4.89% in fiscal 2009 and 3.32% in fiscal 2010), fiscal 2011 was more or less steady on the pricing front.

Effort-wise, the relative position for India offshore deployment in fiscal 2011 and fiscal 2010 did not change. The onsite deployment increased while Global Delivery Center (GDC) deployment declined in fiscal 2011.The effect on revenue growth as a result of this onsite/offshore/GDC mix change – was a negative 0.85%, primarily on account of shift of efforts – intra onsite/ GDC locations.

TCS is a global company and earns its revenues in multiple currencies. During fiscal 2011, the volatility in exchange rates impacted growth. The trend in average exchange rates of the Indian Rupee vis-a-vis some of the major currencies in which TCS transacts its business is shown in the following table:

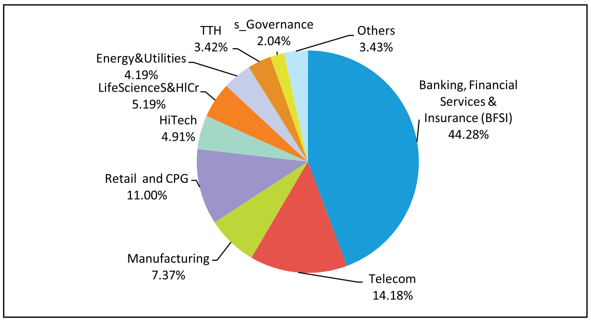
Currency	Fiscal 2011	Fiscal 2010	Fiscal 2009	Change FY11 vs. FY10 (%)	Change FY10 vs. FY09 (%)
USD	**45.60**	47.36	46.30	**(3.71)**	2.30
GBP	**71.00**	75.54	78.33	**(6.01)**	(3.56)
EUR	**60.40**	67.09	65.52	**(9.97)**	2.40
AUD	**43.25**	40.48	35.82	**6.85**	12.99
CAD	**44.77**	43.63	41.21	**2.62**	5.88

In fiscal 2010, all significant currencies, except British Pound Sterling (GBP), appreciated vis-à-vis Indian Rupee and the revenue growth attributable to exchange rate variation for all currencies was 2.04%.

In fiscal 2011, US Dollar (USD), Euro (EUR) and British Pound Sterling (GBP) weakened vis-a-vis Indian Rupee. Though the Australian Dollar (AUD) and Canadian Dollar (CAD) continued to strengthen, the impact on the Company's revenue was low because of their low weightage in the mix of the Company's business. The significant negative movement in the major currencies during fiscal 2011 resulted in degrowth of 4.20%.

Revenues by industry segment

Revenues by industry segment - Fiscal 2011

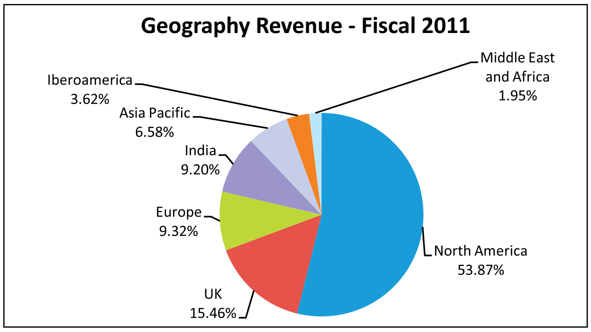


Industry segments	**Fiscal 2011**	**Fiscal 2010**
	% of Revenues	**% of Revenues**
Banking, Financial Services and Insurance (BFSI)	**44.28**	44.92
Telecom	**14.18**	14.54
Retail and Consumer Packaged Goods(CPG)	**11.00**	10.59
Manufacturing	**7.37**	8.10
Others	**23.17**	21.85
Total	**100.00**	100.00

The composition of major industry segments as a percentage of revenues is shown in the table. During fiscal 2011, revenues for all industry segments showed growth. Some details about the growth of various industry segments are discussed below:

- BFSI was one of the most affected industry segments during the global economic slowdown. In fiscal 2011, BFSI had a healthy growth (22.52% over fiscal 2010) due to sustained demand
- Industry segments which recorded high growth in fiscal 2011 vis-à-vis fiscal 2010 were Retail and CPG (29.03%), Life Science and Healthcare (26.80%), Hi-Tech (43.70%), Energy, Resources and Utilities (79.50%), Media and Entertainment (39.80%) and Travel, Transportation and Hospitality (33.30%)
- Industry segments which recorded growth lower than Company's average revenues growth in fiscal 2011 vis-à-vis fiscal 2010 were Telecom (21.25%) and Manufacturing (13.06%).

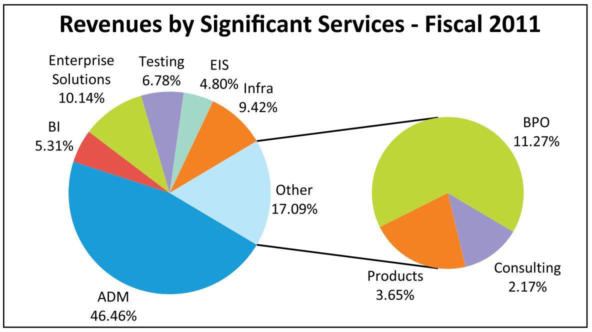
Revenues by geographic segments



Geographic segments	Fiscal 2011 % of Revenues	Fiscal 2010 % of Revenues
North America	**53.87**	52.80
UK	**15.46**	16.18
Europe	**9.32**	10.49
India	**9.20**	8.65
Asia Pacific	**6.58**	5.24
Iberoamerica	**3.62**	4.72
Middle East and Africa	**1.95**	1.92
Total	**100.00**	100.00

Despite the fact that in fiscal 2011 almost all the major currencies depreciated vis-à-vis Indian Rupee, revenues from major markets showed growth. Growth in North America was 26.82%, the United Kingdom was 18.74% and Europe was 10.49%. New growth markets which witnessed significant growth were Asia Pacific (56.10%), India (32.22%) and Middle East and Africa (26.16%).

Revenues by significant services

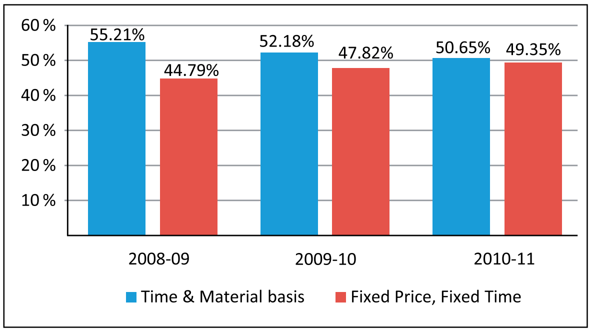


Service lines	Fiscal 2011 % of Revenues	Fiscal 2010 % of Revenues
Application Development and Maintenance (ADM)	**46.46**	48.73
Business Process Outsourcing (BPO)	**11.27**	11.53
Enterprise Solutions (ES)	**10.14**	10.47
IT Infrastructure Services (IT IS)	**9.42**	8.36
Assurance Services	**6.78**	5.04
Business Intelligence (BI)	**5.31**	5.69
Engineering and Industrial Services (EIS)	**4.80**	4.98
Asset Leveraged Solution (Products)	**3.65**	3.29
Consulting	**2.17**	1.91
Total	**100.00**	100.00

The composition of major service lines as a percentage of revenues is shown in the table above. During fiscal 2011 revenues from all service lines showed growth. Details about the growth of service lines are shown below:

Service lines	Growth % (Fiscal 2011 vs. Fiscal 2010)
Assurance Services	67.20
Consulting	41.37
IT Infrastructure Services	39.93
Asset leveraged solutions	37.86
Business Process Outsourcing	21.58
Enterprise Solutions	20.35
Engineering and Industrial Services	19.80
Application Development and Maintenance	18.51
Business Intelligence	15.91
Total	**24.30**

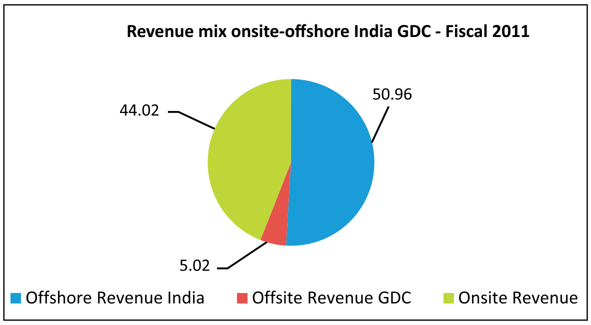
Revenues from fixed-price-fixed-time contracts



As part of its strategy, the Company has been moving more towards fixed-price-fixed-time contracts. TCS has aligned its capabilities and strategy to deliver such fixed-price-fixed-time contracts and the trends over the last three years are indicative of the success of the said strategy.

Revenues by location of service delivery

The Company has been using its network of Global Delivery Centers (GDCs) to service client requirements as part of its GNDM™ strategy. Onsite revenues are for those services which are performed at client locations. Offsite revenues reflect the aggregation of revenues from services which are performed at delivery centers located in India (referred to as offshore revenues) as well as GDCs in various countries. The composition of the Company's revenues from offshore, GDC and onsite are as follows:



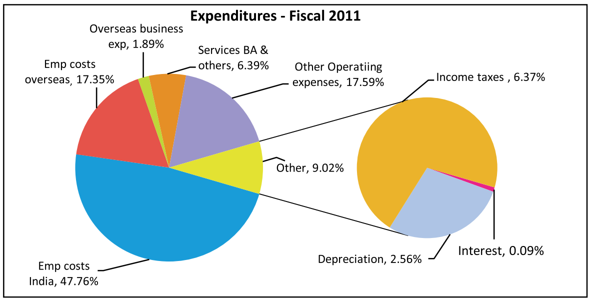
Onsite-Offsite Revenue Mix (% of Revenues)

	Fiscal 2011	Fiscal 2010	Fiscal 2009
Offshore India	**50.96**	50.97	44.22
Offsite GDC	**5.02**	5.72	4.59
Total offsite	**55.98**	56.69	48.81
Total onsite	**44.02**	43.31	51.19
Total	**100.00**	100.00	100.00

The revenues from onsite, offsite GDC and offshore services are aligned with customer requirements. In fiscal 2011 the India offshore revenues as a percentage of TCS' total revenues remained at 50.96% – almost same as 50.97% in fiscal 2010. There have been small intra onsite/ GDC movements as reflected in the chart.

Expenditure

Expenditure as a percentage of total expenditure



Employee costs and overseas business expenses

Employee costs include salaries which have fixed and variable components, contribution to provident, superannuation and gratuity funds and employee pension schemes. It also includes expenses incurred on staff welfare.

Overseas business expenses primarily comprise living allowances paid to employees on overseas assignments. For purpose of this Management Discussion and Analysis (MD&A), these costs included in 'overseas business expenses' have been regrouped in 'employee costs' for aggregating all costs related to employee compensation. In this MD&A, we refer to such aggregated costs as 'Total employee costs'.

The table below summarises the employee costs:

	For the year ended March 31, 2011		For the year ended March 31, 2010		FY 2011 vs. FY 2010
	(₹ crores)	% of Revenues	(₹ crores)	% of Revenues	% growth
Revenues from operations	**37,324.51**	**-**	30,028.92	-	**24.30**
Expenditure					
Employee costs	**13,726.10**	**36.78**	10,879.57	36.23	**26.16**
Overseas business expenses (employee allowances paid overseas)	**4,986.69**	**13.36**	4,186.18	13.94	**19.12**
Total employee costs	**18,712.79**	**50.14**	15,065.75	50.17	**24.21**

Total employee costs have increased in fiscal 2011 over fiscal 2010 by 24.21%.

Total employee costs as a percentage of revenues has decreased marginally by 0.03%, mainly attributable to:

- Increase in India employee costs 0.55% - primarily on account of increase in India head count 0.40% and increase in staff welfare costs 0.13%
- Decrease in employee costs in overseas locations was 0.58%. During fiscal 2011, the customer centric strategy adopted by the Company to service the larger volume of business requirements of its customers, required increase in the use of the services of business associates. In terms of percentage of revenues the decrease in employee costs in overseas locations 0.58% is more than compensated by an increase in costs for business associates employed by the Company 0.72% of revenues.

Utilisation of manpower resources including trainees was 76.20% during fiscal 2011 (74.00% during fiscal 2010). The utilisation excluding trainees was 83.10% during fiscal 2011 (80.40% during fiscal 2010). The significant improvement in utilisation also contributed to margin improvement.

Overseas business expenses (other than employee allowances paid overseas)

These expenses include travel, marketing and office expenses incurred overseas.

Overseas business expenses (other than employee allowances paid overseas) increased from ₹ 383.89 crores in fiscal 2010 to ₹ 542.52 crores in fiscal 2011. As a percentage of revenues these expenses increased from 1.28% in fiscal 2010 to 1.45% in fiscal 2011. Overseas travel which constituted the largest component, increased from ₹ 225.32 crores in fiscal 2010 (0.75% of revenues) to ₹ 319.20 crores in fiscal 2011 (0.86% of revenues). This increase of 0.11% was mainly attributable to increased business travel in line with business growth.

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 under this head. The Company normally engages these consultants to bridge shortages in certain skill-sets.

Expenditure on business associates increased from ₹ 1,261.97 crores in fiscal 2010 to ₹ 1,836.55 crores in fiscal 2011. As a percentage of revenues, the increase was from 4.20% in fiscal 2010 to 4.92% in fiscal 2011. The total increase of 0.72% was attributable mainly to higher requirement of business associates at some overseas locations.

The analysis of services rendered by business associates is shown below:

	For the year ended March 31, 2011		For the year ended March 31, 2010	
	(₹ crores)	% of Revenues	(₹ crores)	% of Revenues
Fees to foreign business associates	**982.45**	**2.63**	559.00	1.86
Fees to Indian business associates	**245.78**	**0.66**	164.44	0.55
Others	**608.32**	**1.63**	538.53	1.79
Total	**1,836.55**	**4.92**	1,261.97	4.20

The management conducts periodic reviews of the need for such associates vis-a-vis availability of the required skill sets within the Company and manages these costs appropriately.

Operation and other expenses

Operation and other expenses include all other expenses affecting the profit and loss statement, incurred to conduct the Company's operations.

Nature of expenses	For the year ended March 31, 2011		For the year ended March 31, 2010	
	(₹ crores)	% of Revenues	(₹ crores)	% of Revenues
Software and hardware	**1,625.09**	**4.35**	1,452.03	4.83
Communication	**542.34**	**1.45**	422.87	1.41
Travelling and conveyance	**473.73**	**1.27**	341.90	1.14
Rent	**734.77**	**1.97**	720.53	2.40
Legal and professional	**222.43**	**0.60**	206.00	0.69
Repairs and maintenance	**256.69**	**0.69**	212.77	0.71
Electricity	**302.08**	**0.81**	250.59	0.83
Recruitment and training	**210.68**	**0.56**	112.21	0.37
Others	**686.48**	**1.84**	903.86	3.01
Total	**5,054.29**	**13.54**	4,622.76	15.39

The reduction in other operating expenses as a percentage of revenues 1.85% (from 15.39% in fiscal 2010 to 13.54% in fiscal 2011) was primarily due to:

- Decrease in software and hardware costs 0.48%
- Decrease in rent 0.43%
- Decrease in legal and professional fees 0.09%
- Decrease in other items of expenditure 1.17% primarily on account of write back of provision for bad debts 0.84%, lower insurance expenses 0.07% and lower other expenses 0.23%

- Offset by an increase in communication expenses 0.04%, travelling and conveyance expenses 0.13% and recruitment and training expenses 0.19%.

The leadership team continued to focus on cost management during fiscal 2011 as is evident from the reduction in costs in relation to the revenues.

Other income (net)

Other income comprises interest received on deposits with banks, dividends from mutual funds and losses due to exchange rate fluctuations.

Other income in fiscal 2011 was ₹ 604.00 crores (₹ 272.07 crores in fiscal 2010), an increase of 0.71% as a percentage of revenues.

Net loss on account of foreign exchange fluctuations reduced in fiscal 2011. There was an increase in other income as a result of continuous review of portfolio of investments in interest-bearing bank deposits, mutual funds and inter-corporate deposits. Increase in other income (net) was mainly attributable to:

- Increase in interest income 0.65%
- Decrease in exchange loss (net) 0.54%
- Offset by
  - o Decrease in profit on redemption/sale of mutual funds and other current investments (net) 0.30%
  - o Decrease in miscellaneous income 0.17%.

Forward and option contracts

The Company enters into various forward and option contracts to manage its exposure to exchange rate fluctuations, in accordance with its risk management policies and procedures. These contracts are generally entered into with banks as counterparties. The Company designates some of its hedges as 'cash flow hedges' on completion of the required documentation. Hedge effectiveness testing is done periodically by applying the recognition and measurement principles set out in the Indian Accounting Standard 39 "Financial Instruments: Recognition and Measurement" (Ind AS 39). All such 'cash flow hedges' are measured at their respective fair values at the reporting dates. Changes in the fair value of effective hedges are recognised in the 'Shareholders' funds' and the ineffective hedges are recognised as 'Other income' in the profit and loss account.

On sale or termination of any 'cash flow hedge' 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 the profit and loss account. On sale or termination of hedges on maturity, the resultant gains or losses are taken to 'Other income' 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 gains or losses are recognised as 'Other income' in the profit and loss account for the period.

Note 18 to the consolidated accounts provides details of the Company's 'Derivative Financial Instruments'.

Profit before Interest, Depreciation and Taxes (PBIDT)

PBIDT in fiscal 2011 was ₹ 11,782.36 crores (₹ 8,966.62 crores in fiscal 2010). PBIDT as percentage of revenues was 31.57% in fiscal 2011 (29.86% in fiscal 2010). The increase in the PBIDT of 1.71% as percentage of revenues in fiscal 2011 was mainly attributable to:

- Decrease in operation and other expenses 1.85%
- Improvement in other income (net) 0.71%
- Offset by an increase in overseas business expenses 0.17% and services rendered by business associates 0.72%.

Interest costs

Interest costs increased to ₹ 26.48 crores in fiscal 2011 (0.07% of revenues) from ₹ 16.10 crores in fiscal 2010 (0.05% of revenues).

Depreciation and amortisation

Depreciation/amortisation charge has increased from ₹ 660.89 crores (2.20% of revenues) in fiscal 2010 to ₹ 735.26 crores (1.97% of revenues) in fiscal 2011. The increase in depreciation/amortisation was primarily due to additional capitalisation of computer equipment.

The decrease in terms of revenues 0.23% was primarily attributable to:

- Decrease on account of furniture and fixtures and office equipment 0.17%
- Decrease on account of intangible assets 0.06%
- Decrease on account of buildings and leasehold improvements 0.04%
- Increase on account of computers 0.05%.

Profit before taxes

Profit before taxes (PBT) in fiscal 2011 was ₹ 11,020.62 crores (₹ 8,289.63 crores in fiscal 2010). As a percentage of revenues PBT increased from 27.61% in fiscal 2010 to 29.53% in fiscal 2011. The substantial increase of 1.92% can be attributed to higher PBIDT of 1.71% and lower depreciation of 0.23% marginally offset by higher interest costs 0.02%.

Provision for taxation

Income tax expense comprises current income tax and the net changes in the deferred tax assets and liabilities from operations in India and foreign tax jurisdictions. Tax expenses relating to operations are determined in accordance with tax laws applicable in countries where such operations are carried out. The Company has been benefiting from certain tax incentives under the Indian Income Tax Act, 1961 (IT Act), in respect of IT services exported from designated 'Software Technology Park (STP)' units. The benefits applicable to STP expired on March 31, 2011. The Company also avails tax incentives applicable to Special Economic Zones (SEZ) under the IT Act.

Till March 31, 2011, 'Minimum Alternative Tax' (MAT) was applicable to the Company excluding its income from SEZ. With effect from April 1, 2011, MAT would be applicable to income from SEZ also. MAT paid gives rise to tax credit which according to the IT Act can be carried forward for subsequent ten years and adjusted against future tax liabilities. In the view of the Company, it would have sufficient tax liabilities to offset the MAT credits during the prescribed carry forward period. Accordingly, MAT was recognised as an asset in the balance sheet.

The Company's consolidated tax expense in fiscal 2011 increased to ₹ 1,830.83 crores from ₹ 1,196.97 crores in fiscal 2010. As a percentage of revenues, it increased to 4.91% in fiscal 2011 from 3.99% in fiscal 2010. As a percentage of profit before taxes, the tax charge has gone up from 14.44% in fiscal 2010 to 16.61% in fiscal 2011.

The increase in the effective tax rate from 14.44% in fiscal 2010 to 16.61% in fiscal 2011 was primarily attributable to:

- Increase in effective tax rate for Tata Consultancy Services Ltd. (unconsolidated) from 11.80% in fiscal 2010 to 12.99% in fiscal 2011 primarily on account of increase in other income and expiry of period of tax holiday for certain STP units
- Increase in tax provision of one of the Company's subsidiaries in India as a result of expiry of tax holiday of its STP Units
- Increase in taxable profits of the overseas subsidiary companies.

Net profit before minority interest

The Company's net profit before minority interest increased from ₹ 7,092.66 crores in fiscal 2010 to ₹ 9,189.79 crores in fiscal 2011. Net profit margin on revenues increased from 23.62% in fiscal 2010 to 24.62% in fiscal 2011. The increase in net profit margin of 1.00% is attributable to increase in PBT margin of 1.92% offset by higher net taxes of 0.92% in fiscal 2011.

Minority interest

Minority interest represents the amount of net profit attributable to third party ownership interests in the Company's subsidiaries.

Minority interest registered an increase from ₹ 90.99 crores in fiscal 2010 to ₹ 121.45 crores in fiscal 2011. This is primarily due to increase of profits in two of its subsidiaries.

Share of loss of associate

The Company's share of loss of associate as a result of such minority shareholding was a loss of ₹ 0.30 crores in fiscal 2011 as compared to a loss of ₹ 1.03 crores in fiscal 2010.

Net profit

The Company's consolidated net profit was ₹ 9, 068.04 crores in fiscal 2011 (24.30% of revenues) against ₹ 7,000.64 crores in fiscal 2010 (23.31% of revenues). The Company's consolidated net profit has increased 29.53% in fiscal 2011 as compared to fiscal 2010.

Consolidated segment result

The Company considers 'Industry' as its primary segment and 'Geography' as its secondary segment.

Revenues and expenses directly attributable to segments are reported under each reportable primary segment.

The Company's industry segment results are summarised below.

Summary of segment result	Fiscal 2011 (₹ crores)	% of Revenues	Fiscal 2010 (₹ crores)	% of Revenues	% growth
Revenues	**37,324.51**	**-**	30,028.92	-	**24.30**
Segment result	**11,064.09**	**29.64**	8,564.54	28.52	**29.18**
Unallocable expenses (net)	**647.47**	**1.73**	546.98	1.82	**18.37**
Operating income	**10,416.62**	**27.91**	8,017.56	26.70	**29.92**
Other income (net)	**604.00**	**1.62**	272.07	0.91	**122.00**
Profit before taxes	**11,020.62**	**29.53**	8,289.63	27.61	**32.94**

The following table presents each industry segment's revenues as a percentage of total industry revenues and each industry segment's result, i.e., operating profit (excluding unallocated expenses) as a percentage of total industry segment result.

	Segment Revenues				Segment Result			
	Fiscal 2011	Fiscal 2010	Fiscal 2011	Fiscal 2010	Fiscal 2011	Fiscal 2010	Fiscal 2011	Fiscal 2010
	(₹ crores)		% of Revenues		(₹ crores)		% of Segment Result	
Banking, Financial Services and Insurance	**16,526.60**	13,488.85	**44.28**	44.92	**5,170.84**	3,873.73	**46.73**	45.23
Manufacturing	**2,751.76**	2,433.80	**7.37**	8.10	**704.30**	743.01	**6.37**	8.68
Retail and Consumer Packaged Goods	**4,105.05**	3,181.43	**11.00**	10.59	**1,071.68**	846.53	**9.69**	9.88
Telecom	**5,292.45**	4,365.02	**14.18**	14.54	**1,843.78**	1,350.94	**16.66**	15.77
Others	**8,648.65**	6,559.82	**23.17**	21.85	**2,273.49**	1,750.33	**20.55**	20.44
Total	**37,324.51**	30,028.92	**100.00**	100.00	**11,064.09**	8,564.54	**100.00**	100.00

Industry segment-wise performances are discussed below:

(₹ crores)

Banking, Financial Services and Insurance (BFSI)	Fiscal 2011	% of Segment Revenues	Fiscal 2010	% of Segment Revenues	% growth
Revenues	**16,526.60**	**-**	13,488.85	-	**22.52**
Segment result	**5,170.84**	**31.29**	3,873.73	28.72	**33.48**

BFSI constitutes the Company's largest segment. This constituted 44.28% of Company's revenues in fiscal 2011 (44.92% in fiscal 2010) and has contributed 46.73% of total segment result in fiscal 2011 (45.23% in fiscal 2010).

BFSI has shown satisfactory growth in terms of revenues (22.52% over fiscal 2010) as well as segment result (33.48% over fiscal 2010). The result in terms of revenues also has improved from 28.72% in fiscal 2010 to 31.29% in fiscal 2011. The customers in this segment were adversely affected during the global economic slowdown. However, fiscal 2011 witnessed economic recovery and increased spending by customers. The change in the BFSI landscape is reflected in the result for fiscal 2011. Other significant developments in fiscal 2011 were (1) addition of new customers across geographies, including marquee logos that hold good potential for future growth, (2) establishing a group of 'Industry Principals' to advise customers on high end business strategy and (3) filing application for patenting 'Risk Assessment System', which is a component of the Company's Mobile Telematic Solution.

(₹ crores)

Telecom	Fiscal 2011	% of Segment Revenues	Fiscal 2010	% of Segment Revenues	% growth
Revenues	**5,292.45**	**-**	4,365.02	-	**21.25**
Segment result	**1,843.78**	**34.84**	1,350.94	30.95	**36.48**

The second largest segment of the Company is Telecom (including Media and Entertainment). This constituted 14.18% of Company's revenues in fiscal 2011 (14.54% in fiscal 2010) and has contributed 16.66% of total segment result in fiscal 2011 (15.77% in fiscal 2010).

Media and Entertainment vertical did extremely well – the revenues registered a growth of 39.80% over fiscal 2010. Some of the agile processes and technologies put in place have made it possible for the Company to position itself well in the industry.

In fiscal 2010, telecom faced some setbacks. Some of the major customers cut down their IT budgets and the Company witnessed a reduction in revenues compared to fiscal 2009. In fiscal 2011 telecom witnessed moderate growth (18.47% over fiscal 2010), driven by recovery of business with some of the strategic customers.

The segment result has shown significant improvement from 30.95% in fiscal 2010 to 34.84% in fiscal 2011.

In fiscal 2011 Telecom was able to (1) add new customers with annuity business potential across geographies (2) deploy mobile number portability solutions and IT infrastructure for launch of 3G services (3) commercially deploy 'Telco in a Box' offering to large telecom companies and (4) create a separate unit called 'Mobility Solutions Unit' to service all the industry verticals of TCS.

In fiscal 2011 Media and Entertainment surged ahead by (1) exploiting the Company's full service capability (2) deploying Platform Based Solutions (3) pre-building a Social Web Monetisation Platform to enable its customers to rapidly establish social media based presence on the web and (4) acquiring significant experience and capability in broadcasting segment.

(₹ crores)

Retail and Consumer Packaged Goods (CPG)	Fiscal 2011	% of Segment Revenues	Fiscal 2010	% of Segment Revenues	% growth
Revenues	**4,105.05**	**-**	3,181.43	-	**29.03**
Segment result	**1,071.68**	**26.11**	846.53	26.61	**26.60**

The third largest segment for the Company is the Retail and CPG segment. This constituted 11.00% of the Company's revenues in fiscal 2011 (10.59% in fiscal 2010) and has contributed 9.69% of total segment result in fiscal 2011 (9.88% in fiscal 2010).

Capitalising on the increased spending by retailers on discretionary programmes and making full use of its domain driven full services offerings, the Retail and CPG segment did well in fiscal 2011. The segment revenues have shown a healthy growth of 29.03% in fiscal 2011. Segment result has also shown creditable growth of 26.60% in fiscal 2011.

During fiscal 2011, the segment has (1) won several transformational deals using the Company's deep domain capabilities (2) offered non-linear solutions using the Company's domain driven 'Full Services Offerings' for certain mission critical programmes and (3) co-opted alliances and also used the Company's rich repository of intellectual properties to bring best practices to its customers.

(₹ crores)

Manufacturing	Fiscal 2011	% of Segment Revenues	Fiscal 2010	% of Segment Revenues	% growth
Revenues	**2,751.76**	**-**	2,433.80	-	**13.06**
Segment result	**704.30**	**25.59**	743.01	30.53	**(5.21)**

The fourth largest segment for the Company is the Manufacturing segment. This constituted 7.37% of Company's revenues in fiscal 2011 (8.10% in fiscal 2010) and has contributed 6.37% of total segment result in fiscal 2011 (8.68% in fiscal 2010).

Manufacturing was one of the industries worst affected during the global economic slowdown. Fiscal 2010 witnessed de-growth in revenues as well as segment result. Aerospace and process engineering areas continued to face strong headwinds in fiscal 2011. Automotive and Industrial Manufacturing and Components improved marginally – the result was a moderate 13.06% growth in revenues in fiscal 2011 over fiscal 2010. However, the segment had to face pressure on margins, which resulted in decrease in segment results from 30.53% in fiscal 2010 to 25.59% in fiscal 2011. The manufacturing segment continued to invest in the expected growth areas, namely, mobility, Knowledge Process Outsourcing (KPO) and green and sustainability initiatives.

(₹ crores)

Other Segments	Fiscal 2011	% of Segment Revenues	Fiscal 2010	% of Segment Revenues	% growth
Revenues	**8,648.65**	**-**	6,559.82	-	**31.84**
Segment result	**2,273.49**	**26.29**	1,750.33	26.68	**29.89**

Other segments include:

- Life Sciences and Healthcare
- Energy, Resources and Utilities
- Travel, Transportation and Hospitality
- Third Party Products
- Hi-Tech
- s-Governance
- Others

The 'Other segments' constituted 23.17% of Company's revenues in fiscal 2011 (21.85% in fiscal 2010) and has contributed 20.55% of total segment result in fiscal 2011 (20.44% in fiscal 2010).

The combined performance of 'Other segments' was an excellent growth in revenues (31.84% in fiscal 2011 over fiscal 2010) and an impressive improvement in segment result (29.89% in fiscal 2011 over fiscal 2010). Segment result remained steady at 26.29%. Some of the star performers were Life Sciences and Healthcare (revenue growth 26.80%), Energy, Resources and Utilities (revenue growth 79.50%), Hi-Tech (revenue growth 43.70%) and Travel, Transportation and Hospitality (revenue growth 33.30%) in fiscal 2011 over fiscal 2010.

FINANCIAL POSITION — CONSOLIDATED

Share capital

(₹ crores)

	As at March 31, 2011	As at March 31, 2010
Authorised		
225 crores equity shares of ₹ 1 each	**225.00**	225.00
100 crores redeemable preference shares of ₹ 1 each	**100.00**	100.00
Total	**325.00**	325.00
Issued, subscribed and paid-up		
195.72 crores equity shares of ₹ 1 each	**195.72**	195.72
100 crores redeemable preference shares of ₹ 1 each	**100.00**	100.00
Total	**295.72**	295.72

The authorised share capital remained at 225 crores equity shares of ₹ 1 each and 100 crores redeemable preference shares of ₹ 1 each.

Reserves and surplus

The balance in the Capital reserve (on consolidation) stood at ₹ 24.50 crores as at March 31, 2011 (₹ 5.02 crores as at March 31, 2010). The increase in the balance of Capital reserve during fiscal 2011 is on account of the purchase accounting for the acquisition of Unisys Insurance Services Limited (UISL) (renamed as Diligenta 2 Limited) where the net assets acquired were higher as compared to the purchase consideration.

The balance in the Capital redemption reserve remained unchanged at ₹ 0.40 crores as at the end of March 31, 2011.

Securities premium account stood unchanged at ₹ 1,918.47 crores as at March 31, 2011.

The opening balance of General reserve as at April 1, 2010 was ₹ 2,539.59 crores. In fiscal 2011, ₹ 827.58 crores was transferred to the General reserve from the profit and loss account. The closing balance in the General reserve as at March 31, 2011 was ₹ 3,367.17 crores.

Balance in the profit and loss account as at March 31, 2011 was at ₹ 18,635.05 crores (₹ 13,604.84 crores as at March 31, 2010).

Foreign currency translation reserve

For purpose of consolidation of subsidiaries with the financial information of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange difference which is accumulated in foreign currency translation reserve.

Foreign currency translation reserve was ₹ 200.77 crores as at March 31, 2011 (₹ 108.75 crores as at March 31, 2010).

The closing balance of hedging reserve (arising out of cash flow hedges) as at March 31, 2011 showed net accumulated gain of ₹ 62.73 crores (₹ 6.07 crores net accumulated loss as at March 31, 2010).

Reserves and surplus at the end of fiscal 2011 was ₹ 24,209.09 crores, an increase of 33.23% over ₹ 18,171.00 crores at the end of fiscal 2010.

Loans

Secured loans as at March 31, 2011 were ₹ 38.44 crores (₹ 31.21 crores as at March 31, 2010).

Bank overdrafts as at March 31, 2011 aggregated ₹ 0.46 crores (₹ 'Nil' as at March 31, 2010) and were secured against domestic book debts.

The Company's obligations under finance lease (refer note 9 to schedule Q in consolidated notes to accounts) was ₹ 37.98 crores as at March 31, 2011 (₹ 31.21 crores as at March 31, 2010) - these are secured against fixed assets obtained under finance lease arrangements.

Unsecured loans as at March 31, 2011 aggregated ₹ 36.36 crores (₹ 72.04 crores as at March 31, 2010). Loans from banks as at March 31, 2011 were at ₹ 31.11 crores (₹ 58.31 crores as at March 31, 2010). Other unsecured loans were ₹ 5.25 crores as at March 31, 2011 (₹ 13.73 crores as at March 31, 2010).

Deferred tax liability (net) and deferred tax assets (net)

As stated in the accounting policies (see notes to consolidated accounts, schedule Q 1 (l)), deferred tax assets and liabilities are offset, tax jurisdiction-wise. Schedule 'E' of the balance sheet brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise.

Deferred tax liabilities are created against certain items such as foreign branch profit and depreciation. The net deferred tax liability was ₹ 109.49 crores as at March 31, 2011 (₹ 68.68 crores as at March 31, 2010). Deferred tax assets are created against certain items such as employee benefits, depreciation and provision for doubtful debts. As at March 31, 2011, the net deferred tax asset had a balance of ₹ 160.18 crores (₹ 167.86 crores as at March 31, 2010). The Company assesses the likelihood of deferred tax assets getting recovered from future taxable income.

Fixed assets

Additions to the gross block excluding Capital-Work-in-Progress (CWIP) in fiscal 2011 amounted to ₹ 1,493.79 crores (₹ 737.93 crores in fiscal 2010). The significant items of additions were:

- Land and buildings ₹ 299.11 crores in fiscal 2011 (₹ 179.90 crores in fiscal 2010)
- Leasehold improvements ₹ 140.88 crores in fiscal 2011(₹ 62.90 crores in fiscal 2010)
- Computers ₹ 587.16 crores in fiscal 2011 (₹ 266.84 crores in fiscal 2010)
- Office equipment, electrical installations and furniture and fixtures ₹ 366.23 crores in fiscal 2011 (₹ 214.30 crores in fiscal 2010)

The amount in CWIP was ₹ 1,469.18 crores as at March 31, 2011 (₹ 1,017.37 crores as at March 31, 2010) mostly related to construction / improvement of facilities which are likely to be ready for use in fiscal 2012 and beyond. The CWIP included capital advances of ₹ 275.29 crores as at March 31, 2011 (₹ 219.73 crores as at March 31, 2010).

The Company entered into contractual commitments with vendors who are executing various infrastructure projects. The estimated amount of such contracts remaining to be executed on capital account was ₹ 1,208.27 crores as at March 31, 2011 (₹ 1,172.62 crores as at March 31, 2010).

Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indications for impairment. The management does not foresee any risk of impairment on the carrying value of goodwill as at March 31, 2011.

Goodwill on consolidation as at March 31, 2011 stood at ₹ 3,232.00 crores (₹ 3,215.99 crores as at March 31, 2010).

The strategic acquisitions which have significant contribution to goodwill on consolidation are

(1) TCS e-Serve Ltd. – 59.68%

(2) TCS Switzerland Ltd. – 9.74%

(3) TCS FNS (Pty) Ltd. – 5.60% and

(4) Subsidiaries of TCS Iberoamerica S.A. – 9.18%.

Investments

(₹ crores)

	As at March 31, 2011	As at March 31, 2010
Investments in fully paid-up equity and preference shares (unquoted)	**30.33**	11.67
Investments in bonds (quoted)	**84.15**	10.97
Investments in bonds and debentures (unquoted)	**1,305.99**	1,200.00
Investments in mutual funds (unquoted)	**343.24**	2,459.44
Total investments	**1,763.71**	3,682.08
Less: provision for diminution in the value of investments	**(1.04)**	-
Net investments	**1,762.67**	3,682.08

Investments in bonds and debentures (quoted and unquoted) as at March 31, 2011 was ₹ 1,390.14 crores (₹ 1,210.97 crores). The additional investments in bonds and debentures are attributable to investments made by a subsidiary in India.

In order to achieve higher yield, the Company has increased its exposure in fixed deposit with banks in India from ₹ 3,531.31 crores as at March 31, 2010 to ₹ 6,061.70 crores as at March 31, 2011 and consequently the exposure in mutual funds has been reduced from ₹ 2,459.44 crores as at March 31, 2010 to ₹ 343.24 crores as at March 31, 2011. This was in line with the Company's strategy for optimum utilisation of surplus cash.

Mergers/Acquisitions/Liquidations during fiscal 2011 through subsidiaries

Mergers

Custodia De Documentos Interes Limitada, Syscrom SA and Tata Consultancy Services Chile SA were merged with Tata Consultancy Services BPO Chile SA and subsequently the name of the merged entity was changed to Tata Consultancy Services Chile SA.

Exegenix Research Inc. and ERI Holdings Corp. were merged with Tata Consultancy Services Canada Inc. The merged entity is a wholly owned subsidiary of Tata Consultancy Services Limited.

Acquisitions

Diligenta Limited, U.K., acquired 100% equity interest in Unisys Insurance Services Limited (renamed as Diligenta 2 Limited).

CMC America Inc. subscribed to 100% share capital of CMC eBiz, Inc.

Tata America International Corporation acquired 100% equity share capital of MS CJV Investments Corporation. Consequently, the group holding in Tata Consultancy Services (China) Co. Ltd. has increased from 65.94% to 74.63%.

Liquidations

Financial Network Services (H.K.) Limited (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited) has been voluntarily liquidated and de-registered.

Current assets, loans and advances

Unbilled revenues

Unbilled revenues primarily comprise revenues recognised in relation to efforts incurred on contracts, which are yet to be billed.

Unbilled revenues were ₹ 1,348.85 crores as at March 31, 2011 (₹ 1,201.14 crores as at March 31, 2010) representing 3.61% of the revenues for fiscal 2011 (4.00% as at March 31, 2010).

Sundry debtors

Sundry debtors as at March 31, 2011 aggregated ₹ 8,198.84 crores (₹ 5,855.41 crores as at March 31, 2010). As a percentage of revenues, sundry debtors were at 21.97% as at March 31, 2011 as compared to 19.50% as at March 31, 2010.

Cash and bank balances

(₹ crores)

	As at March 31, 2011	As at March 31, 2010
Fixed deposit with banks in India	**6,061.70**	3,531.31
Deposits with banks overseas	**527.22**	538.61
Current bank accounts - India	**108.73**	116.34
Current bank accounts - overseas	**616.27**	417.69
Cheques in hand, remittances in transit and cash	**64.17**	114.64
Total	**7,378.09**	4,718.59

The amount held in fixed deposits with banks in India increased from ₹ 3,531.31 crores as at March 31, 2010 to ₹ 6,061.17 crores as at March 31, 2011 in line with the Company's cash management strategies. As a result, the yield from deployment of surplus cash has increased in fiscal 2011.

Loans and advances

Loans and advances include advances recoverable, advance tax net of provision for taxes, loans and advances to employees and MAT credit.

Loans and advances as at March 31, 2011 were at ₹ 4,858.16 crores (₹ 3,969.77 crores as at March 31,2010). The increase was primarily attributable to:

- Advances recoverable ₹ 2,377.06 crores as at March 31, 2011 (₹ 1,938.44 crores as at March 31, 2010)
- Advance tax (net of provision for taxes) ₹ 1,249.72 crores as at March 31, 2011 (₹ 771.12 crores as at March 31, 2010).

Current liabilities

Current liabilities include sundry creditors, advances from customers, advance billings and deferred revenues and other liabilities.

Current liabilities increased to ₹ 4,698.09 crores as at March 31, 2011 as compared to ₹ 4,093.79 crores as at March 31, 2010. The increase was primarily due to:

- Sundry creditors ₹ 3,354.49 crores as at March, 31, 2011 (₹ 2,977.73 crores at March 31, 2010)
- Other liabilities ₹ 522.42 crores as at March 31, 2011 (₹ 371.82 crores as at March 31, 2010). These other liabilities include fair values of foreign exchange forward and currency option contracts ₹ 57.70 crores as at March 31, 2011 (₹ 115.92 crores as at March 31, 2010).

Provisions

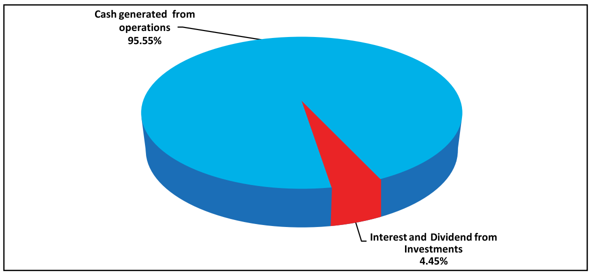
Provisions include employee benefits, proposed final dividend on equity shares, provisions for taxes (net of advance tax), proposed dividend on redeemable preference shares, tax on dividend and provision for contingencies and warranties.

Provisions aggregated ₹ 2,906.49 crores as at March 31, 2011 (₹ 4,300.07 crores as at March 31, 2010). The decrease was mainly attributable to:

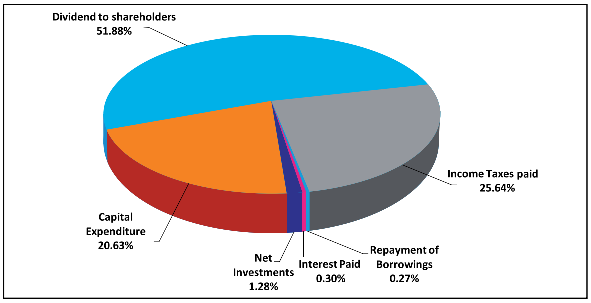
- Proposed final dividends on equity shares ₹ 1,565.78 crores as at March 31, 2011 (₹ 2,740.11 crores as at March 31, 2010)
- Tax on dividends ₹ 266.74 crores as at March 31, 2011 (₹ 466.23 crores as at March 31, 2010).

CASH FLOW — CONSOLIDATED

Cash Inflows



Cash Outflows



Cash flows are reported by adjusting net profit before tax for effect of non-cash transactions, changes in working capital, income taxes paid, cash transactions of capital nature, cash transactions relating to investing and financing activities. Cash flows from operating, investing and financing activities of the Company are identified and reported separately.

Summary of cash flow statement is given below:

(₹ crores)

	Fiscal 2011	Fiscal 2010
Cash and cash equivalents at beginning of the year	**1,024.37**	1,459.54
Net cash provided by operating activities	**6,638.09**	7,406.23
Net cash used in investing activities	**(1,485.25)**	(5,413.22)
Net cash used in financing activities	**(4,658.90)**	(2,381.35)
Net increase / (decrease) in cash and cash equivalents	**493.94**	(388.34)
Exchange difference on translation of foreign currency cash and cash equivalents	**30.28**	(46.83)
Cash and cash equivalents at end of the year	**1,548.59**	1,024.37
Deposits with original maturity over three months	**5,803.38**	3,652.74
Restricted cash	**26.12**	41.48
Cash and bank balance at the end of the year	**7,378.09**	4,718.59

Cash flow from operations

Net cash of ₹ 6,638.09 crores was generated from operating activities by the Company in fiscal 2011 (₹ 7,406.23 crores in fiscal 2010).

(₹ crores)

	Fiscal 2011	Fiscal 2010
Operating profit before working capital changes	**11,042.75**	8,834.02
Effect of working capital changes	**(2,127.66)**	479.52
Cash generation from operations	**8,915.09**	9,313.54
Tax payments made	**(2,277.00)**	(1,907.31)
Net cash provided by operating activities	**6,638.09**	7,406.23

The operating profit in fiscal 2011 as compared to fiscal 2010 went up by 25.00%. However, requirement of additional working capital and increased income tax payments 19.38% in fiscal 2011 resulted in reduction of net cash inflow from operating activities. Additional working capital was driven by business needs.

Cash flow from investing activities

(₹ crores)

	Fiscal 2011	Fiscal 2010
Purchase of fixed assets	**(1,850.32)**	(1,044.79)
Sale/(purchase) of investments	**2,001.67**	(1,914.80)
Purchase of fixed deposits with banks (net) having maturity over three months	**(2,141.38)**	(2,421.99)
Others	**504.78**	(31.64)
Net cash used in investing activities	**(1,485.25)**	(5,413.22)

In fiscal 2011 the Company used ₹ 1,485.25 crores on investing activities (₹ 5,413.22 crores in fiscal 2010). The significant items of investing activities were:

- Fixed deposits with banks (net) having maturity greater than 3 months of ₹ 2,141.38 crores in fiscal 2011 (₹ 2,421.99 crores in fiscal 2010)
- Sale of investments (primarily mutual funds) ₹ 2,001.67 crores in fiscal 2011 (purchase ₹ 1,914.80 crores in fiscal 2010).
- Interest on deposits received in fiscal 2011 of ₹ 398.75 crores (₹ 92.81 crores in fiscal 2010) included in 'Others'.

Cash flow from financing activities

(₹ crores)

	Fiscal 2011	Fiscal 2010
Dividends paid (including tax)	**(4,592.69)**	(1,958.43)
Repayments of borrowings (net)	**(24.39)**	(400.57)
Others	**(41.82)**	(22.35)
Net cash used in financing activities	**(4,658.90)**	(2,381.35)

In fiscal 2011 the Company used ₹ 4,658.90 crores in financing activities (₹ 2,381.35 crores in fiscal 2010). In fiscal 2011, the significant items of cash used in financing activities were:

- Payment of dividend including tax of ₹ 4,592.69 crores due to the substantial increase attributable to a special one-time dividend of ₹ 10 per share declared in fiscal 2010 and paid in fiscal 2011 (₹ 1,958.43 crores in fiscal 2010)
- Repayment of bank borrowings (net) of ₹ 24.39 crores in fiscal 2011 (₹ 400.57 crores in fiscal 2010).

COMPANY'S PERFORMANCE TREND (INDIAN GAAP CONSOLIDATED)

PERFORMANCE SUMMARY

(₹ crores)
(except EPS and headcount data)

	FY 2010-11	FY 2009-10	FY 2008-09	FY 2007-08	FY 2006-07	FY 2005-06	FY 2004-05
Revenues							
Total revenues	**37,324.51**	30,028.92	27,812.88	22,619.52	18,685.21	13,263.99	9,748.47
International revenues	**33,889.45**	27,431.02	25,630.76	20,573.90	17,003.22	11,607.08	8,560.90
Domestic revenues	**3,435.06**	2,597.90	2,182.12	2,045.62	1,681.99	1,656.91	1,187.57
Revenues from offshore business	**17,283.62**	13,989.82	11,328.80	8,620.46	6,886.30	4,341.05	3,313.07
Revenues by geographic segments							
Americas	**21,457.51**	17,272.93	15,600.21	12,394.05	10,514.81	7,831.28	5,771.41
Europe	**9,250.67**	8,009.57	8,212.22	6,603.02	5,320.48	2,975.34	2,250.17
India	**3,435.06**	2,597.90	2,182.12	2,045.62	1,681.99	1,656.91	1,187.57
Others	**3,181.27**	2,148.52	1,818.33	1,576.83	1,167.93	800.46	539.32
Costs							
Employee costs	**18,712.79**	15,065.75	14,483.20	11,411.05	9,001.39	6,111.52	4,384.52
Other operating costs	**7,433.36**	6,268.62	6,159.88	5,497.09	4,544.97	3,468.17	2,550.12
Total cost (excluding interest and depreciation)	**26,146.15**	21,334.37	20,643.08	16,908.14	13,546.36	9,579.69	6,934.64
Profitability							
EBIDTA (before other Income)	**11,178.36**	8,694.55	7,169.80	5,711.38	5,138.85	3,684.30	2,813.83
Profit before tax	**11,020.62**	8,289.63	6,150.07	5,845.95	4,918.28	3,506.62	2,633.69
Profit after tax	**9,068.04**	7,000.64	5,256.42	5,026.02	4,212.63	2,966.74	1,976.90
Financial position							
Share capital	**295.72**	295.72	197.86	197.86	97.86	48.93	48.01
Reserves and surplus	**24,209.09**	18,171.00	15,502.15	12,102.26	8,752.24	5,949.88	3,429.53
Gross block	**7,792.24**	6,419.51	5,843.86	4,291.80	3,197.71	1,951.04	1,170.65
Total investments	**1,762.67**	3,682.08	1,614.41	2,606.16	1,256.87	704.62	421.54
Net current assets	**14,276.15**	7,395.02	7,544.12	5,553.32	4,331.11	2,867.18	1,797.09
Earnings per share in ₹							
EPS - as reported	**46.27**	35.67	53.63	51.36	43.05	60.63	47.37
EPS - adjusted for bonus issue	**46.27**	35.67	26.81	25.68	21.53	15.16	11.84
Headcount (number)							
Headcount (including subsidiaries) as on March 31st	**1,98,614**	1,60,429	1,43,761	1,11,407	89,419	66,480	45,714

RATIO ANALYSIS

Ratio Analysis	Unit	FY 2010-11	FY 2009-10	FY 2008-09	FY 2007-08	FY 2006-07	FY 2005-06	FY 2004-05
Ratios - Financial Performance								
International revenues/Total revenues	%	**90.80**	91.35	92.15	90.96	91.00	87.51	87.82
Domestic revenues/Total revenues	%	**9.20**	8.65	7.85	9.04	9.00	12.49	12.18
Employee costs/Total revenues	%	**50.14**	50.17	52.07	50.45	48.17	46.08	44.98
Other operating costs/Total revenues	%	**19.92**	20.88	22.15	24.30	24.32	26.15	26.16
Total costs/Total revenues	%	**70.05**	71.05	74.22	74.75	72.50	72.22	71.14
EBIDTA (before other Income)/ Total revenues	%	**29.95**	28.95	25.78	25.25	27.50	27.78	28.86
Profit before tax/Total revenues	%	**29.53**	27.61	22.11	25.84	26.32	26.44	27.02
Tax/Total revenues	%	**4.91**	3.99	3.02	3.48	3.55	3.84	4.07
Effective tax rate - Tax/PBT	%	**16.61**	14.44	13.64	13.45	13.50	14.53	15.07
Profit after tax/Total revenues	%	**24.30**	23.31	18.90	22.22	22.55	22.37	20.28
Ratios - growth								
International revenues	%	**23.54**	7.02	24.58	21.00	46.49	35.58	-
Total revenues	%	**24.30**	7.97	22.96	21.06	40.87	36.06	-
EBIDTA (before other Income)	%	**28.57**	21.27	25.54	11.14	39.48	30.94	-
Profit after tax	%	**29.53**	33.18	4.58	19.31	42.00	50.07	-
Ratios - Balance Sheet								
Debt-Equity ratio	Nos.	**-**	0.01	0.04	0.04	0.06	0.02	0.06
Current ratio	Nos.	**2.88**	1.88	2.26	2.24	2.24	2.25	2.24
Days Sales Outstanding (DSO)	Days	**80**	71	79	87	84	90	77
Invested funds/Total assets	%	**37.23**	45.62	26.29	28.97	27.03	17.67	17.92
Invested funds/Total revenues	%	**25.08**	28.87	15.76	16.76	13.94	8.43	7.05
Capital expenditure/Total revenues	%	**4.91**	3.43	3.95	5.58	6.64	4.69	3.72
Operating cash flows/Total revenues	%	**17.78**	24.66	19.45	17.22	18.58	18.76	21.46
Free cash flow/Operating cash flow ratio	%	**72.40**	86.07	79.70	67.60	64.25	74.97	82.64
Depreciation/Average gross block	%	**10.35**	10.78	11.13	15.05	17.10	18.09	13.57
Ratios - per share								
EPS - adjusted for bonus	₹	**46.27**	35.67	26.81	25.68	21.53	15.16	11.84
Price earning ratio, end of year	Nos.	**25.56**	21.89	10.07	15.79	28.97	31.57	-
Dividend per share	₹	**14.00**	20.00	14.00	14.00	13.00	13.50	11.50
Dividend per share - adjusted for bonus	₹	**14.00**	20.00	7.00	7.00	6.50	3.38	2.88
Dividend payout	%	**35.22**	65.45	30.54	31.89	30.74	25.07	27.55
Market capitalisation/Total revenues	%	**6.20**	5.09	1.90	3.51	6.53	7.06	-

FINANCIAL PERFORMANCE UNCONSOLIDATED

Summary

The total revenues of TCS Limited aggregated ₹ 29,275.41 crores in fiscal 2011 as compared to ₹ 23,044.45 crores in fiscal 2010, registering a growth of 27.04%.

Other financial performance parameters are shown below:

- Company's profit before taxes aggregated ₹ 8,700.43 crores in fiscal 2011 (₹ 6,370.38 crores in fiscal 2010), registering a growth of 36.58%
- Company's profit after taxes aggregated ₹ 7,569.99 crores in fiscal 2011 (₹ 5,618.51 crores in fiscal 2010), registering a growth of 34.73%
- Company's earnings per share (EPS) were ₹ 38.61 in fiscal 2011 (₹ 28.61 in fiscal 2010), registering a growth of 34.95%.

DIVIDENDS

Decision on dividend is based on Tata Consultancy Services Limited (Unconsolidated) financials which excludes the performance of subsidiaries of TCS Limited. The Board of Directors declares quarterly interim dividends based on the performance of the Company.

For fiscal 2011 the Company declared three interim dividends of ₹ 2 per equity share. A final dividend of ₹ 8 per equity share has been recommended by the Board of Directors at its meeting held on April 21, 2011.

On approval by the shareholders of the final dividend of ₹ 8 per equity share, total dividend for fiscal 2011 would be ₹ 14 per equity share (total dividend for fiscal 2010 was ₹ 20 per equity share which included a special one-time dividend of ₹ 10 per equity share).

DISCUSSIONS ON FINANCIAL PERFORMANCE - UNCONSOLIDATED

The Management's Discussion and Analysis given below relates to the audited financial statements of TCS Limited (Unconsolidated). The discussion should be read in conjunction with the financial statements and related notes to the financial statements for the years ended March 31, 2011 and March 31, 2010.

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

	For the year ended March 31, 2011		For the year ended March 31, 2010		FY 11 vs. FY 10
Revenues from operations	**(₹ crores)**	**% of Revenues**	**(₹ crores)**	**% of Revenues**	**% growth**
Information technology and consultancy services	**28,171.26**	**96.23**	22,232.93	96.48	**26.71**
Sale of equipment and software licenses	**1,104.15**	**3.77**	811.52	3.52	**36.06**
Total revenues	**29,275.41**	**100.00**	23,044.45	100.00	**27.04**
Expenditure					
Employee costs	**10,190.31**	**34.81**	7,882.43	34.21	**29.28**
Overseas business expenses (employee allowances paid overseas)	**4,533.29**	**15.48**	3,900.76	16.93	**16.22**
Total employee costs	**14,723.60**	**50.29**	11,783.19	51.14	**24.95**
Overseas business expenses (other than employee allowance paid overseas)	**446.65**	**1.53**	324.54	1.41	**37.63**
Services rendered by business associates and others	**1,735.72**	**5.93**	992.02	4.30	**74.97**
Operation and other expenses	**3,605.91**	**12.32**	3,273.03	14.20	**10.17**
Total expenditure	**20,511.88**	**70.07**	16,372.78	71.05	**25.28**
Other income (net)	**494.73**	**1.69**	177.60	0.77	**178.56**
Profit before interest, depreciation and taxes	**9,258.26**	**31.62**	6,849.27	29.72	**35.17**
Interest	**20.01**	**0.07**	9.54	0.04	**109.75**
Depreciation and amortisation	**537.82**	**1.83**	469.35	2.04	**14.59**
Profit before taxes	**8,700.43**	**29.72**	6,370.38	27.64	**36.58**
Provision for taxes					
Income tax expense (including deferred tax, fringe benefit tax and MAT credit entitlement)	**1,130.44**	**3.86**	751.87	3.26	**50.35**
Net profit	**7,569.99**	**25.86**	5,618.51	24.38	**34.73**

Revenues

Revenues from operations

The Company's revenues increased in fiscal 2011to ₹ 29,275.41 crores from ₹ 23,044.45 crores in fiscal 2010, a growth of 27.04% (2.86% in fiscal 2010).

Revenues from information technology and consultancy services increased in fiscal 2011 to ₹ 28,171.26 crores from ₹ 22,232.93 crores in fiscal 2010, a growth of 26.71%. Revenues from information technology and consultancy services constituted 96.23% of total revenues in fiscal 2011 (96.48% in fiscal 2010).

Revenues from sale of equipment and software licenses increased in fiscal 2011 to ₹ 1,104.15 crores from ₹ 811.52 crores in fiscal 2010, an increase of 36.06%. Sale of equipment and software licenses constituted 3.77% of total revenues in fiscal 2011 (3.52% in fiscal 2010).

Expenditure

Total employee costs

Total employee costs in fiscal 2011 increased to ₹ 14,723.60 crores from ₹ 11,783.19 crores in fiscal 2010, a growth of 24.95%. Total employee costs as a percentage of revenues was 50.29% in fiscal 2011 (51.14% in fiscal 2010). The decrease in employee cost in fiscal 2011 over fiscal 2010 of 0.85% of revenues was primarily attributable to:

- Higher salaries and incentives to employees in India of 0.60%, due to increase in the India headcount
- Offset by lower employee allowances to overseas employees of 1.45%. However, expenses for business associates were higher at 5.93% of revenues in fiscal 2011 (4.30% of revenues in fiscal 2010).

Overseas business expenses (other than overseas employee allowances)

Expenses on this account went up from ₹ 324.54 crores in fiscal 2010 to ₹ 446.65 crores in fiscal 2011 mainly due to increase in overseas travel related costs 0.92% of revenues in fiscal 2011 (0.85% of revenues in fiscal 2010). As a percentage of revenues, overseas business expenses increased from 1.41% in fiscal 2010 to 1.53% in fiscal 2011. Such increase was necessitated by business needs in the changing market conditions.

Services rendered by business associates and others

Expenditure on business associates increased from ₹ 992.02 crores in fiscal 2010 to ₹ 1,735.72 crores in fiscal 2011. As a percentage of revenues, these expenses increased from 4.30% in fiscal 2010 to 5.93% in fiscal 2011. The increase of 1.63% in the fiscal 2011 is attributable to increase in requirement of business associates globally to ensure meeting of customer expectations.

Operation and other expenses

The table below summarises the nature of expenses considered under Other operating expenses

Nature of Expenses	For the year ended March 31, 2011		For the year ended March 31, 2010	
	(₹ crores)	% Revenues	(₹ crores)	% Revenues
Software and hardware	**1,438.49**	**4.91**	1,254.80	5.44
Communication	**302.57**	**1.03**	284.22	1.23
Travelling and conveyance	**295.75**	**1.01**	186.00	0.81
Rent	**477.64**	**1.63**	503.90	2.19
Legal and professional	**122.10**	**0.42**	93.76	0.41
Repairs and maintenance	**180.47**	**0.62**	141.41	0.61
Electricity	**240.00**	**0.82**	200.49	0.87
Recruitment and training	**165.84**	**0.57**	78.79	0.34
Other expenses	**383.05**	**1.31**	529.66	2.30
Total	**3,605.91**	**12.32**	3,273.03	14.20

Operation and other expenses increased to ₹ 3,605.91 crores in fiscal 2011from ₹ 3,273.03 crores in fiscal 2010. As a percentage of revenues, these expenses decreased from 14.20% in fiscal 2010 to 12.32% in fiscal 2011. The decrease of 1.88% was primarily due to:

- Reduction in software and hardware purchased 0.53%
- Reduction in communication costs 0.20%
- Reduction in rent expenses 0.56%
- Reduction in 'other expenses' 0.99% primarily on account of write back of provision for doubtful debts 0.98%
- Offset by an increase in travelling and conveyance expenses 0.20% and recruitment and training expenses 0.23% on account of increased levels of business activity.

Other income (net)

Other income (net) was a gain of ₹ 494.73 crores in fiscal 2011(₹ 177.60 crores in fiscal 2010). Other income (net) was 1.69% of revenues in fiscal 2011 (0.77% of revenues in fiscal 2010).

The primary reasons for the increase in other income were:

- Higher interest income ₹ 427.95 crores in fiscal 2011 (₹ 196.69 crores in fiscal 2010)
- Higher dividend income ₹ 39.27 crores in fiscal 2011 (₹ 15.99 crores in fiscal 2010)
- Reduction in net exchange loss ₹ 53.04 crores in fiscal 2011 as compared to ₹ 205.42 crores in fiscal 2010
- Offset by lower profit on sale of mutual funds and other current investments ₹ 73.61 crores in fiscal 2011 (₹148.41 crores in fiscal 2010).

Forward and options contracts

Details of 'Derivative Financial Instruments' are available in note 26 of notes to accounts (unconsolidated).

Profit before Interest, Depreciation and Taxes (PBIDT)

The PBIDT in fiscal 2011 was ₹ 9,258.26 crores (₹ 6,849.27 crores in fiscal 2010). PBIDT as a percentage of revenues went up from 29.72% in fiscal 2010 to 31.62% in fiscal 2011. The increase in the PBIDT of 1.90% as a percentage of revenues during fiscal 2011 was attributable to:

- Decrease in operation and other expenses 1.88%
- Decrease in total employee cost 0.85%
- Increase in other income (net) 0.92%
- Offset by an increase in the cost of services rendered by business associates 1.63% and an increase in overseas business expenses other than employee costs by 0.12%.

Interest costs

Interest costs increased to ₹ 20.01 crores in fiscal 2011 from ₹ 9.54 crores in fiscal 2010.

Depreciation

Depreciation charge increased to ₹ 537.82 crores in fiscal 2011from ₹ 469.35 crores in fiscal 2010.

In terms of percentage of revenues, depreciation charge was 1.83% in fiscal 2011 (2.04% in fiscal 2010).

The decrease of depreciation in terms of percentage of revenues 0.21% was primarily attributable to lower depreciation charge for:

- Freehold building 0.04%
- Office equipment and electrical installations 0.04%
- Leasehold improvements 0.04%
- Furniture and fixtures 0.15%
- Offset by increase on account of computers 0.07%.

Profit before taxes (PBT)

The PBT in fiscal 2011 was ₹ 8,700.43 crores (₹ 6,370.38 crores in fiscal 2010). As a percentage of revenues, the PBT increased from 27.64% in fiscal 2010 to 29.72% in fiscal 2011. The primary reasons for the increase in the PBT of 2.08% was due to:

- Increase in PBIDT 1.90%
- Decrease in depreciation charge 0.21%
- Offset by increase in interest cost 0.03%

Provision for taxation

The tax expense increased from ₹ 751.87 crores in fiscal 2010 (3.26% of revenues) to ₹ 1,130.44 crores in fiscal 2011 (3.86% of revenues). The increase in net tax provision was primarily attributable to:

- Increase in tax provision as a result of expiry of tax holiday of certain STP units
- Increase in other income
- Higher deferred tax expense arising out of reversal of provision for bad and doubtful debts.

Net Profit

The Company's net profit was ₹ 7,569.99 crores in fiscal 2011 (₹ 5,618.51 crores in fiscal 2010).

Net profit margin increased from 24.38% in fiscal 2010 to 25.86% in fiscal 2011. The improvement of 1.48% was attributable to:

- higher PBT 2.08%
- offset by higher taxes 0.60%.

Dividends

For fiscal 2011 the Company declared three interim dividends of ₹ 2 per equity share. A final dividend of ₹ 8 per equity share has been recommended.

On approval of the final dividend of ₹ 8 per equity share the total dividend for fiscal 2011 would be ₹ 14 per equity share.

The table below provides summary of dividend payout in last three fiscal years:

	2010-11					
	First Interim Dividend	**Second Interim Dividend**	**Third Interim Dividend**	**Final Dividend**	**Special Dividend**	**Total Dividend**
Number of shares (crores)	**195.72**	**195.72**	**195.72**	**195.72**	**-**	**195.72**
Dividend per share (₹)	**2.00**	**2.00**	**2.00**	**8.00**	**-**	**14.00**
Dividend amount (₹crores)	**391.44**	**391.44**	**391.44**	**1,565.78**	**-**	**2,740.10**
Dividend tax (₹ crores)	**65.01**	**65.01**	**65.01**	**254.01**	**-**	**449.04**
Total outflow (₹ crores)	**456.45**	**456.45**	**456.45**	**1,819.79**	**-**	**3,189.14**
	2009-10					
Number of shares (crores)	195.72	195.72	195.72	195.72	195.72	195.72
Dividend per share (₹)	2.00	2.00	2.00	4.00	10.00	20.00
Dividend amount (₹ crores)	391.44	391.44	391.44	782.89	1,957.22	3,914.43
Dividend tax (₹ crores)	66.53	66.53	66.53	130.03	325.07	654.69
Total outflow (₹ crores)	457.97	457.97	457.97	912.92	2,282.29	4,569.12
	2008-09					
Number of shares (crores)	97.86	97.86	97.86	97.86	-	97.86
Dividend per share (₹)	3.00	3.00	3.00	5.00	-	14.00
Dividend amount (₹ crores)	293.58	293.58	293.58	489.31	-	1,370.05
Dividend tax (₹ crores)	49.89	49.89	49.89	83.15	-	232.82
Total outflow (₹ crores)	343.47	343.47	343.47	572.46	-	1,602.87

Proposed dividend on redeemable preference shares of ₹ 100.00 crores was ₹ 11.00 crores and dividend tax ₹ 1.78 crores in fiscal 2011 (₹ 17.00 crores and dividend tax ₹ 2.82 crores in fiscal 2010). The dividend payable on the preference shares is 1.00% fixed component and a variable component linked to the dividends paid out to the equity shareholders.

FINANCIAL POSITION — UNCONSOLIDATED

Share capital

(₹ crores)

	As at March 31,2011	As at March 31,2010
Authorised share capital	**325.00**	325.00
Issued, subscribed and paid-up share capital	**295.72**	295.72

The issued, subscribed and paid-up share capital as at March 31, 2011 comprised 195.72 crores equity shares of ₹ 1/- each and 100.00 crores cumulative redeemable preference shares of ₹ 1/- each , the same balances stood as at the March 31, 2010.

Reserves and surplus

The balance in the Securities premium account as at March 31, 2011 was ₹ 1,918.47 crores (₹ 1,918.47 crores as at March 31, 2010).

General reserve as at March 31, 2010 was ₹ 2,426.14 crores. On transfer of 10.00% of the profit after tax in fiscal 2011 amounting to ₹ 757.00 crores (₹ 561.85 crores in fiscal 2010), the General reserve as at March 31, 2011 increased to ₹ 3,183.14 crores.

Balance in the profit and loss account as at March 31, 2011 was at ₹ 14,069.20 crores (₹ 10,458.13 crores as at March 31, 2010).

Foreign currency translation reserve was ₹ 101.61 crores as at March 31, 2011 (₹ 94.98 crores as at March 31, 2010).

The balance in hedging reserve account as at March 31, 2011 showed an accumulated balance of ₹ 11.35 crores (accumulated loss of ₹ 76.82 crores as at March 31, 2010).

Reserves and surplus grew due to accretion of profits and as at March 31, 2011 was ₹19,283.77 crores, an increase of 30.11% over ₹ 14,820.90 crores, as at March 31, 2010.

Loans

Secured loans as at March 31, 2011 aggregated ₹ 35.87 crores (₹ 29.25 crores as at March 31, 2010) due to finance lease obligations which are secured against fixed assets. For details refer to obligation under finance lease (note 7 to Schedule Q in unconsolidated notes to accounts).

Unsecured loans stood at ₹ 5.25 crores as at March 31, 2011 (₹ 6.49 crores as at March 31, 2010). Out of the unsecured loans, ₹ 1.25 crores is repayable within one year (₹ 1.25 crores as at March 31, 2010).

Deferred tax liability (net) and deferred tax assets (net)

As stated in the accounting policy (see notes to accounts (unconsolidated), schedule Q1 (k)), deferred tax assets and liabilities are offset, tax jurisdiction-wise. Schedule 'E' of the balance sheet brings out details of component-wise deferred tax balances where the net values result into liabilities or assets, jurisdiction-wise.

Deferred tax liabilities are created against certain items such as foreign branch profit and depreciation. The net deferred tax liability was ₹ 69.32 crores as at March 31, 2011(₹ 40.10 crores as at March 31, 2010). Deferred tax assets are created against certain items such as employee benefits, depreciation and provision for doubtful debts. As at March 31, 2011, the net deferred tax asset had a balance of ₹ 52.03 crores (₹ 53.13 crores as at March 31, 2010).

The Company assesses the likelihood of deferred tax assets getting recovered from future taxable income.

Fixed assets

Addition to the gross block excluding Capital-Work-in-Progress (CWIP) in fiscal 2011 amounted to ₹ 1,202.72 crores (₹ 571.42 crores in fiscal 2010). The significant additions in fiscal 2011 were:

- Land and buildings ₹ 280.69 crores in fiscal 2011 (₹ 161.65 crores in fiscal 2010)
- Leasehold improvements ₹ 98.54 crores in fiscal 2011 (₹ 49.45 crores in fiscal 2010)
- Computers ₹ 490.29 crores in fiscal 2011 (₹ 179.37 crores in fiscal 2010)
- Office equipment, electrical installations, and furniture and fixtures ₹ 269.39 crores in fiscal 2011 (₹ 178.00 crores in fiscal 2010).

The amount of CWIP of ₹ 1,345.37 crores as at March 31, 2011 (₹ 940.72 crores as at March 31, 2010) mostly relates to construction / improvement of facilities which are expected to be ready for use during fiscal 2012 and beyond.

The Company entered into contractual commitments with vendors who are executing various infrastructure projects.

The estimated amount of such contracts remaining to be executed on capital account was ₹ 1,132.27 crores as at March 31, 2011(₹ 1,115.02 crores as at March 31, 2010).

The Company has embarked on a large scale infrastructure development across various locations in India to meet its growing business needs. The Company has successfully put in place a state-of-the-art facility at Chennai for a significant capacity of 25,000 seats. The Company has also initiated construction of large delivery centers across 11 locations in India in order to create additional 1,75,000 seats. Many of these locations are notified as Special Economic Zones.

The number of seats available in India as at March 31, 2011 was 1,28,572 (1,09,105 seats as at March 31, 2010).

Investments

(₹ crores)

Investments	As at March 31, 2011	As at March 31, 2010
Trade investments, bonds and debentures	**5,799.78**	5,769.93
Investments in mutual funds	**4.00**	2,123.46
Total investments	**5,803.78**	7,893.39
Less: provision for diminution in value of investments	**(8.29)**	-
Net investments	**5,795.49**	7,893.39

The Company's trade investments made over the years till date shows a balance of ₹ 5,795.49 crores. Investment in mutual funds decreased substantially to ₹ 4.00 crores as at March 31, 2011 from ₹ 2,123.46 crores as at March 31, 2010. Correspondingly, fixed deposits with banks registered substantial increase. This was in line with the Company's strategy for optimum utilisation of surplus cash.

The Company's Investments in debentures, bonds, preference shares and trade investments as at March 31, 2011 was ₹ 5,799.78 crores (₹ 5,769.93 crores as at March 31, 2010). The amount of trade investments made during fiscal 2011 aggregated to ₹ 57.06 crores.

The Company' trade related investments during fiscal 2011 are shown in the table:

Investments	Details
TCS e-Serve Limited	During fiscal 2011, the Company received ₹ 27.33 crores against release of an indemnification obligation. This amount has been adjusted against the cost of the investment.
Retail FullServe Limited	During fiscal 2011, the Company acquired 100% equity share capital of SUPERVALU Services India Private Limited (renamed as Retail Full Serve Limited) for a consideration of ₹ 36.17 crores.
MahaOnline Limited	During fiscal 2011, the Company subscribed to 74.00% of the equity share capital of Maha Online Limited for a consideration of ₹ 1.89 crores.
Taj Air Limited	During fiscal 2011, the Company subscribed to 1,90,00,000 shares of Taj Air Limited for a consideration of ₹ 19.00 crores.

Current assets, loans and advances

Unbilled Revenues

Unbilled revenues were ₹ 836.37 crores as at March 31, 2011 (₹ 646.96 crores as at March 31, 2010) representing 2.86% of the revenues for fiscal 2011 (2.81% for fiscal 2010).

Sundry debtors

Sundry debtors as at March 31, 2011 aggregated ₹ 4,806.67 crores (₹ 3,332.30 crores as at March 31, 2010). As a percentage of revenues, sundry debtors were at 16.42% as at March 31, 2011 compared to 14.46% as at March 31, 2010.

Cash and bank balances

The Company had cash and bank balances of ₹ 5,604.52 crores as at March 31, 2011 (₹ 3,396.16 crores as at March 31, 2010). The balances with scheduled banks (including bank deposits and remittances in transit) in India aggregated ₹ 5,412.82 crores as at March 31, 2011 (₹ 3,214.05 crores as at March 31, 2010). This increase in deposits with scheduled banks was in line with the investment strategy adopted by the Company. The balances with overseas banks were ₹ 190.94 crores as at March 31, 2011 (₹ 181.39 crores as at March 31, 2010).

Loans and advances

Loans and advances as at March 31, 2011 were ₹ 4, 110.41 crores (₹ 3,385.11 crores as at March 31, 2010). Significant items of loans and advances were:

- Advances recoverable in cash or kind or for value to be received ₹ 1,968.86 crores as at March 31, 2011 (₹ 1,538.62 crores as at March 31, 2010)
- Advance tax (net of provision for taxes) ₹ 513.89 crores as at March 31, 2011 (₹ 183.50 crores as at March 31, 2010).

Current liabilities

Current liabilities increased to ₹ 3,863.07 crores as at March 31, 2011 (₹ 3,312.64 crores as at March 31, 2010). The increase was primarily due to:

- Sundry creditors ₹ 2,864.53 crores as at March 31, 2011(₹ 2,426.32 crores as at March 31, 2010)
- Advance billings and deferred revenues ₹ 557.34 crores as at March 31, 2011 (₹ 492.15 crores as at March 31, 2010)
- Other liabilities ₹ 317.37 crores as at March 31, 2011 (₹ 278.75 crores as at March 31, 2010). Other liabilities include fair values of foreign exchange forward and currency option contracts ₹ 54.69 crores as at March 31, 2011 (₹ 121.90 crores as at March 31, 2010).

Provisions

Provisions aggregated ₹ 2,490.11 crores as at March 31, 2011 (₹ 3,926.61 crores as at March 31, 2010).

The decrease was mainly attributable to:

- Proposed final dividend on equity shares ₹ 1,565.78 crores as at March 31, 2011 (₹ 2,740.11 crores as at March 31, 2010)
- Tax on dividend ₹ 255.79 crores as at March 31, 2011 (₹ 457.92 crores as at March 31, 2010)
- Current income taxes (net of advance tax) ₹ 182.09 crores as at March 31, 2011 (₹ 263.45 crores as at March 31, 2010).

CASH FLOW — 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.

Banking and financing arrangements

As at March 31, 2011, the Company had available lines of credit with multiple bankers aggregating ₹ 2,104.00 crores interchangeable between fund-based and non-fund based limits (₹ 1,920.00 crores as at March 31, 2010). As at March 31, 2011 the Company had utilised ₹ 1,182.73 crores of these limits (₹ 809.49 crores utilised as at March 31, 2010). The available unutilised facility as at March 31, 2011 was ₹ 921.27 crores (₹ 1,110.51 crores as at March 31, 2010). In addition the Company had a separate, additional one-off banking limit of GBP 98.1 million in UK, which is fully utilised for bank guarantee issued in favour of our subsidiary company in UK.

Summary of cash flow statement is given below

(₹ crores)

	Fiscal 2011	Fiscal 2010
Cash and cash equivalents at beginning of the year	**293.28**	540.65
Net cash provided by operating activities	**5,741.28**	6,264.74
Net cash used in investing activities	**(863.16)**	(4,556.64)
Net cash used in financing activities	**(4,605.61)**	(1,969.65)
Net increase / (decrease) in cash and cash equivalents	**272.51**	(261.55)
Exchange difference on translation of foreign currency cash and cash equivalents	**11.39**	14.18
Cash and cash equivalents at end of the year	**577.18**	293.28
Deposits with original maturity over three months	**5,020.00**	3,097.97
Restricted cash	**7.34**	4.91
Cash and bank balances at the end of the year	**5,604.52**	3,396.16

Cash flow from operations

(₹ crores)

	Fiscal 2011	Fiscal 2010
Operating profit before working capital changes	**8,587.85**	6,629.21
Effect of working capital changes	**(1,366.23)**	807.93
Cash generated from operations	**7,221.62**	7,437.14
Tax payments made	**(1,480.34)**	(1,172.40)
Net cash provided by operating activities	**5,741.28**	6,264.74

In fiscal 2011, the Company generated net cash of ₹ 5,741.28 crores (₹ 6,264.74 crores in fiscal 2010) from operating activities.

The primary reason for decrease in the operating cash flow in fiscal 2011 as compared to fiscal 2010 was on account of additional working capital requirements.

Cash flow from investing activities

(₹ crores)

	Fiscal 2011	Fiscal 2010
Purchase of fixed assets (net)	**(1,584.08)**	(816.27)
Sale /(Purchase) of other investments (net of mutual fund dividends)	**2,136.01**	(1,759.83)
Purchase of fixed deposits with banks having maturity more than 3 months	**(1,922.03)**	(2,037.81)
Others	**506.94**	57.27
Net cash used in investing activities	**(863.16)**	(4,556.64)

In fiscal 2011, the Company used ₹ 863.16 crores in investing activities (₹ 4, 556.64 crores in fiscal 2010).

The significant items of investing activities were:

- Purchase of fixed assets (net) ₹ 1,584.08 crores in fiscal 2011 (₹ 816.27 crores in fiscal 2010).
- Sale of investments (primarily mutual funds) ₹ 2,136.01 crores in fiscal 2011 (purchase ₹ 1,759.83 crores in fiscal 2010).
- Interest on deposits received in fiscal 2011 of ₹ 349.42 crores (₹ 91.21 crores in fiscal 2010) included in 'Others'.

Cash flow from financing activities

(₹ crores)

	Fiscal 2011	Fiscal 2010
Dividend paid (including dividend tax)	**(4,584.38)**	(1,954.57)
Repayments of borrowings (net)	**(1.24)**	(5.30)
Interest paid	**(19.99)**	(9.78)
Net cash used in financing activities	**(4,605.61)**	(1,969.65)

In fiscal 2011, the Company used ₹ 4,605.61 crores in financing activities (₹ 1,969.65 crores in fiscal 2010).

In fiscal 2011, the significant item of cash used in financing activities was payment of dividend ₹ 4,584.38 crores including dividend tax (₹ 1,954.57 crores in fiscal 2010).

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 revenues 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, consolidation 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 oversee and 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 (M/s. Deloitte Haskins & Sells) 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.

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 2010-11

I. Company's Philosophy on Corporate Governance

Corporate governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organisation most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organisation and of their own role as trustees on behalf of the shareholders.

By combining ethical values with business acumen, globalisation with national interests and core business with emerging business, the Company aims to be amongst the largest and most respected global organisations. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the Tata companies.

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 Managing Director and the 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. 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 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 Directors, the Company has moved ahead in its pursuit of excellence in corporate governance.

II. Board of Directors

(i) As on March 31, 2011, the Company has twelve Directors with a Non-Executive Chairman and a Non-Executive Vice Chairman. Of the twelve Directors, nine (i.e. 75.00%) are Non-Executive Directors and six (i.e. 50.00%) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

(ii) None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 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. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	Number of Board Meetings during the year 2010-11		Whether attended last AGM held on July 2, 2010	Number of Directorships in other Public Companies		Number 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	6*	Yes	9	1	-	-
Mr. S. Ramadorai (Vice-Chairman) DIN 00000002	Non-Independent, Non-Executive	7	7	Yes	6	6	4	4
Mr. N. Chandrasekaran (Chief Executive Officer and Managing Director) DIN 00121863	Non-Independent, Executive	7	7	Yes	1	2	-	1
Mr. Aman Mehta DIN 00009364	Independent, Non-Executive	7	6*	Yes	-	6	2	4
Mr. V. Thyagarajan DIN 00017541	Independent, Non-Executive	7	6*	Yes	-	1	-	1
Prof. Clayton M. Christensen DIN 00020111	Independent, Non-Executive	7	1**	No	-	-	-	-
Dr. Ron Sommer DIN 00621387	Independent, Non-Executive	7	5***	Yes	-	1	-	-
Mrs. Laura M. Cha DIN 00909210	Independent, Non-Executive	7	6	Yes	-	-	-	-
Mr. S. Mahalingam (Chief Financial Officer and Executive Director) DIN 00121727	Non-Independent, Executive	7	7	Yes	1	3	1	-
Mr. Phiroz Vandrevala (Executive Director) DIN 01778976	Non-Independent, Executive	7	7	Yes	-	2	-	1
Dr. Vijay Kelkar DIN 00011991	Independent, Non-Executive	7	7	Yes	3	4	-	1
Mr. Ishaat Hussain DIN 00027891	Non-Independent, Non-Executive	7	7	Yes	2	11	3	5

* In addition to attending six meetings, he participated in one meeting over teleconference.

** In addition to attending one meeting, he participated in five meetings over teleconference.

*** In addition to attending five meetings, he participated in one meeting over teleconference.

No sitting fee has been paid for participation over teleconference.

(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 said Meetings were held are as follows:

April 19, 2010; July 2, 2010; July 15, 2010; September 3, 2010; October 21, 2010; January 17, 2011 and March 18, 2011.

The necessary quorum was present for all the meetings.

(v) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(vi) During the year 2010-11, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

(vii) Scheduling and selection of Agenda items for Board Meetings:

All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings.

(viii) Post meeting follow-up mechanism:

The important decisions taken at the Board/Committee meetings are promptly communicated to the concerned departments. Action Taken Report on the decisions/minutes of the previous meeting is placed at the succeeding meeting of the Board/Committee for noting.

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 the 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 the quarterly/half-yearly financial information.
- Reviewing with the management the annual financial statements before submission to the Board, focusing 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, debentureholders, 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 invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

(iv) The previous Annual General Meeting of the Company was held on July 2, 2010 and was attended by Mr. Aman Mehta, Chairman of the Audit Committee.

(v) The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2010-11	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	7	6*
Mr. V. Thyagarajan	Independent, Non-Executive	7	6*
Dr. Ron Sommer	Independent, Non-Executive	7	5**
Dr. Vijay Kelkar #	Independent, Non-Executive	6@	6
Mr. Ishaat Hussain #	Non-Independent, Non-Executive	6@	6

* In addition to attending six meetings, he participated in one meeting over teleconference.
** In addition to attending five meetings, he participated in one meeting over teleconference.
\# Appointed as Member of the Committee w.e.f. April 19, 2010.
@ Details provided from the date of appointment.
No sitting fee has been paid for participation over teleconference.

(vi) Seven Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

April 19, 2010; July 2, 2010; July 15, 2010; September 3, 2010; October 21, 2010; January 17, 2011 and March 18, 2011.

The necessary quorum was present for all the meetings.

IV. Remuneration Committee

(i) The Company has a Remuneration Committee of Directors.

(ii) The broad terms of reference of the Remuneration Committee are as under:

- To approve the annual remuneration plan of the Company;
- To approve the remuneration and commission/incentive remuneration payable to the Managing Director for each financial year;
- 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;
- 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 its members are given below:

Name	Category	Number of Meetings during the year 2010-11	
		Held	Attended
Mr. Aman Mehta (Chairman)	Independent, Non-Executive	2	2
Mr. R. N. Tata	Non-Independent, Non-Executive	2	2
Mr. S. Ramadorai	Non-Independent, Non-Executive	2	2
Mr. V. Thyagarajan	Independent, Non-Executive	2	2

(iv) Meetings of the Remuneration Committee were held during the year on April 30, 2010 and March 18, 2011.

(v) The Company does not have any Employee Stock Option Scheme.

(vi) 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 endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and Economic Value Added Analysis 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 the 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 2010-11, the Company paid sitting fees of Rupees Ten thousand per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of Committees of the Board. The Members have at the Annual General Meeting of the Company on June 30, 2009 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 Non-Executive Directors based on their attendance and contribution at the 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 the meetings.

(vii) Details of the Remuneration for the year ended March 31, 2011:

(a) Non-Executive Directors

Name	Commission (₹ Lakh)	Sitting Fees (₹ Lakh)
Mr. R. N. Tata	240.00	0.80
Mr. S. Ramadorai	160.00	1.10
Mr. Aman Mehta	100.00	1.40
Mr. V. Thyagarajan	82.50	1.60
Prof. Clayton M. Christensen	40.00	0.10
Dr. Ron Sommer	82.50	1.00
Mrs. Laura M. Cha	35.00	0.70
Dr. Vijay Kelkar	60.00	1.30
Mr. Ishaat Hussain	Nil	1.40

(b) Managing Director and Executive Directors

Name of Director and period of appointment	Salary (₹ Lakh)	Benefits Perquisites and Allowances (₹ Lakh)	Commission (₹ Lakh)	ESPS
Mr. N. Chandrasekaran Chief Executive Officer and Managing Director (w.e.f. October 6, 2009 for a period of 5 years)	60.96	69.43	400.00	Nil
Mr. S. Mahalingam Chief Financial Officer and Executive Director (w.e.f. September 6, 2007 for a period of 5 years)	45.72	43.86	195.00	Nil
Mr. Phiroz Vandrevala Executive Director (w.e.f. September 7, 2007 for a period of 5 years)	38.86	35.88	115.00	Nil

The above figures do not include (a) provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation/premium paid are not available for the Managing Director and Executive Directors and (b) retirement benefits of ₹ 84.40 lakh to the former Managing Director.

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.

(viii) Details of shares of the Company held by the Directors as on March 31, 2011 are given below:

Name	Number of shares
Mr. R. N. Tata	15,23,256
Mr. S. Ramadorai	1,99,120
Mr. N. Chandrasekaran	88,528
Mr. S. Mahalingam	1,61,680
Mr. Phiroz Vandrevala	80,000
Mr. Ishaat Hussain	1,740

The Company has not issued any convertible debentures.

V. Shareholders/Investors Grievance Committee

(i) The Company has a Shareholders/Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

(ii) One meeting of the Shareholders/Investors Grievance Committee was held during the year on March 18, 2011.

(iii) The composition of the Shareholders/Investors Grievance Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2010-11	
		Held	Attended
Mrs. Laura M. Cha (Chairperson)	Independent, Non-Executive	1	1
Mr. S. Ramadorai	Non-Independent, Non-Executive	1	1
Mr. V. Thyagarajan	Independent, Non-Executive	1	1

(iv) 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 focuses on servicing the needs of investors, analysts, brokers and the general public.

(v) Name, designation and address of Compliance Officer:

Mr. Suprakash Mukhopadhyay
Vice President and Company Secretary
Tata Consultancy Services Limited
11th Floor, Air India Building
Nariman Point
Mumbai 400 021
Telephone: 91 22 6778 9285
Fax: 91 22 6630 3672

(vi) Details of investor complaints received and redressed during the year 2010-11 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	355	355	-

VI. Other Committees

(i) Ethics and Compliance Committee:

In terms of the Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (Insider Trading Code), applicable to the Directors, officers and other employees, the Company has an Ethics and Compliance Committee of Directors. 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 on January 17, 2011.

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

Name	Category	Number of Meetings during the year 2010-11	
		Held	Attended
Mr. S. Ramadorai	Non-Independent, Non-Executive	1	1
Mr. V. Thyagarajan	Independent, Non-Executive	1	1

The Board has in 2004 appointed Mr. S. Mahalingam, Chief Financial Officer as the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.

(ii) Bank Account Committee:

The Company has a Bank Account Committee of Directors 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 of Mr. Aman Mehta (Independent, Non-Executive), Mr. N. Chandrasekaran (Non-Independent, Executive) and Mr. S. Mahalingam (Non-Independent, Executive).

(iii) Nominations Committee:

The Company has a Nominations Committee of Directors comprising of Mr. V. Thyagarajan (Independent, Non-Executive) as the Chairman, Mr. R. N. Tata (Non-Independent, Non-Executive) and Prof. Clayton M. Christensen (Independent, Non-Executive).

The Nominations Committee is 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.

(iv) Executive Committee:

The Company has an Executive Committee of Directors comprising of Mr. R. N. Tata (Non-Independent, Non-Executive) as the Chairman, Mr. S. Ramadorai (Non-Independent, Non-Executive), Prof. Clayton M. Christensen (Independent, Non-Executive), Dr. Ron Sommer (Independent, Non-Executive) and Mr. N. Chandrasekaran (Non-Independent, 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.

The above matters were discussed in various Board meetings held during the year with the presence of the Executive Committee members with an intent to avail expertise of all the Board members.

(v) Software Technology Parks of India (STPI)/Special Economic Zone (SEZ) Committee:

The Company has a Software Technology Parks of India (STPI)/Special Economic Zone (SEZ) Committee of Directors comprising of Mr. V. Thyagarajan (Independent, Non-Executive), Mr. N. Chandrasekaran (Non-Independent, Executive) and Mr. S. Mahalingam (Non-Independent, Executive). The STPI/SEZ Committee is responsible for approval from time to time, registration/renewal of registration/de-registration of various offices of the Company under the STPI/SEZ schemes and such other schemes as may be deemed fit by them, and also approve of other STPI/SEZ/other scheme(s) related matters.

(vi) Risk Management Committee:

The Company has a Risk Management Committee of Directors comprising of Mr. Ishaat Hussain (Non-Independent, Non-Executive), Mr. S. Ramadorai (Non-Independent, Non-Executive), Mr. N. Chandrasekaran (Non-Independent, Executive) and Mr. S. Mahalingam (Non-Independent, Executive).

The Risk Management Committee is responsible for advising the Company on foreign exchange matters and framing the broad guidelines for investment of surplus funds of the Company.

A Meeting of the Risk Management Committee was held on January 12, 2011 which was attended by Mr. Ishaat Hussain, Mr. N. Chandrasekaran and Mr. S. Mahalingam. In addition to this, Mr. Ishaat Hussain and Mr. S. Mahalingam met the Company Management on April 23, 2010, May 7, 2010, July 7, 2010 and December 2, 2010 to review the developments in the currency market and the hedging operations.

VII. General Body Meetings

(i) General Meeting

(a) Annual General Meeting:

<table>
<tr><th>Details</th><th>Date</th><th>Time</th><th>Venue</th></tr>
<tr><td>Annual General Meeting 2007-08</td><td>July 1, 2008</td><td rowspan="3">3.30 p.m.</td><td rowspan="3">Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
New Marine Lines,
Mumbai – 400 020</td></tr>
<tr><td>Annual General Meeting 2008-09</td><td>June 30, 2009</td></tr>
<tr><td>Annual General Meeting 2009-10</td><td>July 2, 2010</td></tr>
</table>

(b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2010-11.

(ii) Postal Ballot

No Postal Ballot was conducted during the year 2010-11.

(iii) Special Resolutions

At the Annual General Meeting of the Company held on June 30, 2009, a Special Resolution was passed for the payment of commission to the non-whole-time Directors of the Company. The resolution was passed with the requisite majority.

At the Annual General Meeting of the Company held on July 2, 2010, a Special Resolution was passed for alteration of the Articles of Association of the Company revising the limit for maximum number of Directors in the Company to fifteen. 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 the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2008-09, 2009-10 and 2010-11 respectively: NIL

(iii) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the 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 on the half-yearly financial performance of the Company including a summary of the significant events in the six month period ended September 30, 2010 was sent to every Member in October 2010.

(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 equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share 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 Indian Express, Financial Express, Deccan Chronicle, Lok Satta, Business Standard, The Hindu Business Line, Hindustan Times and Sandesh. The results are also displayed on the Company's website "www.tcs.com". Half-yearly results have been sent to the Members along with a message from the Managing Director on the Company's performance during the half-year ended September 30, 2010. 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, 2011
Time	:	3:30 p.m.
Venue	:	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg New Marine Lines, Mumbai 400 020

As required under Clause 49(IV)(G)(i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on July 1, 2011.

(ii) Financial Calendar:

Year ending	:	March 31
AGM in	:	July
Dividend Payment	:	The final dividend if declared, shall be paid/credited on July 5, 2011.

(iii)	Date of Book Closure/Record Date	:	As mentioned in the Notice of the AGM to be held on July 1, 2011.
(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) Corporate Identification Number (CIN) of the Company : L22210MH1995PLC084781

(vii) Dividend Policy:

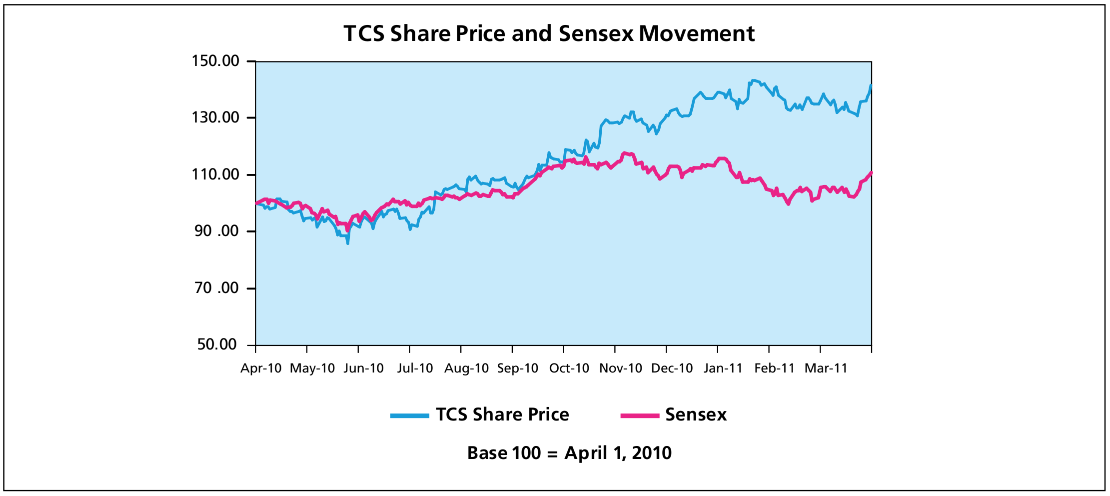
Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to shareholders.

(viii) Market Price Data:

High, Low (based on closing prices) and number of shares traded during each month in the financial year 2010-11 on National Stock Exchange of India Limited and Bombay Stock Exchange Limited:

Month	National Stock Exchange of India Limited			Bombay Stock Exchange Limited		
	High (₹)	Low (₹)	Total Number of Shares Traded	High (₹)	Low (₹)	Total Number of Shares Traded
April 2010	821.70	759.75	4,66,88,033	820.65	759.70	64,82,257
May 2010	770.25	699.55	3,18,93,156	769.70	698.75	43,66,667
June 2010	787.70	733.05	2,71,73,888	787.35	735.15	32,63,975
July 2010	854.45	732.00	3,94,55,080	854.05	731.35	79,57,621
August 2010	879.85	832.05	2,75,70,578	878.25	833.10	46,56,158
September 2010	953.95	837.30	3,54,47,344	952.75	837.30	60,40,462
October 2010	1,066.95	940.90	3,72,01,142	1,063.65	940.75	61,64,277
November 2010	1,092.30	1,004.75	2,61,24,520	1,092.40	1,010.30	26,76,651
December 2010	1,170.20	1,072.60	2,83,52,371	1,167.85	1,072.60	32,72,889
January 2011	1,212.20	1,098.50	3,58,54,733	1,212.60	1,099.40	39,87,730
February 2011	1,183.70	1,089.60	3,57,48,233	1,184.80	1,089.40	39,16,850
March 2011	1,183.90	1,064.35	3,58,48,050	1,182.50	1,064.10	43,25,660

(ix) Performance of the share price of the Company in comparison to the Bombay Stock Exchange Limited Sensex:



(x) Registrar and Transfer Agents:

Name and Address	:	TSR Darashaw Limited (TSRDL) 6-10, Haji Moosa Patrawala Industrial Estate 20, Dr. E. Moses Road, Mahalaxmi Mumbai 400 011
Telephone	:	91 22 6656 8484
Fax	:	91 22 6656 8494
E-mail	:	csg-unit@tsrdarashaw.com
Website	:	www.tsrdarashaw.com

(xi) 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
Time	:	10:00 a.m. to 3:30 p.m. (Monday to Friday except bank holidays)

For the convenience of the 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:

- TSR Darashaw Limited
  503, Barton Centre, 5th Floor
  84, Mahatma Gandhi Road
  Bangalore 560 001
  Telephone: 91 80 2532 0321
  Fax: 91 80 2558 0019
  E-mail: tsrdlbang@tsrdarashaw.com
- TSR Darashaw Limited
  Tata Centre, 1st Floor
  43, Jawaharlal Nehru Road
  Kolkata 700 071
  Telephone: 91 33 2288 3087
  Fax: 91 33 2288 3062
  E-mail: tsrdlcal@tsrdarashaw.com
- TSR Darashaw Limited
  Bungalow No. 1, 'E' Road
  Nothern Town, Bistupur
  Jamshedpur 831 001
  Telephone: 91 657 2426616
  Fax: 91 657 2426937
  E-mail: tsrdljsr@tsrdarashaw.com
- TSR Darashaw Limited
  Plot No. 2/42, Sant Vihar
  Ansari Road, Daryaganj
  New Delhi 110 002
  Telephone: 91 11 2327 1805
  Fax: 91 11 2327 1802
  E-mail: tsrdldel@tsrdarashaw.com

(b) Agent of TSRDL:

Shah Consultancy Services Limited
3, Sumatinath Complex, Pritam Nagar
2nd Dhal, Ellisbridge
Ahmedabad 380 006
Telefax: 91 79 2657 6038
E-mail: shahconsultancy@hotmail.com

(xii) Share Transfer System:

99.97% of the equity shares of the Company are in 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 ten to twelve 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.

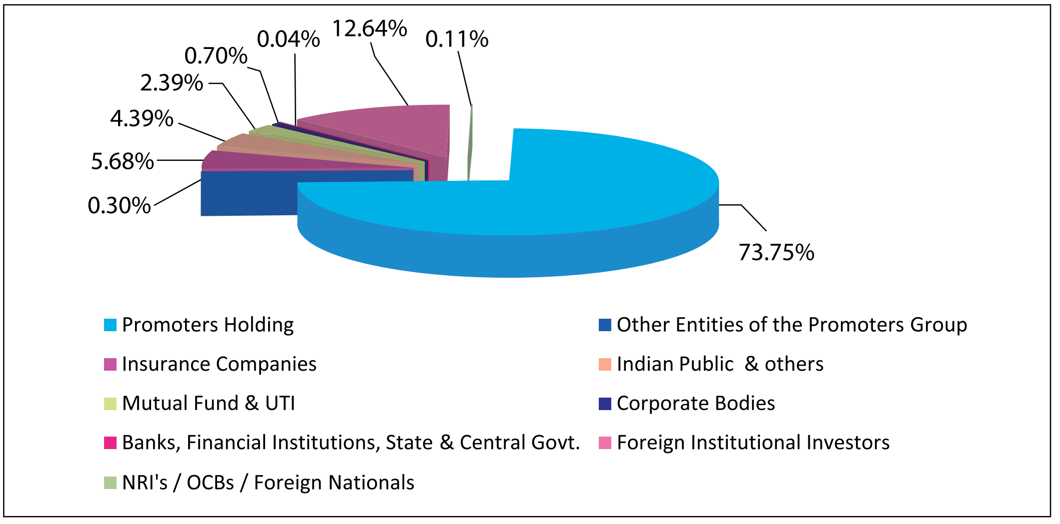
(xiii) Shareholding as on March 31, 2011:

(a) Distribution of Equity Shareholding as on March 31, 2011:

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 – 1000	5,24,29,575	2.68	6,56,820	98.67
1001 - 5000	1,38,32,103	0.71	6,965	1.05
5001 - 10000	46,86,512	0.24	666	0.10
10001 - 20000	45,05,943	0.23	314	0.05
20001 - 30000	34,38,194	0.18	139	0.02
30001 - 40000	28,07,661	0.14	79	0.01
40001 - 50000	30,29,072	0.15	67	0.01
50001 - 100000	1,33,66,369	0.68	181	0.03
100001 - above	185,91,25,567	94.99	428	0.06
GRAND TOTAL	**195,72,20,996**	**100.00**	**6,65,659**	**100.00**

(b) Categories of Equity Shareholders as on March 31, 2011:

Category	Number of shares held	Percentage of holding
Promoters	144,34,04,398	73.75
Other Entities of the Promoters Group	59,33,009	0.30
Insurance Companies	11,12,44,707	5.68
Indian Public & others	8,59,42,803	4.39
Mutual Fund & UTI	4,67,37,034	2.39
Corporate Bodies	1,36,52,698	0.70
Banks, Financial Institutions, State & Central Government	8,51,076	0.04
Foreign Institutional Investors	24,73,71,413	12.64
NRI's/OCBs/Foreign Nationals	20,83,858	0.11
GRAND TOTAL	**195,72,20,996**	**100.00**



(c) Distribution and Category of Redemable Preference Shareholder as on March 31, 2011:

Tata Sons Limited, the holding company, holds 100% of the 100,00,00,000 redeemable preference shares of the Company.

(d) Top ten Equity Shareholders of the Company as on March 31, 2011:

Sr. No.	Name of the Shareholder	Number of shares held	Percentage of holding
1	Tata Sons Limited	144,34,04,398	73.75
2	Life Insurance Corporation of India	4,93,94,258	2.52
3	Franklin Templeton Investment Funds	3,51,22,793	1.79
4	Aberdeen Asset Managers Limited A/C Aberdeen International India Opportunities Fund (Mauritius) Limited	1,38,25,000	0.71
5	ICICI Prudential Life Insurance Company Limited	1,17,10,952	0.60
6	Oppenheimer Developing Markets Fund	92,14,624	0.47
7	FID Funds (Mauritius) Limited	82,47,921	0.42
8	Abu Dhabi Investment Authority – Gulab	76,05,461	0.39
9	Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Index Fund	72,50,718	0.37
10	LIC of India - Market Plus	69,37,722	0.35

(xiv) 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 99.97% of the Company's equity share capital are dematerialised as on March 31, 2011.

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

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

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

As on March 31, 2011, the Company did not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

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 principal amount of debentures and deposits (relating to the erstwhile TIL) remaining unpaid or unclaimed for period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members who have not yet encashed their dividend warrant(s) for the financial years 2003-04 to 2005-06, are requested to make their claims without any delay to the Company's Registrar and Transfer Agents, TSR Darashaw Limited.

A separate communication has been sent in March 2011 to the shareholders who have not encashed their dividend warrants and which are not yet transferred to IEPF, providing them details of the unencashed warrants and requesting to comply with the procedure for seeking payment of the same.

The following table gives information relating to outstanding dividend accounts and the dates by which they need to be transferred:

Financial Year	Date of declaration	Date of payment	Date on which dividend will become part of IEPF
2003-04	August 13, 2004	August 16, 2004	August 12, 2011
2004-05	February 2, 2005	February 25, 2005	February 1, 2012
	August 24, 2005	August 25, 2005	August 23, 2012
2005-06	August 24, 2005	September 19, 2005	August 23, 2012
	October 14, 2005	October 29, 2005	October 13, 2012
	January 17, 2006	January 30, 2006	January 16, 2013

(xvii) For Shareholders of Tata Consultancy Services Limited (TCS):

A separate communication has been sent in March 2011 to the shareholders of TCS who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

The following table gives information relating to outstanding dividend accounts and the dates by which they need to be transferred in the Financial Year 2011-12:

Financial Year	Date of declaration	Date of payment	Date on which dividend will become part of IEPF
2004-05	October 21, 2004	November 9, 2004	October 20, 2011
	January 20, 2005	February 14, 2005	January 19, 2012

In terms of Section 205C of the Companies Act, 1956, the application money received for allotment of shares in the Initial Public Offer (IPO) of the Company and due for refund remaining unpaid or unclaimed for a period of seven years from the date they became due for refund shall form part of IEPF on August 19, 2011.

(xviii) Dividend intimation through e-mail:

In order to protect the environment and as a "Go Green" initiative, the Company has taken an initiative of sending intimation of third interim dividend for FY 2010-11 by e-mail. Physical credit intimation was sent to only those shareholders whose e-mail addresses were not registered with the Company and for the bounced e-mail cases. Shareholders are requested to register their e-mail addresses with TSR Darashaw Limited (for shares held in physical form) and with their Depository Participant (for shares held in electronic form) for receiving dividend credit intimation on e-mail.

(xix) Converting of shares held in physical form to dematerialised form:

During the year 2010-11, the Company had taken steps for encouraging the shareholders for dematerialising the shares held by them in physical form. The Company in this regard has appointed Geojit BNP Paribas Financial Services Limited, an external agency which specialises in providing depository services, to assist the shareholders who would like to convert their physical holding into dematerialise form.

(xx) 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. The Company has a manufacturing facility at 17-B, Tivim Industrial Estate, Karaswada, Mapusa–Bardez, Goa.

(xxi) Address for correspondence:
Tata Consultancy Services Limited
9th Floor, Nirmal Building
Nariman Point
Mumbai 400 021
Telephone: 91 22 6778 9356 / 91 22 6778 9595
Fax: 91 22 6630 3672
Designated e-mail address for Investor Services: investor.relations@tcs.com
Website: www.tcs.com

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, 2011, 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, 2011.

N. Chandrasekaran
Chief Executive Officer & Managing Director

Mumbai, April 21, 2011

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** ("the Company"), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the 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 above mentioned Listing Agreements.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

N. VENKATRAM
Partner
Membership No. 71387

Mumbai, May 20, 2011

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, 2011 and the Consolidated Profit and Loss account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. The Consolidated Financial Statements include investments in associates accounted on equity method in accordance with Accounting Standard (AS) 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956. 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 misstatements. 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 ₹ 2665.94 crores as at March 31, 2011, total revenues of ₹ 5489.30 crores and net cash inflow amounting to ₹ 125.90 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 in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of other auditors.

4. The financial statements which reflect total assets (net) of ₹ 3.22 crores as at March 31, 2011, total revenues of Nil and net cash outflow of ₹ 0.44 crore for the year ended March 31, 2011 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 prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies.

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, 2011;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the TCS Group for the year ended on that date; and

   (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the TCS Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, April 21, 2011

Consolidated Balance Sheet as at March 31, 2011

		Schedule	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
	SOURCES OF FUNDS:			
1	SHAREHOLDERS' FUNDS			
	(a) Share Capital	A	**295.72**	295.72
	(b) Reserves and Surplus	B	**24209.09**	18171.00
			24504.81	18466.72
2	MINORITY INTEREST		**458.17**	361.71
3	LOAN FUNDS			
	(a) Secured Loans	C	**38.44**	31.21
	(b) Unsecured Loans	D	**36.36**	72.04
			74.80	103.25
4	DEFERRED TAX LIABILITIES (NET)	E	**109.49**	68.68
5	TOTAL FUNDS EMPLOYED		**25147.27**	19000.36
	APPLICATION OF FUNDS:			
6	FIXED ASSETS	F		
	(a) Gross Block		**7792.24**	6419.51
	(b) Less :- Accumulated Depreciation and Amortisation		**3545.15**	2897.47
	(c) Net Block		**4247.09**	3522.04
	(d) Capital Work-in-Progress		**1469.18**	1017.37
			5716.27	4539.41
7	GOODWILL (ON CONSOLIDATION)		**3232.00**	3215.99
8	INVESTMENTS	G	**1762.67**	3682.08
9	DEFERRED TAX ASSETS (NET)	E	**160.18**	167.86
10	CURRENT ASSETS, LOANS AND ADVANCES			
	(a) Interest Accrued on Investments		**73.97**	26.18
	(b) Inventories	H	**22.82**	17.79
	(c) Unbilled Revenues		**1348.85**	1201.14
	(d) Sundry Debtors	I	**8198.84**	5855.41
	(e) Cash and Bank Balances	J	**7378.09**	4718.59
	(f) Loans and Advances	K	**4858.16**	3969.77
			21880.73	15788.88
11	CURRENT LIABILITIES AND PROVISIONS			
	(a) Current Liabilities	L	**4698.09**	4093.79
	(b) Provisions	M	**2906.49**	4300.07
			7604.58	8393.86
12	NET CURRENT ASSETS [(10) less (11)]		**14276.15**	7395.02
13	TOTAL ASSETS (NET)		**25147.27**	19000.36
14	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 21, 2011

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

Dr. Ron Sommer
Director

Laura M. Cha
Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Dr. Vijay Kelkar
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 21, 2011

Consolidated Profit and Loss Account for the year ended March 31, 2011

		Schedule	2011 ₹ crores	2010 ₹ crores
	INCOME			
1	Information technology and consultancy services		**36046.13**	29085.21
2	Sale of equipment and software licenses		**1278.38**	943.71
3	Other income, (net)	N	**604.00**	272.07
			37928.51	30300.99
	EXPENDITURE			
4	Employee costs	O	**13726.10**	10879.57
5	Operation and other expenses	P	**12420.05**	10454.80
6	Interest		**26.48**	16.10
7	Depreciation and amortisation	F	**735.26**	660.89
			26907.89	22011.36
	PROFIT BEFORE TAXES		**11020.62**	8289.63
8	**PROVISION FOR TAXES**			
	(a) Current tax (Refer note 13 to Schedule Q)		**2065.95**	1709.83
	(b) Deferred tax expense / (benefit)		**17.15**	(187.71)
	(c) Fringe benefit tax		**(0.03)**	(4.57)
	(d) MAT credit entitlement		**(252.24)**	(320.58)
			1830.83	1196.97
	PROFIT FOR THE YEAR BEFORE MINORITY INTEREST AND SHARE OF LOSS OF ASSOCIATES		**9189.79**	7092.66
9	Minority interest		**121.45**	90.99
10	Share of loss of associates		**0.30**	1.03
	NET PROFIT FOR THE YEAR		**9068.04**	7000.64
11	Balance brought forward from previous year		**13604.84**	11835.03
	AMOUNT AVAILABLE FOR APPROPRIATION		**22672.88**	18835.67
12	**APPROPRIATIONS**			
	(a) Interim dividends on equity shares		**1174.32**	1174.32
	(b) Proposed final dividend on equity shares		**1565.78**	2740.11
	(c) Dividend on redeemable preference shares		**11.00**	17.00
	(d) Tax on dividend		**459.15**	663.18
	(e) General Reserve		**827.58**	636.22
	(f) Balance carried to Balance Sheet		**18635.05**	13604.84
			22672.88	18835.67
13	**Earnings per share - Basic and diluted (₹)** (Refer note 20 to Schedule Q)		**46.27**	35.67
14	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 21, 2011

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

Dr. Ron Sommer
Director

Laura M. Cha
Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Dr. Vijay Kelkar
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 21, 2011

Statement of Consolidated Cash Flows for the year ended March 31, 2011

		Schedule	2011 ₹ crores	2010 ₹ crores
1	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before taxes		**11020.62**	8289.63
	Adjustments for:			
	Depreciation and amortisation		**735.26**	660.89
	Provision for doubtful debts		**(102.30)**	169.67
	Provision for doubtful advances		**4.05**	4.36
	Provision for diminution in value of investment		**0.58**	(3.77)
	Write off / Impairment of goodwill		**0.71**	21.43
	Interest expense		**26.48**	16.10
	Loss on sale of fixed assets (net)		**1.82**	3.90
	Dividend income		**(16.04)**	(13.38)
	Profit on redemption / sale of mutual fund and other current investments (net)		**(81.85)**	(157.02)
	Interest income		**(497.23)**	(205.11)
	Exchange difference on translation of foreign currency cash and cash equivalents		**(30.28)**	46.83
	Unrealised exchange (gain) / loss		**(19.07)**	0.49
	Operating profit before working capital changes		**11042.75**	8834.02
	Inventories		**(5.03)**	18.81
	Unbilled revenues		**(144.36)**	280.24
	Sundry debtors		**(2207.73)**	110.58
	Loans and advances		**(362.77)**	(153.17)
	Current liabilities and provisions		**580.65**	579.73
	Adjustment of translation differences on working capital		**11.58**	(356.67)
	Cash generated from operations		**8915.09**	9313.54
	Taxes paid		**(2277.00)**	(1907.31)
	Net cash provided by operating activities		**6638.09**	7406.23
2	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of fixed assets (Refer note 19 to Schedule Q)		**(1850.32)**	(1044.79)
	Proceeds from sale of fixed assets		**18.11**	13.30
	Adjustment of purchase consideration		**27.33**	45.67
	Purchase of trade investments		**(19.00)**	(1200.00)
	Proceeds from sale / transfer of long term investments		**-**	3.50
	Commercial papers matured		**150.00**	-
	Commercial papers purchased		**(146.02)**	-
	Purchase of mutual fund and other investments		**(49667.01)**	(56018.77)
	Sale of mutual funds and other investments		**51687.68**	55303.97
	Inter-corporate deposits placed		**(286.00)**	(229.00)
	Inter-corporate deposits matured		**326.00**	39.00
	Fixed deposit with banks having original maturity over three months placed		**(6109.59)**	(3622.05)
	Fixed deposit with banks having original maturity over three months matured		**3968.21**	1200.06
	Purchase of shares from minority shareholders		**(6.59)**	-
	Acquisition of subsidiaries net of cash (including additional consideration)		**7.16**	(12.87)
	Sale of subsidiaries, net of cash of Nil *(Previous year : ₹ 0.09 crore)*		**-**	2.57
	Dividends received		**16.04**	13.38
	Interest received		**398.75**	92.81
	Net cash used in investing activities		**(1485.25)**	(5413.22)
3	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Repayment of other than short term borrowings		**-**	(449.20)
	Proceeds from issue of borrowings		**37.46**	60.95
	Repayment of borrowings		**(61.85)**	(12.32)
	Dividend paid, including dividend tax		**(4584.38)**	(1954.57)
	Dividend tax on dividend paid by subsidiary		**(8.31)**	(3.86)
	Dividend paid to minority shareholders of a subsidiary		**(15.98)**	(11.11)
	Proceeds from issue of shares to minority shareholders		**0.66**	5.39
	Interest paid		**(26.50)**	(16.63)
	Net cash used in financing activities		**(4658.90)**	(2381.35)
	Net increase/(decrease) in cash and cash equivalents		**493.94**	(388.34)
	Cash and cash equivalents at beginning of the year		**1024.37**	1459.54
	Exchange difference on translation of foreign currency cash and cash equivalents		**30.28**	(46.83)
	Cash and cash equivalents at end of the year		**1548.59**	1024.37
	Deposits with original maturity over three months		**5803.38**	3652.74
	Restricted Cash		**26.12**	41.48
	Cash and Bank balance at the end of the year as per Schedule J		**7378.09**	4718.59
4	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 21, 2011

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

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Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Dr. Vijay Kelkar
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 21, 2011

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'A'		
SHARE CAPITAL		
(a) **Authorised**		
(i) 225,00,00,000 equity shares of ₹ 1 each *(March 31, 2010 : 225,00,00,000 equity shares of ₹ 1 each)*	**225.00**	225.00
(ii) 100,00,00,000 redeemable preference shares of ₹ 1 each *(March 31, 2010 : 100,00,00,000 redeemable preference shares of ₹ 1 each)*	**100.00**	100.00
	325.00	325.00
(b) **Issued, Subscribed and Paid up**		
(i) 195,72,20,996 equity shares of ₹ 1 each *(March 31, 2010 : 195,72,20,996 equity shares of ₹ 1 each)*	**195.72**	195.72
(ii) 100,00,00,000 redeemable preference shares of ₹ 1 each *(March 31, 2010 : 100,00,00,000 redeemable preference shares of ₹ 1 each)*	**100.00**	100.00
	295.72	295.72

Notes:

1. Equity shares of ₹ 10 each have been sub-divided into ten equity shares of ₹ 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 Equity Share Capital was increased to 120,00,00,000 equity shares of ₹ 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 ₹ 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 Authorised Equity Share Capital was increased to ₹ 220 crores by creation of 100,00,00,000 redeemable preference shares of face value of ₹ 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 ₹ 197.86 crores by allotment of 100,00,00,000 redeemable preference shares of face value of ₹ 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 preceding the year of issue of the redeemable preference shares.
8. The Authorised Equity Share Capital was increased to 225,00,00,000 equity shares of ₹ 1 each pursuant a shareholders' resolution passed by postal ballot on June 12, 2009.
9. The Company allotted 97,86,10,498 equity shares as fully paid up bonus shares on June 18, 2009 by utilisation of Securities Premium Account pursuant to a resolution passed by the shareholders by postal ballot on June 12, 2009.
10. 144,34,04,398 equity shares *(March 31, 2010 : 144,34,04,398 equity shares)* and 100,00,00,000 redeemable preference shares *(March 31, 2010 : 100,00,00,000 redeemable preference shares)* are held by Tata Sons Limited, the holding company.

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'B'		
RESERVES AND SURPLUS		
(a) Capital Reserve (on consolidation)	**24.50**	5.02
(b) Capital Redemption Reserve	**0.40**	0.40
(c) Securities Premium Account		
(i) Opening balance	**1918.47**	2016.33
(ii) Transferred to Share Capital Account consequent to issue of bonus shares	**-**	(97.86)
	1918.47	1918.47
(d) General Reserve		
(i) Opening balance	**2539.59**	1903.37
(ii) Transferred from Profit and Loss Account	**827.58**	636.22
	3367.17	2539.59
(e) Balance in Profit and Loss Account	**18635.05**	13604.84
(f) Foreign currency translation reserve		
(i) Opening balance	**108.75**	471.94
(ii) Adjustment during the year (net)	**92.02**	(363.19)
	200.77	108.75
(g) Hedging reserve account (Refer note 18 to Schedule Q)		
(i) Opening balance	**(6.07)**	(729.94)
(ii) Adjustment during the year (net)	**68.80**	723.87
	62.73	(6.07)
	24209.09	18171.00

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'C'		
SECURED LOANS		
(a) From Banks		
Overdrafts	**0.46**	-
(b) From Others (i.e. entities other than banks and financial institutions)		
Obligations under finance lease (Refer note 9 to Schedule Q)	**37.98**	31.21
	38.44	31.21

Notes:

1. Bank overdrafts are secured against domestic book debts.
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, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'D'		
UNSECURED LOANS		
(a) Short-term loans		
From Banks	**31.11**	58.31
(b) Others		
From entities other than banks	**5.25**	13.73
	36.36	72.04

Note:

Loans (other than short-term) repayable within one year ₹ 1.25 crores *(March 31, 2010 : ₹ 1.25 crores)*

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'E'		
DEFERRED TAX BALANCES		
(a) Deferred Tax Liabilities (net)		
(i) Foreign branch profit tax	**60.15**	43.97
(ii) Depreciation and amortisation	**1.38**	2.43
(iii) Employee benefits	**-**	(0.04)
(iv) Provision for doubtful debts	**-**	(0.01)
(v) Others	**47.96**	22.33
	109.49	68.68
(b) Deferred Tax Assets (net)		
(i) Foreign branch profit tax	**-**	0.62
(ii) Depreciation and amortisation	**(22.45)**	(61.56)
(iii) Employee benefits	**70.40**	77.94
(iv) Provision for doubtful debts	**49.34**	77.81
(v) Others	**62.89**	73.05
	160.18	167.86

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 'F'

FIXED ASSETS

(₹ crores)

Description	Gross Block as at April 1, 2010	Additions	Deletions/ Adjustments	Translation Exchange Difference	Gross Block as at March 31, 2011	Accumulated Depreciation / Amortisation as at April 1, 2010	Depreciation / Amortisation for the year	Deletions/ Adjustments	Translation Exchange Difference	Accumulated Depreciation / Amortisation as at March 31, 2011	Net book value as at March 31, 2011	Net book value as at March 31, 2010
(a) TANGIBLE FIXED ASSETS												
FREEHOLD LAND	329.65	-	-	(0.10)	**329.55**	-	-	-	-	**-**	**329.55**	329.65
LEASEHOLD LAND	69.68	28.04	-	-	**97.72**	(9.85)	(1.70)	-	-	**(11.55)**	**86.17**	59.83
FREEHOLD BUILDINGS	1469.79	252.35	(0.49)	(0.27)	**1721.38**	(225.04)	(66.40)	0.66	(0.01)	**(290.79)**	**1430.59**	1244.75
FACTORY BUILDINGS	1.21	0.30	-	-	**1.51**	(0.77)	(0.06)	-	-	**(0.83)**	**0.68**	0.44
LEASEHOLD BUILDINGS	55.26	18.42	14.05	3.35	**91.08**	(21.33)	(10.51)	(8.02)	(1.64)	**(41.50)**	**49.58**	33.93
LEASEHOLD IMPROVEMENTS	475.92	140.88	(7.41)	1.11	**610.50**	(236.01)	(66.61)	(1.05)	(0.35)	**(304.02)**	**306.48**	239.91
PLANT AND MACHINERY	10.87	21.57	-	(0.20)	**32.24**	(10.75)	(1.60)	(15.18)	0.16	**(27.37)**	**4.87**	0.12
COMPUTER EQUIPMENT	1907.83	587.16	(60.60)	6.56	**2440.95**	(1291.52)	(345.63)	48.76	(4.25)	**(1592.64)**	**848.31**	616.31
MOTOR CARS	30.85	3.83	(6.71)	0.09	**28.06**	(15.73)	(4.51)	4.67	(0.07)	**(15.64)**	**12.42**	15.12
OFFICE EQUIPMENT	636.26	151.02	(11.42)	1.33	**777.19**	(266.10)	(74.09)	3.72	(1.04)	**(337.51)**	**439.68**	370.16
ELECTRICAL INSTALLATIONS	534.49	115.63	(71.58)	5.99	**584.53**	(261.51)	(54.67)	56.94	(4.58)	**(263.82)**	**320.71**	272.98
FURNITURE AND FIXTURES	406.69	99.58	(27.15)	4.92	**484.04**	(336.50)	(60.43)	21.80	(2.62)	**(377.75)**	**106.29**	70.19
(b) INTANGIBLE ASSETS												
GOODWILL ON ACQUISITION	223.44	-	-	12.12	**235.56**	(74.86)	(19.36)	-	(4.32)	**(98.54)**	**137.02**	148.58
ACQUIRED CONTRACT RIGHTS	172.17	-	-	9.34	**181.51**	(57.71)	(14.92)	-	(3.33)	**(75.96)**	**105.55**	114.46
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.71	1.92	(1.71)	-	**12.92**	(12.71)	(0.32)	1.97	-	**(11.06)**	**1.86**	-
SOFTWARE LICENSES	82.69	14.09	5.04	2.68	**104.50**	(77.08)	(12.28)	(3.32)	(1.32)	**(94.00)**	**10.50**	5.61
RIGHTS UNDER LICENSING AGREEMENT	-	59.00	-	-	**59.00**	-	(2.17)	-	-	**(2.17)**	**56.83**	-
Total	6419.51	1493.79	(167.98)	46.92	**7792.24**	(2897.47)	(735.26)	110.95	(23.37)	**(3545.15)**	**4247.09**	3522.04
Previous year	5843.86	737.93	(112.32)	(49.96)	6419.51	(2359.72)	(660.89)	95.13	28.01	(2897.47)	3522.04	
Capital Work-in-Progress (including Capital Advances ₹ 275.29 crores *(March 31, 2010 : ₹ 219.73 crores)*)											**1469.18**	1017.37
Grand Total											**5716.27**	4539.41

Notes:

1. Freehold buildings include ₹ 2.67 crores *(March 31, 2010 : ₹ 2.67 crores)* being value of investment in shares of Co-operative Housing Societies and Limited Companies.
2. Net book value of computer equipment of ₹ 1.82 crores *(March 31, 2010 : ₹ 14.45 crores)*, furnitures and fixtures of ₹ 3.00 crores *(March 31, 2010 : ₹ 5.15 crores)* and leasehold improvements of ₹ 30.39 crores *(March 31, 2010 : ₹ 25.72 crores)* is under finance lease.
3. Legal formalities relating to conveyance of freehold building having net book value ₹ 0.23 crore *(March 31, 2010 : ₹ 0.25 crore)* are pending completion.
4. Additions to fixed assets includes ₹ 66.15 crores being the gross block of subsidiaries acquired during the year. The corresponding accumulated depreciation / amortisation ₹ 37.11 crores has been included in the column entitled "Deletions / Adjustments" to Accumulated Depreciation / Amortisation.

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'G'		
INVESTMENTS		
LONG TERM INVESTMENTS		
(i) Fully Paid Equity Shares (Unquoted)		
National Power Exchange Limited	**1.40**	1.70
Philippine Dealing System Holdings Corporation	**4.01**	4.04
Firstech Solutions Co. Limited	**0.92**	0.93
Taj Air Limited	**19.00**	-
Yodlee, Inc.	**-**	-
ALMC HF (formerly Straumur - Burdaras Investment Bank hf.)	**-**	-
(ii) Fully Paid Preference Shares (Unquoted)		
8% cumulative redeemable preference shares of Tata AutoComp Systems Limited	**5.00**	5.00
(iii) Others		
Investment in Bonds (Quoted)	**84.15**	10.97
Investment in Bonds (Unquoted)	**0.12**	-
Investment in Debentures (Unquoted)	**1305.87**	1200.00
CURRENT INVESTMENTS		
Investment in Mutual Funds (Unquoted)	**343.24**	2459.44
	1763.71	3682.08
Less: Provision for diminution in value of investments	**(1.04)**	-
	1762.67	3682.08
Notes:		
1. Market value of quoted investments	**83.42**	11.37
2. Book value of quoted investments	**84.15**	10.97
3. Book value of unquoted investments (net of provision)	**1678.52**	3671.11

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'H'		
INVENTORIES		
(at lower of cost and net realisable value)		
(a) Stores and spares	**4.60**	3.63
(b) Raw Materials, sub-assemblies and components	**4.86**	5.15
(c) Goods-in-transit	**0.29**	0.30
(d) Finished goods and Work-in-progress	**13.07**	8.71
	22.82	17.79

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'I'		
SUNDRY DEBTORS (Unsecured)		
(a) Over six months		
(i) Considered good	**787.61**	526.32
(ii) Considered doubtful	**230.01**	320.06
(b) Others		
(i) Considered good	**7407.36**	5323.75
(ii) Considered doubtful	**3.69**	16.78
	8428.67	6186.91
Less: Provision for doubtful debts	**(233.70)**	(336.84)
	8194.97	5850.07
(c) Future finance lease receivables (Refer Note 9 to Schedule Q)	**4.43**	6.65
Less: Unearned finance income	**(0.56)**	(1.31)
	3.87	5.34
	8198.84	5855.41

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'J'		
CASH AND BANK BALANCES		
(a) Cash on hand	**2.40**	1.75
(b) Cheques on hand	**54.33**	84.55
(c) Remittances in transit	**7.44**	28.34
(d) Bank Balances		
(i) with Scheduled Banks		
(1) In current accounts (including Equity share application monies of ₹ 0.03 crore *(March 31, 2010 : ₹ 0.03 crore)*)	**82.41**	102.67
(2) In cash credit accounts	**26.32**	13.67
(3) In deposit accounts	**6061.70**	3531.31
(ii) with Foreign Banks		
(1) In current accounts	**616.27**	417.69
(2) In deposit accounts	**527.22**	538.61
	7378.09	4718.59

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'K'		
LOANS AND ADVANCES (Unsecured)		
(a) Considered good		
(i) Loans and advances to employees	**199.67**	164.33
(ii) Advances recoverable in cash or kind or for value to be received	**2377.06**	1938.44
(iii) Advance tax (including refunds receivable) (net)	**1249.72**	771.12
(iv) MAT credit entitlement	**1031.71**	1095.88
	4858.16	3969.77
(b) Considered doubtful		
(i) Loans and advances to employees	**27.54**	22.18
(ii) Advances recoverable in cash or kind or for value to be received	**10.97**	12.29
	38.51	34.47
Less: Provision for doubtful loans and advances	**(38.51)**	(34.47)
	4858.16	3969.77
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.	**114.19**	90.23
2. Advances recoverable in cash or kind or for value to be received include Inter-corporate deposits.	**250.00**	290.00

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'L'		
CURRENT LIABILITIES		
(a) Sundry Creditors		
(i) Dues of micro and small enterprises	**7.42**	0.28
(ii) Dues of other creditors	**3347.07**	2977.45
(b) Advances from customers	**40.61**	35.30
(c) Advance billings and deferred revenues	**771.94**	702.89
(d) Equity share application monies refundable	**0.03**	0.03
(e) Investor Education and Protection Fund - Unpaid dividends (not due)	**8.41**	5.81
(f) Other liabilities	**522.42**	371.82
(g) Interest accrued but not due	**0.19**	0.21
	4698.09	4093.79
Note:		
Other liabilities include fair values of foreign exchange forward and currency option contracts.	**57.70**	115.92

Schedules forming part of the Consolidated Balance Sheet

		As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'M'			
PROVISIONS			
(a)	Current income taxes (net)	**405.38**	460.99
(b)	Fringe benefit tax (net)	**-**	7.85
(c)	Contingencies	**7.94**	7.91
(d)	Employee benefits	**649.07**	599.85
(e)	Proposed final dividend on equity shares	**1565.78**	2740.11
(f)	Proposed dividend on redeemable preference shares	**11.00**	17.00
(g)	Tax on dividend	**266.74**	466.23
(h)	Provision for warranties	**0.58**	0.13
		2906.49	4300.07

Schedules forming part of the Consolidated Profit and Loss Account

		2011 ₹ crores	2010 ₹ crores
SCHEDULE 'N'			
OTHER INCOME (NET)			
(a)	Interest (Tax deducted at source ₹ 44.18 crores *(Previous year : ₹ 16.36 crores)*)	**497.23**	205.11
(b)	Dividend income	**16.04**	13.38
(c)	Profit on redemption / sale of mutual funds and other current investments (net)	**81.85**	157.02
(d)	Rent	**4.54**	7.26
(e)	Loss on sale of fixed assets (net)	**(1.82)**	(3.90)
(f)	Exchange loss (net)	**(36.23)**	(190.88)
(g)	Miscellaneous income	**42.39**	84.08
		604.00	272.07
Notes:			
1.	Dividend income pertains to:		
	Dividend from other long-term investments	**0.77**	0.35
	Dividend from mutual funds (other investments)	**15.27**	13.03
2.	Exchange loss (net) includes :		
	Loss on foreign exchange forward contracts and currency option contracts which have been designated as Cash Flow Hedges (Refer note 18 to Schedule Q).	**(24.50)**	(187.56)

Schedules forming part of the Consolidated Profit and Loss Account

	2011 ₹ crores	2010 ₹ crores
SCHEDULE 'O'		
EMPLOYEE COSTS		
(a) Salaries and incentives	**12030.22**	9558.61
(b) Contributions to -		
(i) Provident fund	**320.01**	264.68
(ii) Superannuation scheme	**99.82**	77.21
(c) Gratuity fund contributions	**94.93**	65.48
(d) Social security and other benefit plans for overseas employees	**261.33**	213.76
(e) Staff welfare expenses	**919.79**	699.83
	13726.10	10879.57

	2011 ₹ crores	2010 ₹ crores
SCHEDULE 'P'		
OPERATION AND OTHER EXPENSES		
(a) Overseas business expenses	**5529.21**	4570.07
(b) Services rendered by business associates and others	**1836.55**	1261.97
(c) Software, hardware and material costs	**1100.99**	987.79
(d) Cost of software licenses	**524.10**	464.24
(e) Communication expenses	**542.34**	422.87
(f) Travelling and conveyance expenses	**473.73**	341.90
(g) Rent	**734.77**	720.53
(h) Legal and professional fees	**222.43**	206.00
(i) Repairs and maintenance	**256.69**	212.77
(j) Electricity expenses	**302.08**	250.59
(k) Bad Debts and advances written off	**25.35**	24.65
(l) (Write back of provision) / Provision for doubtful debts	**(102.30)**	169.67
(m) Provision for doubtful advances	**4.05**	4.36
(n) Recruitment and training expenses	**210.68**	112.21
(o) Provision for diminution in value of long-term investments	**1.08**	-
(p) Commission and brokerage	**20.37**	6.59
(q) Printing and stationery	**45.87**	34.62
(r) Insurance	**30.98**	45.31
(s) Rates and taxes	**79.98**	64.95
(t) Entertainment	**25.14**	16.78
(u) Impairment of goodwill in subsidiaries	**-**	21.43
(v) Other expenses	**555.96**	515.50
	12420.05	10454.80
Notes:		
1. Overseas business expenses includes:		
Travel expenses	**319.20**	225.32
Employee allowances	**4986.69**	4186.18
2. Repairs and maintenance includes:		
Buildings	**126.12**	109.85
Office and computer equipment	**118.10**	90.95

SCHEDULE 'Q' - NOTES TO ACCOUNTS

1) **Significant Accounting Policies**

a) Basis of Preparation

The consolidated financial statements of Tata Consultancy Services Limited, its subsidiaries and associates ("the Group") are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956.

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 Group 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 Group, 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 Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

vi) 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.

c) Use of estimates

The preparation of financial statements requires the management of the Group 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 provision for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred to complete software development, the useful lives of depreciable fixed assets and provisions for impairment.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

e) Depreciation / Amortisation

Depreciation / Amortisation 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%
	Straight-Line	1.63% - 2.50%
Factory Buildings	Straight-Line	10%
Leasehold Improvements	Straight-Line	Lease period
Plant and Machinery	Straight-Line	33.33%
Computer Equipment	Straight-Line	16% - 50%
Motor Cars	Written down value	25.89% - 29.89%
	Straight-Line	19.80% - 33.33%
Office Equipment	Written down value	13.91%
	Straight-Line	10% - 20%
Electrical Installations	Written down value	13.91%
	Straight-Line	18% - 20%
Furniture and Fixtures	Straight-Line	10% - 100%
Goodwill	Straight-Line	5 - 12 years
Acquired Contract Rights	Straight-Line	12 years
Intellectual Property / Distribution Rights	Straight-Line	24 - 60 months
Software Licenses	Straight-Line	License Period
	Straight-Line	20% - 50%
Rights under Licensing Agreement	Straight-Line	License Period

Fixed assets purchased for specific projects are depreciated over the period of the project.

f) Leases

Where the Group, 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 Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is 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 incidental 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 its 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. Reversal of impairment loss on goodwill because of a change in estimates is not permitted.

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)

i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised 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 amortised 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 recognised as an actuarially determined 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.

Revenues from sale of software licenses are recognised upon delivery where there is no customisation required. In case of customisation 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 and 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 taking into account the amount outstanding and the rate applicable.

k) Research and Development

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred. Development costs of marketable computer software are capitalised when a product's technological feasibility has been established until the time the product is available for general release to customers. In most instances, the Group's products are released soon after technological feasibility has been established. Therefore, costs incurred subsequent to achievement of technological feasibility are usually not significant, and generally most software development costs have been expensed.

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 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 Group will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group 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 future 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 tax paid and income tax provision arising in the same tax jurisdiction and the Group intends to settle the asset and liability on a net basis.

The Group 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 expense 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 amortised 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 accumulated under foreign currency translation reserve.

n) Derivative instruments and hedge accounting

The Group 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 Group designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Indian Accounting Standard 39 "Financial Instruments: Recognition and Measurement" (Ind AS 39).

The use of hedging instruments is governed by the policies of the Company and its subsidiaries which are approved by its respective Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

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 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.

o) Inventories

Raw materials, sub-assemblies and components are carried at the 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 the 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 Group are carried at the lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

p) Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

q) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

r) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

2) a) Particulars of subsidiaries and associates

Name of the Company	Country of Incorporation	**Percentage of voting power as at March 31, 2011**	*Percentage of voting power as at March 31, 2010*
Subsidiaries (held directly)			
APOnline Limited	India	**89.00**	*89.00*
C-Edge Technologies Limited	India	**51.00**	*51.00*
CMC Limited	India	**51.12**	*51.12*
Diligenta Limited	UK	**76.00**	*76.00*
MP Online Limited	India	**89.00**	*89.00*
Tata Consultancy Services Canada Inc.	Canada	**100.00**	*100.00*
Tata America International Corporation	USA	**100.00**	*100.00*
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	**100.00**	*100.00*
Tata Consultancy Services Belgium SA	Belgium	**100.00**	*100.00*
Tata Consultancy Services Deutschland GmbH	Germany	**100.00**	*100.00*
Tata Consultancy Services Netherlands BV	Netherlands	**100.00**	*100.00*
Tata Consultancy Services Sverige AB	Sweden	**100.00**	*100.00*
TCS FNS Pty Limited	Australia	**100.00**	*100.00*
TCS Iberoamerica SA	Uruguay	**100.00**	*100.00*
WTI Advanced Technology Limited	India	**100.00**	*100.00*
Tata Consultancy Services Morocco SARL AU	Morocco	**100.00**	*100.00*
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	**60.00**	*60.00*
TCS e-Serve Limited	India	**96.26**	*96.26*
MahaOnline Limited (w.e.f. 28.07.2010)	India	**74.00**	-
Retail FullServe Limited (w.e.f. 08.10.2010) (formerly SUPERVALU Services India Private Limited)	India	**100.00**	-
Subsidiaries (held indirectly)			
CMC Americas Inc.	USA	**100.00**	*100.00*
Financial Network Services (Beijing) Co. Ltd.	China	**100.00**	*100.00*
Tata Information Technology (Shanghai) Company Limited	China	**100.00**	*100.00*
Tata Consultancy Services (China) Co., Ltd.	China	**74.63**	*65.94*
TCS Solution Center S.A.	Uruguay	**100.00**	*100.00*
Tata Consultancy Services Argentina S.A.	Argentina	**99.00**	*99.00*
Tata Consultancy Services Do Brasil Ltda	Brazil	**100.00**	*100.00*
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 Ltd.	Japan	**100.00**	*100.00*
Tata Consultancy 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. (ceased to be a subsidiary w.e.f. 31.07.2010)	Chile	**-**	*100.00*
TCS Inversiones Chile Limitada	Chile	**99.99**	*99.99*
Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.)	Chile	**100.00**	*100.00*
Syscrom S.A. (ceased to be a subsidiary w.e.f. 30.06.2010)	Chile	**-**	*100.00*

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2011	*Percentage of voting power as at March 31, 2010*
Custodia De Documentos Interes Limitada (ceased to be a subsidiary w.e.f. 30.06.2010)	Chile	**-**	*100.00*
TATASOLUTION CENTER S.A	Ecuador	**100.00**	*100.00*
TCS Financial Solutions Australia Holdings Pty Limited	Australia	**100.00**	*100.00*
TCS Financial Solutions Australia Pty Limited	Australia	**100.00**	*100.00*
TCS Management Pty Ltd.	Australia	**100.00**	*100.00*
PT Financial Network Services	Indonesia	**100.00**	*100.00*
PT Tata Consultancy Services Indonesia	Indonesia	**100.00**	*100.00*
Financial Network Services (H.K.) Limited (ceased to be a subsidiary w.e.f. 15.10.2010)	Hong Kong	**-**	*100.00*
Tata Consultancy Services Switzerland Ltd.	Switzerland	**100.00**	*100.00*
Tata Consultancy Services France SAS	France	**100.00**	*100.00*
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	**75.00**	*75.00*
Tata Consultancy Services (Thailand) Limited	Thailand	**100.00**	*100.00*
Tata Consultancy Services (Philippines) Inc.	Philippines	**100.00**	*100.00*
TCS e-Serve International Limited	India	**100.00**	*100.00*
TCS e-Serve America, Inc.	USA	**100.00**	*100.00*
Exegenix Research Inc. (ceased to be a subsidiary w.e.f. 01.12.2010)	Canada	**-**	*100.00*
ERI Holdings Corp. (ceased to be a subsidiary w.e.f. 01.12.2010)	Canada	**-**	*100.00*
TCS Uruguay S. A.	Uruguay	**100.00**	*100.00*
MGDC S.C.	Uruguay	**100.00**	*100.00*
Diligenta 2 Limited (w.e.f. 31.08.2010) (formerly Unisys Insurance Services Limited)	UK	**100.00**	*-*
MS CJV Investments Corporation (w.e.f. 04.10.2010)	USA	**100.00**	*-*
CMC eBiz Inc. (w.e.f. 27.01.2011)	USA	**100.00**	*-*
Associate			
National Power Exchange Limited (ceased to be an associate w.e.f. 04.09.2010)	India	**19.04**	*50.00*

b) The contribution of the subsidiaries formed or acquired during the year is as under:

(₹ crores)

Name of Subsidiary	Revenue (post acquisition)	Net Profit/(Loss) (post acquisition)	Net Assets
Diligenta 2 Limited	188.30	0.52	118.30
MahaOnline Limited	-	(0.20)	2.35
MS CJV Investments Corporation	-	-	6.26
Retail FullServe Limited	44.06	5.81	44.16
CMC eBiz Inc.	2.93	0.77	0.40

3) **Acquisitions / Divestments**

a) On June 30, 2010, Syscrom S.A. Chile has merged with Tata Consultancy Services BPO Chile S.A. The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.

b) On June 30, 2010, Custodia De Documentos Interes Limitada has merged with Tata Consultancy Services BPO Chile S.A. The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.

c) On July 31, 2010, Tata Consultancy Services Chile S.A. has merged with Tata Consultancy Services BPO Chile S.A. The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.

d) On August 31, 2010, the Company, through its subsidiary, acquired 100% equity interest in Diligenta 2 Limited (formerly Unisys Insurance Services Limited).

e) National Power Exchange Limited ceased to be an associate of the Company w.e.f. September 4, 2010.

f) On September 23, 2010, the Company subscribed to 74% of the equity share capital of MahaOnline Limited.

g) On October 4, 2010, the Company, through its subsidiary, acquired 100% equity share capital of MS CJV Investments Corporation. Consequently, the group holding in Tata Consultancy Services (China) Co., Ltd. has increased from 65.94% to 74.63%.

h) On October 8, 2010, the Company has acquired 100% equity share capital of Retail FullServe Limited (formerly SUPERVALU Services India Private Limited).

i) On October 15, 2010, Financial Network Services (H.K.) Limited (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited) has been voluntarily liquidated.

j) On December 1, 2010, Exegenix Research Inc. and ERI Holding Corp. have merged with Tata Consultancy Services Canada Inc. The merged entity is a wholly owned subsidiary of Tata Consultancy Services Limited.

k) On January 27, 2011, the Company, through its subsidiary, subscribed to 100% share capital of CMC eBiz, Inc.

4) The Company has given undertakings to (a) Bank of China Co. Limited, not to transfer its controlling interest in TCS Financial Solutions Australia Pty Limited, a wholly owned subsidiary of TCS FNS Pty Limited and (b) the Government of Maharashtra not to divest its shareholding in MahaOnline Limited except to an affiliate.

5) **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 Group recognised ₹ 320.01 crores *(Previous year : ₹ 264.68 crores)* for provident fund contributions and ₹ 99.82 crores *(Previous year : ₹ 77.21 crores)* for superannuation contributions in the profit and loss account. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group has contributed ₹ 68.60 crores *(Previous year : ₹ 53.01 crores)* towards foreign 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:

(₹ crores)

Funded retirement benefits	**Indian As at March 31, 2011**	**Foreign As at March 31, 2011**	**Consolidated As at March 31, 2011**
i) **Change in benefit obligations:**			
Project benefit obligation, beginning of the year	**497.21**	**172.80**	**670.01**
	425.38	*159.71*	*585.09*
Service cost	**90.95**	**16.94**	**107.89**
	76.88	*16.99*	*93.87*
Interest cost	**40.98**	**7.17**	**48.15**
	33.19	*6.27*	*39.46*
Acquisitions	**0.72**	**-**	**0.72**
	-	-	-
Actuarial (gain) / loss	**5.56**	**(6.06)**	**(0.50)**
	(8.76)	*11.19*	*2.43*
Plan Participants' contributions	**-**	**6.33**	**6.33**
	-	*5.79*	*5.79*
Exchange loss / (gain)	**-**	**19.46**	**19.46**
	-	*(11.94)*	*(11.94)*
Past service cost	**4.13**	**0.37**	**4.50**
	-	*3.17*	*3.17*
Benefit paid	**(36.90)**	**(9.26)**	**(46.16)**
	(29.48)	*(18.38)*	*(47.86)*
Projected benefit obligation, end of the year	**602.65**	**207.75**	**810.40**
	497.21	*172.80*	*670.01*

(₹ crores)

	Indian As at March 31, 2011	**Foreign As at March 31, 2011**	**Consolidated As at March 31, 2011**
ii) **Change in plan assets:**			
Fair value of plan assets, beginning of the year	**436.83**	**155.31**	**592.14**
	359.63	*137.62*	*497.25*
Expected return on plan assets	**37.60**	**8.17**	**45.77**
	32.35	*6.90*	*39.25*
Plan Participants' contributions	**-**	**6.33**	**6.33**
	-	*5.79*	*5.79*
Employers' contributions	**72.11**	**18.89**	**91.00**
	70.85	*19.41*	*90.26*
Exchange gain / (loss)	**-**	**16.75**	**16.75**
	-	*(9.10)*	*(9.10)*
Benefit paid	**(36.90)**	**(9.26)**	**(46.16)**
	(29.48)	*(18.38)*	*(47.86)*
Actuarial gain	**9.27**	**4.52**	**13.79**
	3.48	*13.07*	*16.55*
Fair value of plan assets, end of the year	**518.91**	**200.71**	**719.62**
	436.83	*155.31*	*592.14*
Excess of (obligation over plan assets)	**(83.74)**	**(7.04)**	**(90.78)**
	(60.38)	*(17.49)*	*(77.87)*
iii) **Accrued liability**	**(83.74)**	**(7.04)**	**(90.78)**
	(60.38)	*(17.49)*	*(77.87)*

(₹ crores)

Funded retirement benefits

	Indian 2011	Foreign 2011	Consolidated 2011
iv) **Net gratuity and other cost:**			
Service cost	**90.95**	**16.94**	**107.89**
	76.88	*16.99*	*93.87*
Interest on defined benefit obligation	**40.98**	**7.17**	**48.15**
	33.19	*6.27*	*39.46*
Expected return on plan assets	**(37.60)**	**(8.17)**	**(45.77)**
	(32.35)	*(6.90)*	*(39.25)*
Past service cost	**4.13**	**0.37**	**4.50**
	-	*3.17*	*3.17*
Net actuarial (gains) recognised in the year	**(3.71)**	**(10.58)**	**(14.29)**
	(12.24)	*(1.88)*	*(14.12)*
Net gratuity and other cost	**94.75**	**5.73**	**100.48**
	65.48	*17.65*	*83.13*
Actual Return on Plan Assets	**46.87**	**12.69**	**59.56**
	35.82	*19.97*	*55.79*

(₹ crores)

	Indian As at March 31, 2011	Foreign As at March 31, 2011	Consolidated As at March 31, 2011
v) **Category of Assets:**			
Corporate Bonds	**-**	**92.15**	**92.15**
	-	*74.49*	*74.49*
Equity Shares	**-**	**42.09**	**42.09**
	-	*31.00*	*31.00*
Special Deposit Scheme	**-**	**-**	**-**
	1.76	*-*	*1.76*
Index Linked Gilt	**-**	**38.15**	**38.15**
	-	*29.82*	*29.82*
Insurer Managed Funds	**517.59**	**-**	**517.59**
	435.01	*-*	*435.01*
Cash and Bank Balances	**-**	**1.07**	**1.07**
	-	*1.16*	*1.16*
Others	**1.33**	**27.25**	**28.58**
	0.06	*18.84*	*18.90*
Total	**518.92**	**200.71**	**719.63**
	436.83	*155.31*	*592.14*

vi) **Assumptions used in accounting for the gratuity plan:**

	Indian	Foreign
Discount rate	**8.00%**	**3.00% - 5.50%**
	7.50%	*3.00% - 6.30%*
Salary escalation rate	**4.00% - 12.00%**	**1.50% - 3.60%**
	4.00% - 12.00%	*1.50% - 3.25%*
Expected rate of return on plan assets	**8.00%**	**4.00% - 5.45%**
	8.00%	*4.50% - 5.56%*

The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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 and its subsidiaries policy for plan asset management.

(₹ crores)

Particulars	Domestic				
	2011	2010	2009	2008	2007
Experience adjustment					
On plan liabilities	**31.05**	*4.55*	*(19.01)*	*(27.75)*	*(22.11)*
On plan assets	**9.27**	*3.47*	*5.08*	*3.96*	*2.44*
Present value of benefit obligation	**602.65**	*497.21*	*425.38*	*332.21*	*256.80*
Fair value of plan assets	**518.91**	*436.83*	*359.63*	*266.56*	*244.17*
Excess of (obligation over plan assets)	**(83.74)**	*(60.38)*	*(65.75)*	*(65.65)*	*(12.63)*

(₹ crores)

Particulars	Foreign				
	2011	2010	2009	2008	2007
Experience adjustment					
On plan liabilities	**(3.72)**	*(10.86)*	*4.46*	*(0.31)*	*0.34*
On plan assets	**0.33**	*(12.02)*	*(6.17)*	*(0.25)*	*(0.51)*
Present value of benefit obligation	**207.75**	*172.80*	*159.71*	*119.21*	*108.48*
Fair value of plan assets	**200.71**	*155.31*	*137.62*	*124.31*	*100.87*
Excess of (obligation over plan assets) / plan assets over obligation	**(7.04)**	*(17.49)*	*(22.09)*	*5.10*	*(7.61)*

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at March 31, 2011. Group is expected to contribute ₹ 81.41 crores to gratuity funds for the year ended March 31, 2012, comprising domestic component of ₹ 63.31 crores and foreign component of ₹ 18.10 crores.

(₹ crores)

Unfunded post retirement medical benefits		**As at March 31, 2011**
i)	**Change in benefit obligations:**	
	Project benefit obligation, beginning of the year	**4.66** *4.46*
	Service cost	**0.04** *0.04*
	Interest cost	**0.35** *0.33*
	Curtailment	**(0.80)** -
	Actuarial (gain) / loss	**(0.01)** *0.26*
	Benefit paid	**(0.41)** *(0.43)*
	Projected benefit obligation, end of the year	**3.83** *4.66*
ii)	**Accrued liability**	**(3.83)** *(4.66)*

(₹ crores)

		2011
iii)	**Net medical and other cost:**	
	Service cost	**0.04** *0.04*
	Interest on defined benefit obligation	**0.35** *0.33*
	Curtailment	**(0.80)** -
	Net Actuarial (gain) / loss recognised in the year	**(0.01)** *0.26*
	Net medical and other cost	**(0.42)** *0.63*

		Rate
iv)	**Assumptions used in accounting for the medical plan:**	
	Discount rate	**8.00%** *7.50%*

6) Unbilled revenue as at March 31, 2011, amounting to ₹ 1348.85 crores *(March 31, 2010 : ₹ 1201.14 crores)* primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

7) **Obligation towards operating leases**

(₹ crores)

Non-cancellable operating lease obligation	**As at March 31, 2011**	As at March 31, 2010
Not later than one year	**488.46**	*406.50*
Later than one year but not later than five years	**1395.99**	*1274.79*
Later than five years	**1012.22**	*1172.36*
Total	**2896.67**	*2853.65*

Rental expenses of ₹ 432.04 crores *(Previous year : ₹ 424.63 crores)* in respect of obligation under non-cancellable operating leases have been charged to the profit and loss account. Further, a sum of ₹ 302.73 crores *(Previous year : ₹ 295.90 crores)* has been charged to the profit and loss account in respect of cancellable operating leases.

8) **Receivables under sub leases**

(₹ crores)

Sub lease receivables	**As at March 31, 2011**	As at March 31, 2010
Not later than one year	**1.30**	*1.78*
Later than one year but not later than five years	**0.90**	*2.03*
Later than five years	**-**	-
Total	**2.20**	*3.81*

The total amount recognised in the profit and loss account for the year ended March 31, 2011 is ₹ 2.86 crores *(Previous year : ₹ 1.93 crores)*.

9) **Finance Lease**

a) Company as lessor

(₹ crores)

Particulars	**As at March 31, 2011**	As at March 31, 2010
i) Total gross investment for the period	**4.43**	*6.65*
• Not later than one year	**2.09**	*2.23*
• Later than one year but not later than five years	**2.34**	*4.42*
• Later than five years	**-**	-
ii) Present value of Minimum Lease Payments receivable	**3.87**	*5.34*
• Not later than one year	**1.70**	*1.47*
• Later than one year but not later than five years	**2.17**	*3.87*
• Later than five years	**-**	-
iii) Unearned Finance Income	**0.56**	*1.31*

b) Company as lessee

(₹ crores)

Obligations towards finance leases	As at March 31, 2011	As at March 31, 2010
Assets acquired under finance lease		
i) Minimum Lease Payments:		
• Not later than one year	**10.13**	*8.90*
• Later than one year but not later than five years	**38.90**	*28.76*
• Later than five years	**10.92**	*14.82*
Total	**59.95**	*52.48*
ii) Present value of Minimum Lease Payments:		
• Not later than one year	**4.28**	*4.01*
• Later than one year but not later than five years	**23.61**	*14.67*
• Later than five years	**10.09**	*12.53*
Total	**37.98**	*31.21*

The finance lease arrangements are renewable at the option of the lessee.

10) Research and development expenditure aggregating ₹ 106.13 crores *(Previous year : ₹ 84.44 crores)* was incurred during the year.

11) Sale of Equipment is net of excise duty of ₹ 0.27 crore *(Previous year : ₹ 0.39 crore)*.

12) **Segment Reporting**

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

Business segments are primarily financial services comprising customers providing banking, finance and insurance services, manufacturing companies, companies in retail and consumer packaged goods industries, companies in telecommunication, media and entertainment and others such as energy, resources and utilities, Hi-Tech industry practice, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenues are allocated based on the location of the customer. Geographic segments of the Group are Americas (including Canada and South American countries), Europe, India and Others.

Year ended March 31, 2011

Particulars	Business Segments					(₹ crores)
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom	Others	Total
Revenue	**16526.60**	**2751.76**	**4105.05**	**5292.45**	**8648.65**	**37324.51**
	13488.85	*2433.80*	*3181.43*	*4365.02*	*6559.82*	*30028.92*
Segment result	**5170.84**	**704.30**	**1071.68**	**1843.78**	**2273.49**	**11064.09**
	3873.73	*743.01*	*846.53*	*1350.94*	*1750.33*	*8564.54*
Unallocable expenses (net)						**647.47**
						546.98
Operating income						**10416.62**
						8017.56
Other income (net)						**604.00**
						272.07
Profit before taxes						**11020.62**
						8289.63
Tax expense						**1830.83**
						1196.97
Profit before Minority Interest						**9189.79**
and share of loss of associate						*7092.66*
Minority Interest						**121.45**
						90.99
Share of loss of associates						**0.30**
						1.03
Net profit for the year						**9068.04**
						7000.64
As at March 31, 2011						
Segment assets	**7449.23**	**768.37**	**1074.60**	**1890.32**	**3805.07**	**14987.59**
	6486.47	*669.35*	*800.22*	*1360.29*	*2623.46*	*11939.79*
Unallocable assets						**17764.26**
						15454.43
Total assets						**32751.85**
						27394.22
Segment liabilities	**751.88**	**59.42**	**107.02**	**210.31**	**628.31**	**1756.94**
	869.73	*77.40*	*75.89*	*255.45*	*520.25*	*1798.72*
Unallocable liabilities						**6031.93**
						6767.07
Total liabilities						**7788.87**
						8565.79

Particulars	Business Segments					(₹ crores)
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom	Others	Total
Other information :						
Capital Expenditure (allocable)	**40.14**	**-**	**0.39**	**-**	**100.26**	**140.79**
	129.11	-	-	-	*28.19*	*157.30*
Capital Expenditure (unallocable)						**1738.66**
						892.51
Depreciation (allocable)	**99.15**	**-**	**4.56**	**-**	**10.56**	**114.27**
	120.05	-	-	-	*9.85*	*129.90*
Depreciation (unallocable)						**620.99**
						530.99
Other significant non cash expenses (allocable)	**11.57**	**1.66**	**(0.89)**	**(119.50)**	**9.62**	**(97.54)**
	7.11	*4.33*	*0.48*	*122.16*	*39.95*	*174.03*
Other significant non cash expenses (net) (unallocable)						**0.58**
						17.66

The following geographic segments individually contribute 10 percent or more of the Group's revenues and segment assets:

(₹ crores)

Geographic Segment	Revenues for the year ended March 31, 2011	Segment Asset as at March 31, 2011
Americas	**21457.51**	**6293.40**
	17272.93	*5364.71*
Europe	**9250.67**	**3511.18**
	8009.57	*2568.44*
India	**3435.06**	**4414.15**
	2597.90	*3223.73*

13) Current tax is net of the effect of additional provision (net) of ₹ 132.76 crores for the year ended March 31, 2011 *(Previous year : ₹ 39.27 crores)* in domestic and certain overseas jurisdictions relating to earlier years.

14) **Related Party Disclosures**

A) Related Parties and their Relationship

I) Holding Company

Tata Sons Limited

II) Fellow Subsidiaries with whom the Group has transactions

- Tata Capital Limited
- Tata AIG General Insurance Company Limited
- Tata AIG Life Insurance Company Limited
- Tata Consulting Engineers Limited (formerly TCE Consulting Engineers Limited)
- Tata Housing Development Company Limited
- Tata Limited
- Panatone Finvest Limited
- Tata Business Support Services Limited

- Tata Sky Limited
- Tata Teleservices Limited
- Tata Teleservices (Maharashtra) Limited
- VIOM Networks Limited (Formerly Wireless – TT Info Services Limited)
- Infiniti Retail Limited
- Computational Research Laboratories Limited
- Tata Realty And Infrastructure Limited
- Tata Securities Limited
- e-Nxt Financials Limited
- Tata Investment Corporation Limited
- Nova Integrated Systems Limited
- Tara Aerospace Systems Limited
- Tata Advanced Systems Limited
- TC Travel And Services Limited
- Tata Capital Plc (UK)
- Tata Aerostructure Limited (w.e.f. 05.04.2010)
- TT Holdings & Services Private Limited (w.e.f. 25.08.2010)
- Tata Industries Limited (w.e.f. 01.09.2010)
- Tata Advanced Materials Limited (w.e.f. 01.09.2010)
- Tata International Limited (w.e.f. 01.09.2010)
- Tata Africa Holdings (SA) (Proprietary) Limited (w.e.f. 01.09.2010)
- TATA Africa Holdings (Kenya) Limited (w.e.f. 01.09.2010)
- Tata Automobile Corporation (SA) (Proprietary) Limited (w.e.f. 01.09.2010)
- Tata Autocomp Systems Limited (w.e.f. 01.09.2010)
- Drive India Enterprise Solutions limited (w.e.f. 01.09.2010)

III) Associate

- National Power Exchange Limited (ceased to be an associate w.e.f. 04.09.2010)

IV) Key Management Personnel

- Mr. N. Chandrasekaran
- Mr. S. Mahalingam
- Mr. Phiroz Vandrevala

B) Transactions with related parties

Year ended March 31, 2011

(₹ crores)

Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Issue of bonus shares	**-**	**-**	**-**	**-**	**-**
	72.17	*0.04*	-	*0.03*	*72.24*
Brand equity contribution	**67.01**	**-**	**-**	**-**	**67.01**
	67.07	-	-	-	*67.07*
Purchase of fixed assets	**-**	**32.15**	**-**	**-**	**32.15**
	3.85	*17.58*	-	-	*21.43*

Year ended March 31, 2011

(₹ crores)

Particulars	**Holding Company**	**Fellow Subsidiaries**	**Associates**	**Key Management Personnel**	**Total**
Loans and advances	**0.37**	**-**	**-**	**-**	**0.37**
	-	-	-	-	-
Inter corporate deposit placed	**-**	**175.00**	**-**	**-**	**175.00**
	-	*179.00*	-	-	*179.00*
Inter corporate deposit matured	**-**	**180.00**	**-**	**-**	**180.00**
	-	*49.00*	-	-	*49.00*
Purchase of investment	**79.86**	**146.02**	**-**	**-**	**225.88**
	1000.00	*200.00*	-	-	*1200.00*
Sale of investment (including interest)	**-**	**150.00**	**-**	**-**	**150.00**
	-	-	-	-	-
Revenues	**0.15**	**399.99**	**0.20**	**-**	**400.34**
	0.71	*334.14*	-	-	*334.85*
Interest income	**89.50**	**34.93**	**-**	**-**	**124.43**
	16.30	*9.22*	-	-	*25.52*
Dividend income	**-**	**0.77**	**-**	**-**	**0.77**
	-	-	-	-	-
Other income	**-**	**0.68**	**-**	**-**	**0.68**
	-	*0.38*	-	-	*0.38*
Purchase of goods, services and facilities	**0.87**	**122.63**	**-**	**-**	**123.50**
(including reimbursement)	*0.32*	*97.21*	-	-	*97.53*
Rent paid	**0.74**	**3.23**	**-**	**-**	**3.97**
	0.67	*1.28*	-	-	*1.95*
Provision for doubtful debts / advances	**-**	**0.78**	**0.03**	**-**	**0.81**
	0.20	*8.29*	-	-	*8.49*
Excess provision written back	**0.20**	**3.09**	**-**	**-**	**3.29**
	-	*0.31*	-	-	*0.31*
Bad debts written-off	**-**	**0.10**	**-**	**-**	**0.10**
	-	-	-	-	-
Dividend paid	**2886.81**	**4.10**	**-**	**0.67**	**2891.58**
	1226.89	*0.72*	-	*0.46*	*1228.07*
Dividend on redeemable preference	**17.00**	**-**	**-**	**-**	**17.00**
shares (paid)	*7.00*	-	-	-	*7.00*
Remuneration	**-**	**-**	**-**	**10.05**	**10.05**
	-	-	-	*10.65*	*10.65*

C) Balances with related parties

As at March 31, 2011

Debtors, Unbilled revenue,	**63.79**	**332.76**	**0.06**	**-**	**396.61**
Loans and advances (net)	*19.07*	*243.37*	-	-	*262.44*
Sundry creditors, Advance billings and deferred revenues, Advances from	**67.15**	**34.55**	**0.02**	**-**	**101.72**
customers	*71.04*	*27.44*	-	-	*98.48*
Investment in Debentures	**1079.86**	**200.00**	**-**	**-**	**1279.86**
	1000.00	*200.00*	-	-	*1200.00*

D) Disclosure of Material Transactions with Related Parties

(₹ crores)

	2011	2010
Purchase of fixed assets		
Tata Sons Limited	-	3.85
Tata Consulting Engineers Limited	10.75	6.43
Tata Realty And Infrastructure Limited	20.54	11.11
Loans given during the year		
Tata Sons Limited	0.37	-
Inter-corporate deposits placed		
Tata Sky Limited	5.00	35.00
Infiniti Retail Limited	-	19.00
Panatone Finvest Limited	-	15.00
Tata Realty and Infrastructure Limited	170.00	100.00
Inter-corporate deposits matured		
Tata Sky Limited	5.00	5.00
Infiniti Retail Limited	-	19.00
Panatone Finvest Limited	-	15.00
Tata Autocomp Systems Limited	25.00	-
Tata Realty and Infrastructure Limited	150.00	-
Purchase of investments		
Tata Sons Limited	79.86	1000.00
Panatone Finvest Limited	-	200.00
Tata Capital Limited	146.02	-
Sale of investments		-
Tata Capital Limited	150.00	-
Revenues		
Tata Teleservices Limited	251.59	220.33
Tata Sky Limited	25.92	32.20
Tata Teleservices (Maharashtra) Limited	62.32	53.81
Interest income		
Tata Sons Limited	89.50	16.30
Tata Realty And Infrastructure Limited	10.83	6.11
Panatone Finvest Limited	17.50	0.35
Purchase of goods, services and facilities		
Tata Capital Limited	7.47	12.31
Tata Teleservices Limited	45.79	41.82
Tata Teleservices (Maharashtra) Limited	25.10	17.78
TC Travel And Services Limited	25.11	13.66

(₹ crores)

	2011	2010
Rent paid		
Tata Sons Limited	**0.74**	*0.67*
Tata Limited	**1.25**	*1.28*
Tata Africa Holdings (SA) (Proprietary) Limited	**1.91**	-
Provision for doubtful debts / advances (expense)		
VIOM Networks Limited (formerly Wireless-TT Info Services Limited)	**0.41**	-
TATA Africa Holdings (Kenya) Limited	**0.25**	-
Tata Teleservices Limited	**-**	*8.29*
Bad Debts written off		
Tata AIG General Insurance Company Limited	**0.08**	-
Excess provision written back		
Tata Teleservices Limited	**3.05**	-
Tata Capital Limited	**-**	1.68
Remuneration to Key Management Personnel		
Mr. N. Chandrasekaran	**5.30**	*2.98*
Mr. S. Mahalingam	**2.85**	2.36
Mr. Phiroz Vandrevala	**1.90**	1.69
Debtors, Loans and advances		
Tata Sons Limited	**63.79**	*19.07*
Tata Teleservices Limited	**80.17**	*71.85*
Tata Realty And Infrastructure Limited	**168.30**	*101.56*
Tata Sky Limited	**40.39**	*14.25*
Tata Teleservices (Maharashtra) Limited	**12.67**	*11.14*
Sundry creditors, Advance billings and deferred revenues, Advances from customers		
Tata Sons Limited	**67.15**	*71.04*
Tata Teleservices Limited	**16.41**	*13.76*
Investment in Debentures		
Tata Sons Limited	**1079.86**	*1000.00*
Panatone Finvest Limited	**200.00**	*200.00*

15) **Contingent Liabilities**

(₹ crores)

Particulars	**As at March 31, 2011**	As at March 31, 2010
Claims against the Group not acknowledged as debt	**82.83**	*114.33*
Income Taxes (See note (i) below)	**842.04**	*471.61*
Indirect Taxes	**144.68**	*121.89*
Guarantees given by the Group (See note (ii) below)	**2259.48**	*1923.19*
Unexpired Letters of Credit	**1.57**	*0.15*
Other Contingencies	**0.94**	-

Notes:

i) Income tax matters includes ₹ 236.41 crores *(March 31, 2010 : ₹ 212.59 crores)* in respect of TCS e-Serve Limited, in which the Company has 96.26 percent stake. As on the acquisition date, i.e. December 31, 2008, TCS e-Serve Limited had net advance taxes aggregating to ₹ 185.13 crores against the disputed amounts for the various assessment years. The Company is entitled to an indemnification of the above referred contingent claims on TCS e-Serve Limited from the seller and would be required to refund to the seller, amounts equal to monies received by TCS e-Serve Limited, on all such claims, as an adjustment to the purchase price consideration.

ii) The Group has provided guarantees aggregating to ₹ 1978.41 crores (GBP 275.60 million) *(March 31, 2010 : ₹ 1719.32 crores)* (GBP 252.50 million) to third parties on behalf of its subsidiary Diligenta Limited. The Group does not expect any outflow of resources in respect of the above.

iii) The Group 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.

16) During the year ended March 31, 2011, the Company has received ₹ 27.33 crores (USD 6 million) from the seller of an investment against the release of an indemnification obligation, which has been adjusted against the goodwill arising on consolidation.

17) **Commitments**

i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1208.27 crores *(March 31, 2010 : ₹ 1172.62 crores)*.

ii) Phoenix Group Services Limited ("Phoenix") (formerly Pearl Group Services Limited) has an equity holding of 24% in Diligenta Limited. Under the shareholders agreement dated March 23, 2006, the Company has a call option to purchase all the shares held by Phoenix at fixed price of ₹ 217.08 crores (GBP 30.24 million) at the end of fourth year and Phoenix has a put option to sell the shares to the Company at the same price at the end of the fifth year. The Company has further call option commencing from the sixth year till the end of the eightieth year. As at March 31, 2011, neither of the option has been exercised.

iii) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of ₹ 90,000 per unit against the balance investment of 1000 units aggregating to ₹ 9.00 crores *(March 31, 2010 : ₹ 9.00 crores)*.

iv) The share purchase agreement for acquisition of Comicrom S.A. (merged with Tata Consultancy Services Chile S.A.) provided for additional contingent consideration payable to the previous owners. A sum of ₹ 4.55 crores (USD 1 million) has been paid by the Company during the year ended March 31, 2011, towards full and final settlement of its dues under the agreement.

18) **Derivative Financial Instruments**

The Company and its subsidiaries, in accordance with its risk management policies and procedures, enter 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 Group has following outstanding derivative instruments as at March 31, 2011:

i) The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

	March 31, 2011			March 31, 2010		
Foreign Currency	**No. of Contracts**	**Notional amount of Forward contracts (million)**	**Fair Value (₹ crores)**	No. of Contracts	Notional amount of Forward contracts (million)	Fair Value (₹ crores)
			Gain / (Loss)			Gain
U.S. Dollar	**52**	**207.82**	**34.70**	*20*	*51.24*	*12.18*
Sterling Pound	**38**	**27.70**	**1.71**	-	-	-
Australian Dollar	**19**	**9.50**	**(2.27)**	-	-	-

ii) The following are outstanding currency option contracts, which have been designated as Cash Flow Hedges, as at:

Foreign Currency	March 31, 2011			March 31, 2010		
	No. of Contracts	**Notional amount of Currency Option contracts (million)**	**Fair Value (₹ crores)**	No. of Contracts	Notional amount of Currency Option contracts (million)	Fair Value (₹ crores)
			Gain / (Loss)			(Loss)
U.S. Dollar	**58**	**349.38**	**(16.79)**	*56*	*639.82*	*(54.39)*
Sterling Pound	**9**	**54.00**	**8.64**	-	-	-
Euro	**21**	**149.00**	**1.06**	-	-	-

Net gain on derivative instruments of ₹ 63.67 crores recognised in Hedging Reserve as of March 31, 2011, is expected to be reclassified to the profit and loss account by March 31, 2012.

The movement in Hedging Reserve during the year ended March 31, 2011, for derivatives designated as Cash Flow Hedges is as follows:

(₹ crores)

	Year ended March 31, 2011	Year ended March 31, 2010
Balance at the beginning of the year	**(6.07)**	*(729.94)*
(Loss) / gain transferred to profit and loss account on occurrence of forecasted hedge transaction	**(57.38)**	*74.12*
Net changes in the fair value of effective portion of outstanding cash flow derivatives	**125.61**	*651.05*
Net derivative gains related to a discontinued cash flow hedge	**0.12**	*1.15*
Amount transferred to minority interests during the year	**0.45**	*(2.45)*
Balance at the end of the year	**62.73**	*(6.07)*

In addition to the above Cash Flow Hedges, the Group has outstanding foreign exchange forward contracts and currency option contracts with notional amount aggregating ₹ 4649.67 crores *(March 31, 2010 : ₹ 3503.12 crores)* whose fair value showed a gain of ₹ 29.44 crores as at March 31, 2011 *(March 31, 2010 : ₹ 7.21 crores)*. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting and accordingly these are accounted as derivative instruments at fair value with changes in fair value recorded in the profit and loss account. Exchange gain of ₹ 1.86 crores *(March 31, 2010 : ₹ 110.45 crores)* on the outstanding foreign exchange forward contracts and currency option contracts for the year ended March 31, 2011 have been recognised in the profit and loss account.

19) Increase in payables in respect of purchase of fixed assets amounting to ₹ 29.13 crores for the year ended March 31, 2011 *(Previous year : ₹ 5.02 crores)* have been considered as a non cash transaction.

20) **Earnings per share**

(₹ crores)

	2011	2010
Net profit for the year	**9068.04**	*7000.64*
Less: Preference share dividend (including dividend tax)	**12.78**	*19.82*
Amount available for equity shareholders	**9055.26**	*6980.82*
Weighted average number of shares	**195,72,20,996**	*195,72,20,996*
Earnings per share basic and diluted (₹)	**46.27**	*35.67*
Face value per equity share (₹)	**1**	*1*

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.*

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, 2011, 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 misstatements. 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. As required by the Companies (Auditor's Report) Order, 2003 ("CARO") issued by the Central Government of India in terms of Section 227(4A) 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.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) 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;

   (b) 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;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) 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:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, April 21, 2011

ANNEXURE TO THE AUDITORS' REPORT

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

1. Having regard to the nature of the Company's business / activities / result for the year, clause (xiii) of paragraph 4 of CARO is not applicable to the Company.
2. In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company.
3. In respect of its inventory:
   (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
   (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were 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 has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. In respect of unsecured loans granted by the Company to companies covered in the Register 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 not given any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Act. At the year end, an amount outstanding against the loans granted to three subsidiaries aggregated to ₹ 483.29 crores. The maximum balance outstanding during the year was ₹ 519.47 crores.
   (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
   (c) The receipts of principal amounts and interest have been as per stipulations.
   (d) There are no overdue amounts and hence the provisions of sub-clause (d) of clause 4(iii) of CARO 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 CARO are not applicable to the Company.
5. 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 are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
6. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
   (a) The particulars of contracts or arrangements referred to Section 301 that were needed to be entered in the Register maintained under the said Section have been so entered.
   (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
7. 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 CARO are not applicable to the Company.
8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
9. We have broadly reviewed the books of account maintained by the Company 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 in respect to the manufacture of electronic products 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 and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product or services of the Company.

10. According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) 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, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Service Tax and Income Tax which have not been deposited as at March 31, 2011 on account of disputes are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (₹ crores)
Sales Tax	2001 – 02, 2003 – 04, 2004 – 05, 2005 – 06, 2006 – 07, 2007 – 08, 2008 – 09, 2009 – 10, 2010 – 11	High Court	7.60
	2002 – 03, 2003 – 04, 2004 – 05, 2005 – 06, 2006 – 07	Tribunal	7.67
	2004 – 05, 2007 – 08, 2008 – 09, 2009 – 10	Deputy Commissioner	11.96
	2001 – 02, 2002 – 03	Commissioner of Sales Tax	0.03
	2002 – 2003, 2004 – 05, 2005 – 06, 2006 – 07, 2007 – 08, 2008 – 09	Joint Commissioner	9.77
	2001 – 02, 2003 – 04, 2005 – 06	Assistant Commissioner	1.02
	2006 – 07	Additional Commissioner	2.78
Service Tax	2004 – 05, 2005 – 06, 2006 – 07, 2007 – 08	Commissioner of Service Tax	3.23
Income Tax	2006 – 07	Commissioner of Income Tax (Appeals)	209.77

11. 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.

12. In our opinion and according to the information and explanations given to us, the Company did not have any amount outstanding to a financial institution or a bank. Therefore the provisions of clause (xi) of paragraph 4 of CARO are not applicable.

13. 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.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of CARO are not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, having regard to the fact that the subsidiary is wholly owned the terms and conditions of the guarantee given by the Company for loan taken by the subsidiary from a bank are not *prima facie* prejudicial to the interest of the Company.

16. 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.

17. 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 funds raised on short-term basis have not been used during the year for long- term investment.

18. According to the information and explanations given to us, during the period covered by our audit, 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.

19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.

20. During the year covered by our report, the Company has not raised any money by way of public issue.

21. 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

N. VENKATRAM
Partner
(Membership No. 71387)

Mumbai, April 21, 2011

Balance Sheet as at March 31, 2011

		Schedule	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
	SOURCES OF FUNDS:			
1	SHAREHOLDERS' FUND			
	(a) Share Capital	A	**295.72**	295.72
	(b) Reserves and Surplus	B	**19283.77**	14820.90
			19579.49	15116.62
2	LOAN FUNDS			
	(a) Secured Loans	C	**35.87**	29.25
	(b) Unsecured Loans	D	**5.25**	6.49
			41.12	35.74
3	DEFERRED TAX LIABILITIES (NET)	E	**69.32**	40.10
4	TOTAL FUNDS EMPLOYED		**19689.93**	15192.46
	APPLICATION OF FUNDS:			
5	FIXED ASSETS			
	(a) Gross Block	F	**6030.16**	4871.21
	(b) Less :- Accumulated Depreciation and Amortisation		**2607.98**	2110.69
	(c) Net Block		**3422.18**	2760.52
	(d) Capital Work-in-Progress		**1345.37**	940.72
			4767.55	3701.24
6	INVESTMENTS	G	**5795.49**	7893.39
7	DEFERRED TAX ASSETS (NET)	E	**52.03**	53.13
8	CURRENT ASSETS, LOANS AND ADVANCES			
	(a) Interest Accrued on Investments		**64.70**	16.64
	(b) Inventories	H	**5.37**	6.78
	(c) Unbilled Revenues		**836.37**	646.96
	(d) Sundry Debtors	I	**4806.67**	3332.30
	(e) Cash and Bank Balances	J	**5604.52**	3396.16
	(f) Loans and Advances	K	**4110.41**	3385.11
			15428.04	10783.95
9	CURRENT LIABILITIES AND PROVISIONS			
	(a) Current Liabilities	L	**3863.07**	3312.64
	(b) Provisions	M	**2490.11**	3926.61
			6353.18	7239.25
10	NET CURRENT ASSETS [(8) less (9)]		**9074.86**	3544.70
11	TOTAL ASSETS (NET)		**19689.93**	15192.46
12	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 21, 2011

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
Director

Dr. Ron Sommer
Director

Laura M. Cha
Director

S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Dr. Vijay Kelkar
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 21, 2011

Profit and Loss Account for the year ended March 31, 2011

		Schedule	2011 ₹ crores	2010 ₹ crores
	INCOME			
1	Information technology and consultancy services		**28171.26**	22232.93
2	Sale of equipment and software licenses		**1104.15**	811.52
3	Other income, (net)	N	**494.73**	177.60
			29770.14	23222.05
	EXPENDITURE			
4	Employee costs	O	**10190.31**	7882.43
5	Operation and other expenses	P	**10321.57**	8490.35
6	Interest		**20.01**	9.54
7	Depreciation and amortisation		**537.82**	469.35
			21069.71	16851.67
	PROFIT BEFORE TAXES		**8700.43**	6370.38
8	**PROVISION FOR TAXES**			
	(a) Current tax (Refer note 14 to Schedule Q)		**1335.73**	1128.19
	(b) Deferred tax expense / (benefit)		**30.32**	(112.43)
	(c) MAT credit entitlement		**(235.61)**	(263.89)
			1130.44	751.87
	NET PROFIT FOR THE YEAR		**7569.99**	5618.51
9	Balance brought forward from previous year		**10458.13**	9990.41
	AMOUNT AVAILABLE FOR APPROPRIATION		**18028.12**	15608.92
10	**APPROPRIATIONS**			
	(a) Interim dividends on equity shares		**1174.32**	1174.32
	(b) Proposed final dividend on equity shares		**1565.78**	2740.11
	(c) Dividend on redeemable preference shares		**11.00**	17.00
	(d) Tax on dividend		**450.82**	657.51
	(e) General Reserve		**757.00**	561.85
	(f) Balance carried to Balance Sheet		**14069.20**	10458.13
			18028.12	15608.92
11	**Earnings per share - Basic and diluted (₹)** (Refer note 29 to Schedule Q)		**38.61**	28.61
	Weighted average number of shares		**195,72,20,996**	195,72,20,996
12	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 21, 2011

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
Director

V. Thyagarajan
Director

Prof. Clayton M. Christensen
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Dr. Ron Sommer
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Laura M. Cha
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S. Mahalingam
Chief Financial Officer and Executive Director

Phiroz Vandrevala
Head Global Corporate Affairs and Executive Director

Dr. Vijay Kelkar
Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 21, 2011

Statement of Cash Flows for the year ended March 31, 2011

		Schedule	2011 ₹ crores	2010 ₹ crores
1	CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before taxes		**8700.43**	6370.38
	Adjustments for:			
	Depreciation and amortisation		**537.82**	469.35
	Provision for doubtful advances		**10.45**	2.52
	Provision for doubtful debts		**(106.41)**	152.94
	Diminution in value of long-term investments		**8.29**	(4.50)
	Interest expense		**20.01**	9.54
	Loss on sale of fixed assets (net)		**1.26**	2.81
	Profit from sale of long term investment		**-**	(1.15)
	Unrealised exchange (gain) / loss		**(31.78)**	2.59
	Exchange difference on translation of foreign currency cash and cash equivalents		**(11.39)**	(14.18)
	Dividend income		**(39.27)**	(15.99)
	Interest income		**(427.95)**	(196.69)
	Profit on redemption / sale of mutual funds and other current investments (net)		**(73.61)**	(148.41)
	Operating Profit before working capital changes		**8587.85**	6629.21
	Inventories		**1.41**	10.17
	Unbilled revenues		**(189.41)**	164.15
	Sundry debtors		**(1368.08)**	169.79
	Loans and advances		**(438.95)**	(144.51)
	Current liabilities and provisions		**628.80**	608.33
	Cash generated from operations		**7221.62**	7437.14
	Taxes paid		**(1480.34)**	(1172.40)
	Net cash provided by operating activities		**5741.28**	6264.74
2	CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of fixed assets (Refer note 28 to Schedule Q)		**(1586.06)**	(822.15)
	Proceeds from sale of fixed assets		**1.98**	5.88
	Adjustment of purchase consideration (Refer note 16 to Schedule Q)		**27.33**	45.67
	Purchase of trade investments		**(57.06)**	(1200.00)
	Proceeds from sale / transfer of trade investments		**-**	4.80
	Commercial Paper purchased		**(146.02)**	-
	Commercial Paper matured		**150.00**	-
	Purchase of mutual fund and other investments		**(45598.56)**	(53197.89)
	Sale of mutual funds and other investments		**47791.63**	52633.26
	Loans given to subsidiaries		**-**	(33.88)
	Loans repaid by subsidiaries		**31.94**	123.28
	Inter-corporate deposits placed		**(201.00)**	(224.00)
	Inter-corporate deposits matured		**256.00**	39.00
	Fixed deposit with banks having original maturity over three months placed		**(5095.00)**	(3022.90)
	Fixed deposit with banks having original maturity over three months matured		**3172.97**	985.09
	Dividends received from subsidiaries		**33.39**	11.62
	Dividends received from other investments		**5.88**	4.37
	Interest received		**349.42**	91.21
	Net cash used in investing activities		**(863.16)**	(4556.64)
3	CASH FLOWS FROM FINANCING ACTIVITIES			
	Borrowings (net)		**(1.24)**	(5.30)
	Dividend paid, including dividend tax		**(4584.38)**	(1954.57)
	Interest paid		**(19.99)**	(9.78)
	Net cash used in financing activities		**(4605.61)**	(1969.65)
	Net increase / (decrease) in cash and cash equivalents		**272.51**	(261.55)
	Cash and cash equivalents at beginning of the year		**293.28**	540.65
	Exchange difference on translation of foreign currency cash and cash equivalents		**11.39**	14.18
	Cash and cash equivalents at end of the year		**577.18**	293.28
	Deposits with original maturity over three months		**5020.00**	3097.97
	Restricted cash		**7.34**	4.91
	Cash and Bank balance at the end of the year as per Schedule J		**5604.52**	3396.16
4	NOTES TO ACCOUNTS	Q		

As per our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

N. Venkatram
Partner

Mumbai, April 21, 2011

For and on behalf of the Board

Ratan N. Tata
Chairman

S. Ramadorai
Vice Chairman

N. Chandrasekaran
CEO and Managing Director

Aman Mehta
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Director

Ishaat Hussain
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 21, 2011

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'A'		
SHARE CAPITAL		
(a) **Authorised**		
(i) 225,00,00,000 equity shares of ₹ 1 each	**225.00**	225.00
(March 31, 2010 : 225,00,00,000 equity shares of ₹ 1 each)		
(ii) 100,00,00,000 redeemable preference shares of ₹ 1 each	**100.00**	100.00
(March 31, 2010 : 100,00,00,000 redeemable preference shares of ₹ 1 each)		
	325.00	325.00
(b) **Issued, Subscribed and Paid up**		
(i) 195,72,20,996 equity shares of ₹ 1 each	**195.72**	195.72
(March 31, 2010 : 195,72,20,996 equity shares of ₹ 1 each)		
(ii) 100,00,00,000 redeemable preference shares of ₹ 1 each	**100.00**	100.00
(March 31, 2010 : 100,00,00,000 redeemable preference shares of ₹ 1 each)		
	295.72	295.72

Notes:

1. Equity shares of ₹ 10 each have been sub-divided into ten equity shares of ₹ 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 Equity Share Capital was increased to 120,00,00,000 equity shares of ₹ 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 ₹ 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 Authorised Equity Share Capital was increased to ₹ 220.00 crores by creation of 100,00,00,000 redeemable preference shares of face value of ₹ 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 ₹ 197.86 crores by allotment of 100,00,00,000 redeemable preference shares of face value of ₹ 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 preceding the year of issue of the redeemable preference shares.
8. The Authorised Equity Share Capital was increased to 225,00,00,000 equity shares of ₹ 1 each pursuant to a shareholders' resolution passed by postal ballot on June 12, 2009.
9. The Company allotted 97,86,10,498 equity shares as fully paid up bonus shares on June 18, 2009 by utilisation of Securities Premium Account pursuant to a shareholders' resolution passed by postal ballot on June 12, 2009.
10. 144,34,04,398 equity shares *(March 31, 2010 : 144,34,04,398 equity shares)* and 100,00,00,000 redeemable preference shares *(March 31, 2010 : 100,00,00,000 redeemable preference shares)* are held by Tata Sons Limited, the holding company.

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'B'		
RESERVES AND SURPLUS		
(a) Securities Premium Account		
(i) Opening balance	**1918.47**	2016.33
(ii) Transferred to Share Capital Account consequent to issue of bonus shares	**-**	(97.86)
	1918.47	1918.47
(b) General Reserve		
(i) Opening balance	**2426.14**	1864.29
(ii) Transferred from Profit and Loss Account	**757.00**	561.85
	3183.14	2426.14
(c) Balance in Profit and Loss Account	**14069.20**	10458.13
(d) Foreign Currency Translation Reserve		
(i) Opening balance	**94.98**	99.22
(ii) Addition during the year (net)	**6.63**	(4.24)
	101.61	94.98
(e) Hedging Reserve Account (Refer note 26 to Schedule Q)		
(i) Opening balance	**(76.82)**	(721.86)
(ii) Additions during the year (net)	**88.17**	645.04
	11.35	(76.82)
	19283.77	14820.90

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'C'		
SECURED LOANS		
From Others (i.e entities other than banks and financial institutions)		
Obligation under finance lease (Refer note 7 to Schedule Q)	**35.87**	29.25
	35.87	29.25

Note:
Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'D'		
UNSECURED LOANS		
Others	**5.25**	6.49
From entities other than banks		
	5.25	6.49

Note:

Loans (other than short term) repayable within one year ₹ 1.25 crores *(March 31, 2010 : ₹ 1.25 crores)*

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'E'		
DEFERRED TAX BALANCES		
(a) Deferred Tax Liabilities (net)		
(i) Foreign branch profit tax	**60.15**	43.97
(ii) Depreciation and amortisation	**1.32**	2.24
(iii) Others	**7.85**	(6.11)
	69.32	40.10
(b) Deferred Tax Assets (net)		
(i) Depreciation and amortisation	**(31.78)**	(64.82)
(ii) Employee benefits	**34.06**	36.00
(iii) Provision for doubtful debts	**31.25**	63.34
(iv) Others	**18.50**	18.61
	52.03	53.13

Schedules forming part of the Balance Sheet

SCHEDULE 'F'
FIXED ASSETS

(₹ crores)

Description	Gross Block as at April 1, 2010	Additions	Deletions / Adjustments	**Gross Block as at March 31, 2011**	Accumulated Depreciation / Amortisation as at April 1, 2010	Depreciation / Amortisation for the year	Deletions / Adjustments	**Accumulated Depreciation / Amortisation as at March 31, 2011**	**Net book value as at March 31, 2011**	Net book value as at March 31, 2010
(a) **TANGIBLE FIXED ASSETS**										
FREEHOLD LAND	315.95	-	-	**315.95**	-	-	-	**-**	**315.95**	315.95
LEASEHOLD LAND	64.46	28.04	-	**92.50**	(9.40)	(1.62)	-	**(11.02)**	**81.48**	55.06
FREEHOLD BUILDINGS	1358.22	252.35	-	**1610.57**	(218.34)	(64.05)	0.17	**(282.22)**	**1328.35**	1139.88
FACTORY BUILDINGS	1.21	0.30	-	**1.51**	(0.77)	(0.06)	-	**(0.83)**	**0.68**	0.44
LEASEHOLD BUILDINGS	9.81	-	-	**9.81**	(5.88)	(0.97)	0.02	**(6.83)**	**2.98**	3.93
LEASEHOLD IMPROVEMENTS	393.74	98.54	(4.64)	**487.64**	(202.35)	(53.83)	2.95	**(253.23)**	**234.41**	191.39
PLANT AND MACHINERY	10.88	0.02	-	**10.90**	(10.71)	(0.16)	-	**(10.87)**	**0.03**	0.17
COMPUTER EQUIPMENT	1526.45	490.29	(31.94)	**1984.80**	(1062.14)	(271.34)	30.87	**(1302.61)**	**682.19**	464.31
MOTOR CARS	18.66	2.90	(2.84)	**18.72**	(10.61)	(2.49)	2.27	**(10.83)**	**7.89**	8.05
OFFICE EQUIPMENT	532.64	115.64	(0.57)	**647.71**	(193.52)	(59.28)	0.59	**(252.21)**	**395.50**	339.12
ELECTRICAL INSTALLATIONS	371.48	85.64	(0.43)	**456.69**	(136.07)	(43.52)	0.29	**(179.30)**	**277.39**	235.41
FURNITURE AND FIXTURES	255.00	68.11	(1.38)	**321.73**	(248.19)	(38.01)	1.40	**(284.80)**	**36.93**	6.81
(b) **INTANGIBLE ASSETS**										
INTELLECTUAL PROPERTY / DISTRIBUTION RIGHTS	12.71	1.89	(1.97)	**12.63**	(12.71)	(0.32)	1.97	**(11.06)**	**1.57**	-
RIGHTS UNDER LICENSING AGREEMENT	-	59.00	-	**59.00**	-	(2.17)	-	**(2.17)**	**56.83**	-
Total	4871.21	1202.72	(43.77)	**6030.16**	(2110.69)	(537.82)	40.53	**(2607.98)**	**3422.18**	2760.52
Previous year	4359.24	571.42	(59.45)	4871.21	(1690.16)	(469.35)	48.82	(2110.69)	2760.52	
Capital Work-in-Progress (including Capital Advances ₹ 272.51 crores. *(March 31, 2010 : ₹ 219.73 crores)*)									**1345.37**	940.72
Grand Total									**4767.55**	3701.24

Notes:

1. Freehold buildings include ₹ 2.67 crores *(March 31, 2010 : ₹ 2.67 crores)* being value of investment in shares of Co-operative Housing Societies and Limited Companies.
2. Net book value of leasehold improvements of ₹ 30.39 crores *(March 31, 2010 : ₹ 25.72 crores)* is under finance lease.
3. Legal formalities relating to conveyance of freehold building having net book value ₹ 0.23 crore *(March 31, 2010 : ₹ 0.25 crore)* are pending completion.

Schedules forming part of the Balance Sheet

In Numbers	Currency	Face Value Per share		Description	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'G'						
INVESTMENTS						
			(A)	**TRADE INVESTMENTS (at cost)**		
			(i)	**Subsidiary Companies**		
			(a)	**Fully Paid Equity Shares (Quoted)**		
77,44,961	INR	10		CMC Limited	**379.89**	379.89
			(b)	**Fully Paid Equity Shares (Unquoted)**		
88,41,33,400	Peso	1		TCS Iberoamerica SA	**165.23**	165.23
15,75,300	INR	10		APOnline Limited	**-**	-
1,300	EUR	325		Tata Consultancy Services Belgium SA	**1.06**	1.06
66,000	EUR	1000		Tata Consultancy Services Netherlands BV	**402.87**	402.87
1,000	SEK	100		Tata Consultancy Services Sverige AB	**18.89**	18.89
-	EUR	-		Tata Consultancy Services Deutschland GmbH	**1.72**	1.72
20,000	USD	10		Tata America International Corporation	**452.92**	452.92
75,82,820	SGD	1		Tata Consultancy Services Asia Pacific Pte Ltd.	**18.69**	18.69
10,48,500	INR	10		WTI Advanced Technology Limited	**38.52**	38.52
10,00,000	AUD	1	*	TCS FNS Pty Limited	**3.38**	3.38
7,60,001	GBP	1		Diligenta Limited	**199.89**	199.89
1,100	USD	0.25		Tata Consultancy Services Canada Inc.	**31.25**	31.25
51,00,000	INR	10		C-Edge Technologies Limited	**5.10**	5.10
8,90,000	INR	10		MP Online Limited	**0.89**	0.89
14,76,000	Dirhams	10		Tata Consultancy Services Morocco SARL AU	**8.17**	8.17
84,00,000	RAND	1		Tata Consultancy Services (Africa) (PTY) Ltd.	**4.92**	4.92
119,36,313	INR	10		TCS e-Serve Limited (Refer note 16 to Schedule Q)	**2426.20**	2453.53
50,000	INR	10		Retail FullServe Limited (Refer note 2 to Schedule Q) (formerly SUPERVALU Services India Private Limited) (50,000 shares subscribed during the year)	**36.17**	-
18,89,000	INR	10	*	MahaOnline Limited (Refer note 2 to Schedule Q) (18,89,000 shares subscribed during the year)	**1.89**	-
			(c)	**Fully Paid Preference Shares (Unquoted)**		
4,20,00,000	GBP	1		Diligenta Limited 10% Cumulative redeemable preference shares	**363.04**	363.04
1,99,960	USD	6.25		Tata Consultancy Services Canada Inc. 10% Cumulative redeemable preference shares	**6.02**	6.02
28,00,000	INR	10		APOnline Limited 6% Redeemable preference shares	**2.80**	2.80

Schedules forming part of the Balance Sheet

In Numbers	Currency	Face Value Per share		Description	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'G' (Contd.)						
			(ii)	**Others**		
			(a)	**Fully Paid Equity Shares (Unquoted)**		
4,63,865	USD	0.001		Yodlee, Inc.	**-**	-
25,00,000	INR	10		National Power Exchange Limited	**2.50**	2.50
1,90,00,000	INR	10		Taj Air Limited (1,90,00,000 shares subscribed during the year)	**19.00**	-
69	EUR	297		ALMC HF (formerly Straumur - Burdaras Investment Bank hf.) (69 shares subscribed during the year)	**-**	-
			(b)	**Fully Paid Preference Shares (Unquoted)**		
50,00,000	INR	10		Tata AutoComp Systems Limited 8% Cumulative redeemable preference shares	**5.00**	5.00
			(B)	**OTHERS**		
			(i)	**Bonds (Quoted)**		
15	INR	1000000		10% Housing Urban Development Corporation Limited Bonds (2014)	**1.50**	1.50
180	INR	100000		8% IDBI Bonds (2013)	**1.80**	1.80
10	INR	100000		8% IDBI Bonds (2018)	**0.10**	0.10
5	INR	500000		10% Housing Urban Development Corporation Limited Bonds (2012)	**0.25**	0.25
			(ii)	**Bonds (Unquoted)**		
69	EUR	297		0% ALMC HF (2014) (formerly Straumur - Burdaras Investment Bank hf.) (69 bonds subscribed during the year)	**0.12**	-
			(iii)	**Debentures (Unquoted)**		
10,000	INR	1000000	**	Tata Sons Limited 4.50% Non-convertible debentures (2014)	**1000.00**	1000.00
2,000	INR	1000000	**	Panatone Finvest Limited 4.75% Non-convertible debentures (2013)	**200.00**	200.00
			***(iv)	**Investment in Mutual and other Funds (Unquoted)**	**4.00**	2123.46
					5803.78	7893.39
				Provision for diminution in value of investments	**(8.29)**	-
					5795.49	7893.39

Notes:

		2011	2010
1.	Market value of quoted investments	1615.72	1041.76
	Book value of quoted investments	383.54	383.54
	Book value of unquoted investments (net of provision)	5411.95	7509.85

2. Investments, other than in mutual funds 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 to Schedule Q).

** 4. Yield to maturity :

Tata Sons Limited	8.50%	8.50%
Panatone Finvest Limited	8.75%	8.75%

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

*** 5. Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2010		Purchases during the year		Sold during the year		Balance As at 31.03.2011	
	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores
Birla Sun Life Savings Fund - Institutional - Daily Dividend - Reinvestment	99932046	100.00	50046749	50.08	149978795	150.08	-	-
Birla Sun Life Short Term Fund - Institutional Daily Dividend	306815055	306.98	46846545	46.87	353661600	353.85	-	-
Birla Sun Life Cash Manager - IP - Daily Dividend - Reinvestment	-	-	40011227	40.02	40011227	40.02	-	-
Birla Cash Plus Institutional Premium - Daily Dividend - Reinvestment	-	-	524295486	525.32	524295486	525.32	-	-
Birla Sun Life Cash Plus - Institutional Premium - Growth	-	-	2680609180	4054.80	2680609180	4054.80	-	-
Birla Sun Life - Floating Rate Fund - Long Term - Institutional - Growth	-	-	183294052	200.38	183294052	200.38	-	-
Birla Sun Life - Floating Rate Fund - Long Term - Institutional - Weekly Dividend	-	-	100330383	100.37	100330383	100.37	-	-
Birla Sun Life Savings Fund Institutional - Growth	-	-	644055509	1142.56	644055509	1142.56	-	-
Birla Sun Life Interval Income Fund - Institutional - Quarterly - Series 1-Growth	25000000	25.14	-	-	25000000	25.14	-	-
Birla Sun Life Cash Manager - Institutional Plan - Growth	-	-	574598646	906.17	574598646	906.17	-	-
Birla Sun Life Interval Income Fund - Institutional - Quarterly - Series 2-Growth	25850127	30.20	-	-	25850127	30.20	-	-
Birla Sun Life Short Term Fund - Institutional Growth	-	-	722152372	794.12	722152372	794.12	-	-
HDFC Cash Management Fund - Savings Plan - Growth	-	-	86276492	172.58	86276492	172.58	-	-
HDFC Floating Rate Income Fund - Growth	-	-	102071544	164.93	102071544	164.93	-	-
HDFC Quarterly Interval Fund - Plan C - Wholesale Growth	-	-	19680517	20.00	19680517	20.00	-	-
HDFC Liquid Fund - Premium Plan - Growth	-	-	463731425	869.73	463731425	869.73	-	-
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend, Option : Reinvestment	74809325	75.05	24984202	25.07	99793527	100.12	-	-
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	-	-	74197701	150.12	74197701	150.12	-	-

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

*** 5. Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2010		Purchases during the year		Sold during the year		Balance As at 31.03.2011	
	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores
HDFC Debt Fund for Cancer Cure - 50% Dividend Donation Option, Option : Payout	-	-	3002074	3.00	74	-	**3002000**	**3.00**
ICICI Prudential Ultra Short Term Plan Super Premium Daily Dividend	306058873	306.70	237454387	237.95	543513260	544.65	**-**	**-**
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	21790304	230.40	4747288	50.20	26537592	280.60	**-**	**-**
ICICI Prudential Flexible Income Plan Premium - Growth	-	-	60647723	1052.26	60647723	1052.26	**-**	**-**
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	-	-	219853475	3074.31	219853475	3074.31	**-**	**-**
ICICI Prudential Ultra Short Term Plan Super Premium Growth	-	-	936597477	974.71	936597477	974.71	**-**	**-**
ICICI Prudential Liquid Super Institutional Plan - Daily Dividend	-	-	55044375	550.57	55044375	550.57	**-**	**-**
ICICI Prudential Floating Rate Plan D - Daily Dividend	-	-	13791515	137.95	13791515	137.95	**-**	**-**
ICICI Prudential Floating Rate Plan D - Growth	-	-	62852039	876.61	62852039	876.61	**-**	**-**
IDFC Cash Fund - Super Institutional Plan C - Growth	-	-	1791711171	2055.53	1791711171	2055.53	**-**	**-**
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend	-	-	222070680	222.13	222070680	222.13	**-**	**-**
IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Growth	-	-	368176577	529.33	368176577	529.33	**-**	**-**
IDFC Savings Advantage Fund - Plan A - Growth	-	-	615921	80.44	615921	80.44	**-**	**-**
IDFC Savings Advantage Fund - Plan A - Daily Dividend	-	-	404313	40.44	404313	40.44	**-**	**-**
IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Daily Dividend	202363989	202.67	120131	0.12	202484120	202.79	**-**	**-**
IDFC Money Manager Fund - TP - Super Institutional Plan C - Daily Dividend	130906238	130.93	357616402	357.67	488522640	488.60	**-**	**-**
IDFC Money Manager Fund - Treasury Plan- Super Institutional Plan C - Growth	-	-	622454281	695.44	622454281	695.44	**-**	**-**
India Innovation Fund	1000	1.00	-	-	-	-	**1000**	**1.00**

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

*** 5. Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2010		Purchases during the year		Sold during the year		Balance As at 31.03.2011	
	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores
Kotak Flexi Debt Scheme Institutional - Daily Dividend	229638806	230.73	146457	0.15	229785263	230.88	-	-
Kotak Floater Long Term - Growth	-	-	667384771	991.80	667384771	991.80	-	-
Kotak Quarterly Interval Plan Series 6 - Growth	21812183	25.18	-	-	21812183	25.18	-	-
Kotak Flexi Debt Scheme Institutional - Growth	-	-	960458889	1096.58	960458889	1096.58	-	-
Kotak Floater Long Term - Daily Dividend	-	-	108468133	109.33	108468133	109.33	-	-
Kotak Liquid (Institutional Premium) - Daily Dividend	-	-	291540939	356.50	291540939	356.50	-	-
Kotak Liquid (Institutional Premium) - Growth	-	-	2168540917	4146.17	2168540917	4146.17	-	-
SBI Premier Liquid Fund - Super Institutional- Growth	-	-	1484871042	2180.06	1484871042	2180.06	-	-
SBI-SHF- Ultra Short Term Fund - Institutional Plan - Growth	42219208	50.64	1774896911	2166.95	1817116119	2217.59	-	-
SBI Magnum Insta Cash Fund - Daily Dividend Option	-	-	182603837	305.87	182603837	305.87	-	-
SBI Magnum Insta Cash Fund - Cash Option	-	-	178880600	376.52	178880600	376.52	-	-
SBI Premier Liquid Fund - Super Institutional - Daily Dividend	-	-	193705609	194.34	193705609	194.34	-	-
SBI-SHF-Ultra Short Term Fund - Institutional Plan - Daily Dividend	-	-	359671882	359.89	359671882	359.89	-	-
SBI Premier Liquid Fund - Super Institutional - Growth	-	-	396835741	593.27	396835741	593.27	-	-
Tata Floater Fund - Daily Dividend	259924443	260.85	855708498	858.75	1115632941	1119.60	-	-
TATA Treasury Manager SHIP Daily Dividend	401006	40.51	281	0.03	401287	40.54	-	-
TATA Floater Fund - Growth	-	-	1593161509	2240.25	1593161509	2240.25	-	-
TATA Fixed Income Portfolio Fund Scheme C3 Institutional Growth	10000000	10.03	-	-	10000000	10.03	-	-
TATA Fixed Income Portfolio Fund Scheme A3	-	-	49183069	50.00	49183069	50.00	-	-
TATA Fixed Income Portfolio Fund Scheme A2 Institutional Growth	-	-	78714515	80.00	78714515	80.00	-	-
TATA Liquid Super High Investment Fund - Appreciation	37802	6.42	22067482	3853.31	22105284	3859.73	-	-

Schedules forming part of the Balance Sheet

SCHEDULE 'G' (Contd.)

*** 5. Investment in Mutual Funds

Name of Mutual Fund	Balance As at 01.04.2010		Purchases during the year		Sold during the year		Balance As at 31.03.2011	
	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores	No. of units	₹ crores
Tata Liquid Super High Investment Fund - Daily Dividend	-	-	4234877	471.99	4234877	471.99	-	-
UTI - Liquid Cash Plan Regular - Growth Option	-	-	322	0.05	322	0.05	-	-
UTI - Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Re-investment	499964	50.00	2276653	227.72	2776617	277.72	-	-
UTI - Treasury Advantage Fund - Institutional Plan (Growth Option)	-	-	8028866	1015.77	8028866	1015.77	-	-
UTI - Money Market Mutual Fund - Institutional Growth Plan	-	-	19675686	2073.82	19675686	2073.82	-	-
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan IV Institutional Growth Plan	-	-	39340651	40.00	39340651	40.00	-	-
UTI - Floating Rate Fund - Short Term Plan - Institutional Growth Option	-	-	6578918	689.94	6578918	689.94	-	-
UTI Fixed Income Interval Fund - Monthly Interval Plan Series I - Institutional Growth Plan	33267419	40.03	-	-	33267419	40.03	-	-
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Growth Plan	-	-	39344133	40.00	39344133	40.00	-	-
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-Investment	-	-	5002533	509.98	5002533	509.98	-	-
UTI Liquid Cash Plan Institutional - Growth Option	-	-	2359562	367.74	2359562	367.74	-	-
Total		**2123.46**		**45598.56**		**47718.02**		**4.00**

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'H'		
INVENTORIES		
(at lower of cost and net realisable value)		
(a) Raw materials, sub-assemblies and components	**4.39**	4.81
(b) Goods-in-transit	**0.18**	0.30
(c) Finished goods and Work-in-progress	**0.80**	1.67
	5.37	6.78

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'I'		
SUNDRY DEBTORS (Unsecured)		
(a) Over six months		
(i) Considered good	**1029.10**	693.66
(ii) Considered doubtful	**151.18**	254.78
(b) Others		
(i) Considered good	**3777.58**	2638.64
(ii) Considered doubtful	**0.44**	3.26
	4958.30	3590.34
Less : Provision for doubtful debts	**(151.63)**	(258.04)
	4806.67	3332.30
Due from companies under same management		
Tata Teleservices Limited	**79.88**	52.66
Tata Elxsi Limited	**6.37**	0.98
Tata AIG Life Insurance Company Limited	**0.81**	1.85
Tata Sky Limited	**8.94**	13.34
Tata Internet Services Limited	**-**	0.03
Tata AIG General Insurance Company Limited	**0.65**	0.60
Tata Teleservices (Maharashtra) Limited *	**-**	6.55
VIOM Networks Limited (formerly Wireless - TT Info Services Limited)	**1.37**	1.02
Infiniti Retail Limited	**1.90**	1.43
Computational Research Laboratories Limited	**0.02**	0.03
Tata Securities Limited	**0.16**	0.25
Tata Capital Limited	**7.68**	7.10
Tata Advanced Systems Limited	**0.17**	1.60
e-Nxt Financials Ltd	**0.14**	-
Tata Business Support Services Limited	**0.01**	-
Tata International Limited	**0.16**	-
Tata Realty and Infrastructure Ltd	**0.20**	-

* Tata Teleservices (Maharashtra) Limited is not a company under the same management as at March 31, 2011

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'J'		
CASH AND BANK BALANCES		
(a) Cash on hand	**0.76**	0.72
(b) Cheques on hand	**52.06**	83.40
(c) Remittances in transit	**1.76**	2.47
(d) Bank Balances		
(i) with Scheduled Banks		
(1) In current accounts (including Equity share application monies of ₹ 0.03 crore *(March 31, 2010 : ₹ 0.03 crore)*)	**29.50**	30.08
(2) In deposit accounts	**5329.50**	3098.10
(ii) with Foreign Banks		
(1) In current accounts		
The Royal Bank of Scotland, Malaysia *	**-**	-
Bank of America N.A., Australia	**45.12**	19.34
Credit Suisse, Switzerland	**-**	0.58
Nordea Bank, Denmark	**0.86**	1.33
HSBC Bank plc, UK	**2.79**	5.47
K & H Bank, Hungary	**0.01**	1.37
Bank of America N.A., Canada	**0.56**	0.20
HSBC Bank plc, Ireland	**0.43**	0.04
Nedbank, South Africa	**25.75**	4.11
ASB Bank, New Zealand	**0.57**	0.49
Bank of America N.A., USA	**7.08**	10.10
Nordea Bank, Finland	**0.40**	4.65
Bank of America, Taiwan	**0.33**	0.58
Standard Chartered Bank, Bahrain	**5.62**	0.30
Standard Chartered Bank, South Africa	**5.12**	1.16
Bank of America, Hongkong	**1.75**	0.51
Citibank N.A., Israel	**3.26**	3.90
Standard Chartered Bank, Dubai	**13.82**	0.60
Standard Chartered Bank, Botswana	**0.72**	1.77
Saudi British Bank, Saudi Arabia	**11.67**	6.81
DNB Bank, Norway	**1.08**	1.80
The Royal Bank of Scotland, Poland *	**0.43**	0.36
Arion Bank, Iceland **	**0.07**	0.23
Citibank N.A., USA	**0.06**	0.07
Citibank N.A., UK	**7.81**	28.82
Citibank N.A., Finland	**1.94**	0.88
Citibank International plc, Ireland	**0.26**	0.17
National Bank of Kuwait, Kuwait	**0.13**	-
Citibank N.A., Netherlands	**0.19**	-
Citibank N.A., Hungary	**2.86**	-
(2) In deposit accounts		
Nedbank, South Africa	**-**	85.75
Citibank N.A., UK	**50.25**	-
	5604.52	3396.16

* formerly ABN AMRO Bank
** formerly Kaupthing Bank, Iceland

Notes:

1. The above does not include fourteen bank accounts having a balance of ₹ Nil *(March 31, 2010: ₹ Nil)* operated by the Company for the benefit of a third party.

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'J' (Contd.)		
CASH AND BANK BALANCES		
2. Maximum balance outstanding - Foreign Banks		
(i) In current accounts		
The Royal Bank of Scotland, Malaysia *	**-**	0.16
Bank of America N.A., Australia	**116.15**	55.78
Credit Suisse, Switzerland	**0.58**	0.60
Nordea Bank, Denmark	**13.98**	20.51
HSBC Bank plc, UK	**33.20**	112.92
K & H Bank, Hungary	**6.09**	7.85
Bank of America N.A., Canada	**9.50**	50.99
HSBC Bank plc, Ireland	**5.24**	9.67
Nedbank, South Africa	**102.80**	171.83
ASB Bank, New Zealand	**1.13**	1.10
Bank of America N.A., USA	**364.09**	362.25
Nordea Bank, Finland	**25.47**	26.68
Bank of America, Taiwan	**5.15**	5.29
Standard Chartered Bank, Bahrain	**6.34**	4.79
Standard Chartered Bank, South Africa	**12.37**	26.63
Bank of America, Hongkong	**2.62**	3.30
Citibank N.A., Israel	**9.95**	6.86
Standard Chartered Bank, Dubai	**16.49**	6.61
Standard Chartered Bank, Botswana	**3.35**	7.34
Saudi British Bank, Saudi Arabia	**74.65**	75.06
DNB Bank, Norway	**7.20**	7.76
The Royal Bank of Scotland, Poland *	**2.13**	1.28
Arion Bank, Iceland **	**0.37**	0.88
Citibank N.A., USA	**0.07**	0.07
Citibank N.A., UK	**245.57**	177.05
Citibank N.A., Finland	**15.99**	5.82
Citibank International plc, Ireland	**8.77**	5.02
National Bank of Kuwait, Kuwait	**0.80**	-
Citibank N.A., Netherlands	**6.82**	-
Citibank N.A., Hungary	**9.67**	-
(ii) In deposit accounts		
Nedbank, South Africa	**85.75**	85.75
Citibank N.A., UK	**50.25**	-

* formerly ABN AMRO Bank
** formerly Kaupthing Bank, Iceland

Schedules forming part of the Balance Sheet

		As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'K'			
LOANS AND ADVANCES (Unsecured)			
(a)	Considered good		
	(i) Loans and advances to employees	**141.87**	133.08
	(ii) Loans and advances to subsidiary companies	**478.29**	490.88
	(iii) Advances recoverable in cash or kind or for value to be received	**1968.86**	1538.62
	(iv) Advance tax (including refunds receivable) (net)	**513.89**	183.50
	(v) MAT credit entitlement	**1007.50**	1039.03
		4110.41	3385.11
(b)	Considered doubtful		
	(i) Loans and advances to employees	**26.29**	21.80
	(ii) Loans and advances to subsidiary companies	**5.19**	-
	(ii) Advances recoverable in cash or kind or for value to be received	**6.09**	5.32
		37.57	27.12
	Less: Provision for doubtful loans and advances	**(37.57)**	(27.12)
		4110.41	3385.11
Notes:			
1.	Due from companies under same management:		
	Tata Teleservices Limited	**4.38**	1.12
	Tata AIG General Insurance Company Limited	**0.01**	0.03
	Infiniti Retail Limited	**-**	-
	Maximum balance outstanding during the year:		
	Tata Teleservices Limited	**4.38**	1.12
	Tata AIG General Insurance Company Limited	**3.99**	0.05
	Infiniti Retail Limited	**0.01**	-
2.	Loans and advances to subsidiary companies:		
	TCS FNS Pty Limited	**214.39**	219.99
	TCS Iberoamerica SA	**263.71**	265.66
	Tata Consultancy Services Morocco SARL AU	**5.19**	5.23
	MahaOnline Limited	**0.19**	-
3.	Advances recoverable in cash or kind or for value to be received include fair values of foreign exchange forward and currency option contracts.	**52.33**	10.89
4.	Advances recoverable in cash or kind or for value to be received include Inter-corporate deposits.	**230.00**	285.00

Schedules forming part of the Balance Sheet

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'L'		
CURRENT LIABILITIES		
(a) Sundry Creditors		
(i) Dues of micro and small enterprises (Refer note 18 to Schedule Q)	**7.13**	0.26
(ii) Dues of subsidiary companies	**412.73**	398.05
(iii) Dues of other creditors	**2444.67**	2028.01
(b) Advances from customers	**116.37**	110.31
(c) Advance billings and deferred revenues	**557.34**	492.15
(d) Equity share application monies refundable	**0.03**	0.03
(e) Investor Education and Protection Fund - Unpaid dividends (not due)	**7.31**	4.88
(f) Other liabilities	**317.37**	278.75
(g) Interest accrued but not due	**0.12**	0.20
	3863.07	3312.64
Note:		
Other liabilities include fair values of foreign exchange forward and currency option contracts.	**54.69**	121.90

	As at March 31, 2011 ₹ crores	As at March 31, 2010 ₹ crores
SCHEDULE 'M'		
PROVISIONS		
(a) Current income taxes (net)	**182.09**	263.45
(b) Employee benefits	**474.87**	448.00
(c) Proposed final dividend on equity shares	**1565.78**	2740.11
(d) Proposed dividend on redeemable preference shares	**11.00**	17.00
(e) Tax on dividend	**255.79**	457.92
(f) Provision for warranties	**0.58**	0.13
	2490.11	3926.61

Schedules forming part of the Profit and Loss Account

	2011 ₹ crores	2010 ₹ crores
SCHEDULE 'N'		
OTHER INCOME (NET)		
(a) Interest	**427.95**	196.69
(Tax deducted at source ₹ 41.02 crores (*Previous year : ₹ 14.12 crores)*)		
(b) Dividend income	**39.27**	15.99
(c) Profit on redemption / sale of mutual funds and other current investments (net)	**73.61**	148.41
(d) Rent	**1.34**	2.44
(e) Loss on sale of fixed assets (net)	**(1.26)**	(2.81)
(f) Profit on sale of long-term investment	**-**	1.15
(g) Exchange loss (net)	**(53.04)**	(205.42)
(h) Miscellaneous income	**6.86**	21.15
	494.73	177.60
Notes:		
1. Dividend income includes:		
Dividend from subsidiaries (trade investments)	**33.39**	11.62
Dividends from other long-term investments (trade investments)	**0.77**	0.35
Dividends from mutual funds (other investments)	**5.11**	4.02
2. Exchange loss (net) includes:		
Loss on foreign exchange forward contracts and currency option contracts which have been designated as Cash Flow Hedges. (Refer note 26 to Schedule Q)	**(89.32)**	(211.48)

	2011 ₹ crores	2010 ₹ crores
SCHEDULE 'O'		
EMPLOYEE COSTS		
(a) Salaries and incentives	**8884.06**	6852.50
(b) Contributions to -		
(i) Provident Fund	**285.78**	232.02
(ii) Superannuation scheme	**73.74**	52.62
(c) Gratuity fund contributions	**91.11**	58.15
(d) Social security and other plans for overseas employees	**145.39**	126.58
(e) Staff welfare expenses	**710.23**	560.56
	10190.31	7882.43

Schedules forming part of the Profit and Loss Account

	2011 ₹ crores	2010 ₹ crores
SCHEDULE 'P'		
OPERATION AND OTHER EXPENSES		
(a) Overseas business expenses	**4979.94**	4225.30
(b) Services rendered by business associates and others	**1735.72**	992.02
(c) Software, hardware and material costs	**1043.17**	888.78
(d) Cost of software licences	**395.32**	366.02
(e) Communication expenses	**302.57**	284.22
(f) Travelling and conveyance expenses	**295.75**	186.00
(g) Rent	**477.64**	503.90
(h) Legal and professional fees	**122.10**	93.76
(i) Repairs and maintenance	**180.47**	141.41
(j) Electricity expenses	**240.00**	200.49
(k) Bad debts	**19.04**	7.33
(l) (Write back of provision) / provision for doubtful debts	**(106.41)**	152.94
(m) Provision for doubtful advances	**10.45**	2.52
(n) Advances written-off	**0.02**	0.31
(o) Recruitment and training expenses	**165.84**	78.79
(p) Diminution in value of long-term investments (net)	**8.29**	(4.50)
(q) Commission and brokerage	**15.73**	7.27
(r) Printing and stationery	**18.00**	16.17
(s) Insurance	**15.81**	16.25
(t) Rates and taxes	**42.75**	40.45
(u) Entertainment	**14.93**	9.19
(v) Other expenses	**344.44**	281.73
	10321.57	8490.35
Notes:		
1. Overseas business expenses includes:		
Travel expenses	**270.22**	194.75
Employee allowances	**4533.29**	3900.76
2. Repairs and maintenance pertains to:		
Buildings	**74.84**	61.70
Office and computer equipment	**105.63**	79.71
3. Software, hardware and material costs includes:		
Material Costs		
(a) Raw Materials, sub-assemblies and components consumed	**17.71**	23.73
(b) Opening Stock:		
Finished goods and work-in-progress	**1.67**	3.05
(c) Less: Closing Stock:		
Finished goods and work-in-progress	**0.80**	1.67
	0.87	1.38
	18.58	25.11
4. Other expenses includes:		
Stores and spare parts consumed	**0.04**	0.02

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, the useful lives of depreciable fixed assets and provisions for impairment.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the assets to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

d) Depreciation / Amortisation

Depreciation / amortisation 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%
Factory Buildings	Straight line	10%
Leasehold Improvements	Straight line	Lease period
Plant and Machinery	Straight line	33.33%
Computer Equipment	Straight line	25%
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 – 60 months
Rights under Licensing agreement	Straight line	License period

Fixed assets purchased for specific projects are depreciated over the period of the project.

e) Leases

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is 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 incidental 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 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)

i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised 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 amortised 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 recognised as an actuarially determined 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.

Revenues from sale of software licenses are recognised upon delivery where there is no customisation required. In case of customisation 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 and 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 taking into account the amount outstanding and the rate applicable.

j) Research and Development

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred. Development costs of marketable computer software are capitalised when a product's technological feasibility has been established until the time the product is available for general release to customers. In most instances, the Company's products are released soon after technological feasibility has been established. Therefore, costs incurred subsequent to achievement of technological feasibility are usually not significant, and generally most software development costs have been expensed.

Fixed assets utilised for research and development are capitalised and depreciated in accordance with 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 recognised 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 future 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 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 amortised 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.

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 Indian Accounting Standard 39 "Financial Instruments: Recognition and Measurement" (Ind AS 39).

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) Inventories

Raw materials, sub-assemblies and components are carried at the 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 the 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.

o) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

p) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

2) **Acquisitions / Divestments**

a) On June 30, 2010, Syscrom S.A. has merged with Tata Consultancy Services BPO Chile SA. The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.

b) On June 30, 2010, Custodia De Documentos Interes Limitada has merged with Tata Consultancy Services BPO Chile SA. The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.

c) On July 31, 2010, Tata Consultancy Services Chile SA has merged with Tata Consultancy Services BPO Chile SA. The merged entity is a wholly owned subsidiary of TCS Inversiones Chile Limitada.

d) On August 31, 2010, the Company, through its subsidiary, acquired 100% equity interest in Diligenta 2 Limited (formerly Unisys Insurance Services Limited).

e) National Power Exchange Limited ceased to be an associate of the Company w.e.f. September 4, 2010.

f) On September 23, 2010, the Company subscribed to 74% of the equity share capital of MahaOnline Limited.

g) On October 4, 2010, the Company, through its subsidiary, acquired 100% equity share holding of MS CJV Investments Corporation. Consequently, the group holding in Tata Consultancy Services (China) Co., Ltd. has increased from 65.94% to 74.63%.

h) On October 8, 2010, the Company has acquired 100% equity share capital of Retail FullServe Limited (formerly SUPERVALU Services India Private Limited).

i) On October 15, 2010, Financial Network Services (H.K.) Limited (subsidiary of TCS Financial Solutions Australia Holdings Pty Limited) has been voluntarily liquidated.

j) On December 1, 2010, Exegenix Research Inc. and ERI Holding Corp. have merged with Tata Consultancy Services Canada Inc. The merged entity is a wholly owned subsidiary of Tata Consultancy Services Limited.

k) On January 27, 2011, the Company, through its subsidiary, subscribed to 100% share capital of CMC eBiz Inc.

3) The Company has given undertakings to (a) Bank of China Co. Limited, not to transfer its controlling interest in TCS Financial Solutions Australia Pty Limited, a wholly owned subsidiary of TCS FNS Pty Limited and (b) the Government of Maharashtra not to divest its shareholding in MahaOnline Limited except to an affiliate.

4) **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 ₹ 285.78 crores *(March 31, 2010 : ₹ 232.02 crores)* for provident fund contributions and ₹ 73.74 crores *(March 31, 2010 : ₹ 52.62 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.

The Company has contributed ₹ 60.91 crores *(March 31, 2010 : ₹ 48.40 crores)* towards foreign defined contribution plans.

b) Defined benefit plan

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 month's 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 recognised in the Company's financial statements as at March 31, 2011.

(₹ crores)

		As at March 31, 2011	As at March 31, 2010
i)	**Change in benefit obligations:**		
	Projected benefit obligation, beginning of the year	**452.49**	*385.23*
	Service cost	**81.39**	*70.62*
	Interest cost	**37.07**	*29.84*
	Actuarial loss / (gain)	**14.46**	*(7.34)*
	Benefits paid	**(32.61)**	*(25.86)*
	Projected benefit obligation, end of the year	**552.80**	*452.49*
ii)	**Change in plan assets:**		
	Fair value of plan assets, beginning of the year	**420.14**	*344.16*
	Expected return on plan assets	**36.15**	*31.07*
	Employers' contributions	**65.08**	*66.86*
	Benefits paid	**(32.61)**	*(25.86)*
	Actuarial gain	**5.66**	*3.91*
	Fair value of plan assets at the end of the year	**494.42**	*420.14*
	Excess of (obligation over plan assets)	**(58.38)**	*(32.35)*
	Accrued liability	**(58.38)**	*(32.35)*

(₹ crores)

		2011	2010
iii)	**Net gratuity and other cost:**		
	Service cost	**81.39**	*70.62*
	Interest on defined benefit obligation	**37.07**	*29.84*
	Expected return on plan assets	**(36.15)**	*(31.07)*
	Net actuarial loss / (gain) recognised in the year	**8.80**	*(11.24)*
	Net gratuity cost and other cost	**91.11**	*58.15*
	Actual Return on Plan Assets	**41.82**	*34.98*

(₹ crores)

		As at March 31, 2011	As at March 31, 2010
iv)	**Category of Assets :**		
	Special Deposits Scheme	**-**	*1.76*
	Insurer Managed Funds	**494.36**	*418.32*
	Others	**0.06**	*0.06*
	Total	**494.42**	*420.14*

		As at March 31, 2011	As at March 31, 2010
v)	**Assumptions used in accounting for the gratuity plan:**		
		%	*%*
	Discount rate	**8.00**	*7.50*
	Salary escalation rate	**6.00**	*6.00*
	Expected rate of return on plan assets	**8.00**	*8.00*

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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.

(₹ crores)

	2011	2010	2009	2008	2007
Experience adjustment					
On plan liabilities	**35.00**	*4.93*	*(16.54)*	*(26.62)*	*(20.91)*
On plan assets	**5.67**	*3.91*	*6.12*	*4.13*	*2.31*
Present value of benefit obligation	**552.80**	*452.49*	*385.23*	*315.26*	*240.91*
Fair value of plan assets	**494.42**	*420.14*	*344.16*	*264.87*	*243.13*
Excess of (obligation over plan assets) / plan assets over obligation	**(58.38)**	*(32.35)*	*(41.07)*	*(50.39)*	*2.22*

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2011. The Company is expected to contribute ₹ 52.12 crores to gratuity funds for the year ended March 31, 2012.

5) Unbilled revenue as at March 31, 2011 amounting to ₹ 836.37 crores *(March 31, 2010 : ₹ 646.96 crores)* primarily comprises of the revenue recognised amounting to ₹ 780.11 crores *(March 31, 2010 : ₹ 594.81 crores)* in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

6) **Obligations towards operating leases**

(₹ crores)

Non-cancellable operating lease obligation	**As at March 31, 2011**	As at March 31, 2010
Not later than one year	**307.94**	*245.31*
Later than one year but not later than five years	**872.00**	*741.61*
Later than five years	**760.87**	*818.93*
Total	**1940.81**	*1805.85*

Rental expenses of ₹ 263.46 crores *(Previous year : ₹ 313.15 crores)* in respect of obligation under non-cancellable operating leases have been charged to the profit and loss account. Further a sum of ₹ 214.18 crores *(Previous year : ₹ 190.75 crores)* has been charged to the profit and loss account in respect of cancellable operating leases.

7) **Obligations towards finance leases**

(₹ crores)

Assets acquired under finance lease	**As at March 31, 2011**	As at March 31, 2010
i) Minimum Lease Payments:		
• Not later than one year	**9.38**	*7.11*
• Later than one year but not later than five years	**37.52**	*28.45*
• Later than five years	**10.92**	*14.81*
Total	**57.82**	*50.37*
ii) Present Value of minimum lease payments:		
• Not later than one year	**3.54**	*2.30*
• Later than one year but not later than five years	**22.23**	*14.42*
• Later than five years	**10.10**	*12.53*
Total	**35.87**	*29.25*

8) Research and development expenditure aggregating ₹ 97.20 crores *(Previous year : ₹ 77.19 crores)* was incurred.

9) Sale of Equipment is net of excise duty of ₹ 0.27 crore *(Previous year : ₹ 0.39 crore)*.

10) **Segment Reporting**

The Company has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments are primarily financial services comprising customers providing banking, finance and insurance services, manufacturing companies, companies in retail and consumer packaged goods industries, companies in telecommunication, media and entertainment and others such as energy, resources and utilities, Hi-Tech industry practice, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada and South American countries), Europe, India and Others.

Year ended March 31, 2011

Particulars	**Business Segments**					(₹ crores)
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Packaged Goods**	**Telecom**	**Others**	**Total**
Revenue	**11719.88**	**2257.38**	**3533.18**	**4578.05**	**7186.92**	**29275.41**
	9225.71	*1986.63*	*2705.51*	*3762.94*	*5363.66*	*23044.45*
Segment result	**3797.37**	**567.62**	**894.22**	**1626.90**	**1885.71**	**8771.82**
	2838.03	*560.48*	*643.38*	*1117.16*	*1508.12*	*6667.17*
Unallocable expenses (net)						**566.12**
						474.39
Operating income						**8205.70**
						6192.78
Other income, (net)						**494.73**
						177.60
Profit before taxes						**8700.43**
						6370.38
Tax expense						**1130.44**
						751.87
Net profit for the year						**7569.99**
						5618.51

As at March 31 , 2011

Particulars	Business Segments					(₹ crores)
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Packaged Goods**	**Telecom**	**Others**	**Total**
Segment assets	**1797.98**	**320.46**	**474.36**	**1415.21**	**2162.05**	**6170.06**
	1314.03	*273.36*	*462.67*	*1074.47*	*1333.76*	*4458.29*
Unallocable assets						**19873.05**
						17973.42
Total assets						**26043.11**
						22431.71
Segment liabilities	**436.40**	**39.34**	**87.35**	**202.46**	**447.24**	**1212.79**
	355.89	*26.15*	*64.90*	*184.81*	*278.85*	*910.60*
Unallocable liabilities						**5250.83**
						6404.49
Total liabilities						**6463.62**
						7315.09
Other Information:						
Capital Expenditure (unallocable)						**1607.37** *827.01*
Depreciation (unallocable)						**537.82**
						469.35
Other significant non cash expenses (allocable)	**12.80** *8.68*	**1.15** *3.68*	**(0.38)** *0.05*	**(110.48)** *113.73*	**0.95** *29.32*	**(95.96)** *155.46*
Other significant non cash expenses (net) (unallocable)						**8.29** *(4.50)*

The following Geographic segments individually contribute 10 percent or more of the Company's revenues and segment assets:

(₹ crores)

Geographic Segment	Revenues for the year ended March 31, 2011	Segment Assets as at March 31, 2011
Americas	**16907.78**	**1256.44**
	13391.10	*926.10*
Europe	**7039.12**	**1939.03**
	6060.03	*1379.78*
India	**2759.36**	**2450.99**
	1920.78	*1587.65*

11) **Related Party Disclosures**

A) Related Parties and their Relationship

I) Holding Company

Tata Sons Limited

II)(A) **Subsidiaries (Direct Holding)**		**II)**(B) **Subsidiaries (Indirect Holding)**	
1.	CMC Limited	i.	CMC Americas Inc.
		ii.	CMC e-Biz Inc (w.e.f. 27.01.2011)
2.	Tata Consultancy Services Sverige AB		
3.	Tata Consultancy Services Asia Pacific Pte Ltd.	i.	Tata Information Technology (Shanghai) Company Limited
		i.	Tata Consultancy Services Japan Ltd.
		ii.	Tata Consultancy Services Malaysia Sdn Bhd
		iii.	Tata Consultancy Services (China) Co., Ltd.
		iv.	PT Tata Consultancy Services Indonesia
		v.	Tata Consultancy Services (Thailand) Limited
		vi.	Tata Consultancy Services (Philippines) Inc.
4.	TCS Iberoamerica SA	i.	TCS Solution Center S.A.
		ii.	Tata Consultancy Services Argentina S.A.
		iii.	Tata Consultancy Services De Mexico S.A., De C.V.
		iv.	TCS Inversiones Chile Limitada
		v.	Tata Consultancy Services De Espana S.A.
		vi.	Tata Consultancy Services Do Brasil Ltda
		vii.	Tata Consultancy Services Chile S.A. (ceased to be a subsidiary as it has merged with Tata Consultancy Services BPO Chile S.A.)
		viii.	Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.)
		ix.	Syscrom S.A. (ceased to be a subsidiary as it has merged with Tata Consultancy Services BPO Chile S.A. w.e.f. 30.06.2010)
		x.	Custodia De Documentos Interes Limitada (ceased to be a subsidiary as it has merged with Tata Consultancy Services BPO Chile S.A. w.e.f. 30.06.2010)
		xi.	TATASOLUTION CENTER S.A
		xii.	Tata Consultancy Services Portugal Unipessoal Limitada
		xiii.	TCS Uruguay S.A.
		xiv.	MGDC S.C.
5.	Tata Consultancy Services Netherlands BV	i.	Tata Consultancy Services Luxembourg S.A
		ii.	Tata Consultancy Services Switzerland Ltd
		iii.	Tata Consultancy Services France SAS
		iv.	TCS Italia SRL

6.	TCS FNS Pty Limited	i.	TCS Financial Solutions Australia Holdings Pty Limited
		ii.	TCS Financial Solutions Australia Pty Limited (formerly Financial Network Services Pty Limited)
		iii.	PT Financial Network Services
		iv.	Financial Network Services (H.K.) Limited (ceased to a subsidiary w.e.f. 15.10.2010)
		v.	TCS Management Pty Ltd.
		vi.	Financial Network Services (Beijing) Co. Ltd.
7.	APOnline Limited		
8.	Tata America International Corporation	i.	MS CJV Investments Corporation (w.e.f. 04.10.2010)
9.	Tata Consultancy Services Belgium SA		
10.	Tata Consultancy Services Deutschland GmbH		
11.	WTI Advanced Technology Limited		
12.	Tata Consultancy Services Canada Inc.	i.	ERI Holdings Corp. (ceased to be a subsidiary w.e.f. 01.12.2010, amalgamated with Tata Consultancy Services Canada Inc.)
		ii.	Exegenix Research Inc. (ceased to be a subsidiary w.e.f. 01.12.2010, amalgamated with Tata Consultancy Services Canada Inc.)
13.	Diligenta Limited	i.	Diligenta 2 Limited (w.e.f. 31.08.2010)
14.	C-Edge Technologies Limited		
15.	MP Online Limited		
16.	Tata Consultancy Services Morocco SARL AU		
17.	Tata Consultancy Services (Africa)(PTY) Ltd.	i.	Tata Consultancy Services (South Africa) (PTY) Ltd.
18.	TCS e-Serve Limited	i.	TCS e-Serve International Limited
		ii.	TCS e-Serve America, Inc
19.	MahaOnline Limited (w.e.f. 28.07.2010)		
20.	Retail FullServe Limited (formerly SUPERVALU Services India Private Limited)		

III) Fellow Subsidiaries with whom the Company has transactions

- Tata Capital Limited
- Tata AIG General Insurance Company Limited
- Tata AIG Life Insurance Company Limited
- Tata Consulting Engineers Limited (Formerly TCE Consulting Engineers Limited)
- Tata Housing Development Company Limited
- Tata Limited
- Panatone Finvest Limited
- Tata Business Support Services Limited
- Tata Sky Limited
- Tata Teleservices Limited

- Tata Teleservices (Maharashtra) Limited
- VIOM Networks Limited (Formerly Wireless-TT Info Services Limited)
- Infiniti Retail Limited
- Computational Research Laboratories Limited
- Tata Realty And Infrastructure Limited
- Tata Securities Limited
- e-Nxt Financials Limited
- Tata Investment Corporation Limited
- Nova Integrated Systems Limited
- Tara Aerospace Systems Limited
- Tata Advanced Systems Limited
- TC Travel And Services Limited
- Tata Aerostructure Limited (w.e.f. 05.04.2010)
- TT Holdings & Services Private Limited (w.e.f. 25.08.2010)
- Tata Industries Limited (w.e.f. 01.09.2010)
- Tata Advanced Materials Limited (w.e.f. 01.09.2010)
- Tata International Limited (w.e.f. 01.09.2010)
- TATA Africa Holdings (Kenya) Limited (w.e.f. 01.09.2010)
- Tata Autocomp Systems Limited (w.e.f. 01.09.2010)
- Drive India Enterprise Solutions Limited (w.e.f. 01.09.2010)

IV) Associate

- National Power Exchange Limited (ceased to be an associate w.e.f. 04.09.2010)

V) Key Management Personnel

- Mr. N. Chandrasekaran
- Mr. S. Mahalingam
- Mr. Phiroz Vandrevala

B) Transactions with Related Parties

Year ended March 31, 2011

(₹ crores)

	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Issue of bonus shares	**-**	**-**	**-**	**-**	**-**	**-**
	72.17	*-*	*0.04*	*-*	*0.03*	*72.24*
Brand equity contribution	**51.69**	**-**	**-**	**-**	**-**	**51.69**
	61.47	*-*	*-*	*-*	*-*	*61.47*
Purchase of fixed assets	**-**	**37.88**	**32.14**	**-**	**-**	**70.02**
	3.85	*20.47*	*17.58*	*-*	*-*	*41.90*
Loans and advances given	**0.37**	**-**	**-**	**-**	**-**	**0.37**
	-	*90.21*	*-*	*-*	*-*	*90.21*
Loans and advances repaid	**-**	**31.94**	**-**	**-**	**-**	**31.94**
	-	*131.35*	*-*	*-*	*-*	*131.35*
Inter-corporate deposit placed	**-**	**5.00**	**85.00**	**-**	**-**	**90.00**
	-	*-*	*164.00*	*-*	*-*	*164.00*
Inter-corporate deposit matured	**-**	**5.00**	**105.00**	**-**	**-**	**110.00**
	-	*-*	*39.00*	*-*	*-*	*39.00*
Purchase of investment	**-**	**1.93**	**146.02**	**-**	**-**	**147.95**
	1000.00	*43.46*	*200.00*	*-*	*-*	*1243.46*
Sale of investment (Including interest)	**-**	**-**	**150.00**	**-**	**-**	**150.00**
	-	*-*	*-*	*-*	*-*	*-*
Revenues	**0.15**	**17662.18**	**398.27**	**0.20**	**-**	**18060.80**
	0.71	*13555.88*	*331.66*	*-*	*-*	*13888.25*
Interest income	**85.00**	**23.62**	**33.66**	**-**	**-**	**142.28**
	16.30	*25.76*	*9.01*	*-*	*-*	*51.07*
Dividend income	**-**	**33.39**	**0.77**	**-**	**-**	**34.16**
	-	*11.62*	*-*	*-*	*-*	*11.62*
Rent income	**-**	**0.72**	**-**	**-**	**-**	**0.72**
	-	*0.57*	*-*	*-*	*-*	*0.57*
Other income	**-**	**0.03**	**0.65**	**-**	**-**	**0.68**
	-	*0.55*	*0.38*	*-*	*-*	*0.93*
Purchase of goods, services and facilities (including reimbursement)	**0.63**	**846.57**	**117.47**	**-**	**-**	**964.67**
	0.18	*519.57*	*90.73*	*-*	*-*	*610.48*
Rent paid	**0.74**	**33.64**	**1.33**	**-**	**-**	**35.71**
	0.67	*42.52*	*1.29*	*-*	*-*	*44.48*
Provision for doubtful debts / advances	**-**	**5.88**	**0.78**	**0.03**	**-**	**6.69**
	0.20	*-*	*8.29*	*-*	*-*	*8.49*
Bad debts written-off	**-**	**-**	**0.10**	**-**	**-**	**0.10**
	-	*0.04*	*-*	*-*	*-*	*0.04*
Excess provision written back	**0.20**	**-**	**3.09**	**-**	**-**	**3.29**
	-	*-*	*0.31*	*-*	*-*	*0.31*
Dividend paid	**2886.81**	**-**	**4.10**	**-**	**0.67**	**2891.58**
	1226.89	*-*	*0.72*	*-*	*0.46*	*1228.07*
Dividend on redeemable preference shares (paid)	**17.00**	**-**	**-**	**-**	**-**	**17.00**
	7.00	*-*	*-*	*-*	*-*	*7.00*
Guarantees	**-**	**176.59**	**-**	**-**	**-**	**176.59**
	-	*2.92*	*-*	*-*	*-*	*2.92*
Remuneration	**-**	**-**	**-**	**-**	**10.05**	**10.05**
	-	*-*	*-*	*-*	*10.65*	*10.65*

C) Balances with Related Parties

As at March 31, 2011

(₹ crores)

	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel	Total
Debtors, Unbilled revenue, Loans and advances	**59.28**	**2075.42**	**311.57**	**0.06**	**-**	**2446.33**
	19.07	*1770.18*	*237.93*	-	-	*2027.18*
Sundry creditors, Advance billings and deferred revenues, Advances from customers	**51.73**	**861.57**	**34.44**	**0.02**	**-**	**947.76**
	70.00	*932.04*	*27.31*	-	-	*1029.35*
Guarantees	**-**	**2120.91**	**-**	**-**	**-**	**2120.91**
	-	*1851.93*	-	-	-	*1851.93*
Investment in Debentures	**1000.00**	**-**	**200.00**	**-**	**-**	**1200.00**
	1000.00	-	*200.00*	-	-	*1200.00*

D) Disclosure of Material Transactions with Related Parties

(₹ crores)

	2011	2010
Purchase of fixed assets		
CMC Limited	**37.87**	*19.77*
Tata Consulting Engineers Limited	**10.75**	*6.43*
Tata Realty And Infrastructure Limited	**20.54**	*11.11*
Loans and advances given during the year		
Tata Sons Limited	**0.37**	-
CMC Limited	**-**	*1.22*
Tata Consultancy Services Canada Inc.	**-**	*86.12*
Loans and advances repaid during the year		
TCS Financial Solutions Australia Pty Limited	**31.94**	-
CMC Limited	**-**	*35.72*
Tata Consultancy Services Canada Inc.	**-**	*85.85*
Inter-corporate deposits placed		
Tata Realty And Infrastructure Limited	**80.00**	*100.00*
Tata Sky Limited	**5.00**	*25.00*
Infiniti Retail Limited	**-**	*14.00*
Panatone Finvest Limited	**-**	*15.00*
Inter-corporate deposits matured		
Tata Realty And Infrastructure Limited	**80.00**	-
Tata Autcomp Systems Limited	**25.00**	-
Infiniti Retail Limited	**-**	*14.00*
Panatone Finvest Limited	**-**	*15.00*
Purchase of investments		
Tata Sons Limited	**-**	*1000.00*
Tata Capital Limited	**146.02**	-
Panatone Finvest Limited	**-**	*200.00*
Sale of investments (including interest)		
Tata Capital Limited	**150.00**	-

(₹ crores)

	2011	2010
Revenues		
Tata America International Corporation	**14883.99**	*11563.67*
Interest income		
Tata Sons Limited	**85.00**	*16.30*
CMC Limited	**-**	*2.20*
TCS Financial Solutions Australia Pty Limited	**12.82**	*11.10*
Tata Realty And Infrastructure Limited	**9.63**	*6.11*
Panatone Finvest Limited	**17.50**	*0.35*
Dividend income		
TCS e-Serve Limited	**17.90**	*-*
CMC Limited	**15.49**	*11.62*
Purchase of goods, services and facilities (including reimbursement)		
CMC Limited	**132.35**	*125.21*
CMC Americas Inc.	**322.49**	*232.03*
Rent paid		
CMC Limited	**13.76**	*11.12*
Diligenta Limited	**17.77**	*30.64*
Provision for doubtful debts/advances		
Tata Consultancy Services Morocco SARL AU	**5.88**	*-*
Tata Teleservices Limited	**-**	*8.29*
Bad debts written-off		
TCS e-Serve Limited	**-**	*0.04*
Tata AIG Life Insurance Company Limited	**0.08**	*-*
Excess provision written back		
Tata Teleservices Limited	**3.05**	*-*
Tata Capital Limited	**-**	*0.20*
Guarantees given during the year		
TCS Financial Solutions Australia Pty Limited	**-**	*2.92*
Diligenta Limited	**164.02**	*-*
Remuneration to Key Management Personnel		
Mr. N. Chandrasekaran	**5.30**	*2.98*
Mr. S. Mahalingam	**2.85**	*2.36*
Mr. Phiroz Vandrevala	**1.90**	*1.69*
Debtors, Unbilled revenue, Loans and advances		
Tata America International Corporation	**599.84**	*475.11*
TCS Iberoamerica SA	**279.53**	*270.97*
TCS Financial Solutions Australia Pty Limited	**331.89**	*316.73*
Sundry creditors, Advance billings and deferred revenues, Advances from customers		
Tata America International Corporation	**234.08**	*252.99*
CMC Limited	**84.07**	*65.57*
Tata Consultancy Services Netherlands BV	**104.47**	*186.03*
Guarantees outstanding		
Diligenta Limited	**1978.41**	*1719.32*
Investment in Debentures		
Tata Sons Limited	**1000.00**	*1000.00*
Panatone Finvest Limited	**200.00**	*200.00*

12) **Managerial Remuneration**

(₹ crores)

		2011	2010
1.	Managing Director and other Whole-time Directors		
	(a) Salaries (including Company's contribution to Provident and Superannuation funds)	**1.46**	*1.75*
	(b) Commission	**7.10**	*6.95*
	(c) Estimated value of perquisites and allowances	**1.49**	*1.95*
		10.05	*10.65*
2.	Non Whole-time Directors		
	(a) Commission	**8.00**	*4.50*
	(b) Sitting fees	**0.09**	*0.08*
		8.09	*4.58*
	Total Remuneration	**18.14**	*15.23*

Notes:

i) The above figures do not include (a) provisions for encashable leave, gratuity and premium paid for Group Health Insurance as separate actuarial valuation / premium paid are not available for the Whole-time Directors and (b) retirement benefits of ₹ 0.84 crore *(March 31, 2010 : ₹ 14.08 crores)* to the former Managing Director.

ii) Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956.

(₹ crores)

	2011	2010
Profit before taxes and exceptional items	**8700.43**	*6370.38*
Add:		
(a) Managerial Remuneration	**18.14**	*15.23*
(b) Provision for doubtful debts and advances (net)	**-**	*155.46*
(c) Provision for diminution in value of long-term investments	**8.29**	*-*
	26.43	*170.69*
Less:		
(a) Profit on redemption / sale of mutual funds and other current investments (net)	**73.61**	*148.41*
(b) Profit on sale of long-term investments	**-**	*1.15*
(c) Capital profits on sale of fixed assets	**0.38**	*0.62*
(d) Write back of provision for doubtful debts and advances (net)	**95.96**	*-*
	169.95	*150.18*
Net Profit as per Section 309 (5) of the Companies Act, 1956	**8556.91**	*6390.89*
Commission:		
(a) Whole-time Directors	**7.10**	*6.95*
(b) Non Whole-time Directors	**8.00**	*4.50*

The remuneration payable to the Whole-time directors is subject to approval of the shareholders.

13) **Auditor's remuneration**

(₹ crores)

	2011	*2010*
For services as auditors, including quarterly audits	**2.10**	*2.10*
For Tax Audit	**0.35**	*0.35*
For Other services *	**3.02**	*2.58*
Reimbursement of out-of-pocket expenses	**0.12**	*0.10*
For service tax **	**0.58**	*0.53*

The remuneration disclosed above excludes fees of ₹ 0.70 crore *(Previous year : ₹ 0.89 crore)* for attest and other professional services rendered by a firm of accountants in which some partners of the firm of statutory auditors are partners.

* Other services include fees towards attest services ₹ 2.87 crores *(Previous year : ₹ 2.30 crores).*

** Service tax credit has been / will be availed.

14) Current tax includes additional provision (net) of ₹ 94.50 crores *(Previous year : Current tax includes write back of provision (net) ₹ 13.98 crores)* in domestic and certain overseas jurisdiction relating to earlier years. The impact on MAT entitlement of earlier periods is ₹ 267.14 crores *(Previous year : ₹ Nil).*

15) **Contingent Liabilities**

(₹ crores)

	As at March 31, 2011	As at March 31, 2010
Claims against the Company not acknowledged as debt	**20.32**	*18.54*
Income Tax demands	**602.65**	*259.02*
Indirect Tax demands	**62.61**	*47.99*
Guarantees given by the Company on behalf of subsidiaries (See note (ii) below)	**2120.91**	*1851.93*

Notes:

i) TCS e-Serve Limited has a contingent liability of ₹ 236.41 crores *(March 31, 2010 : ₹ 212.59 crores)* in respect of Income Tax matters in dispute. As on the acquisition date, i.e. December 31, 2008 TCS e-Serve Limited has net advance taxes aggregating to ₹ 185.13 crores against disputed amounts for the various assessment years. The Company is entitled to an indemnification from the seller, of the above referred contingent claims on TCS e-Serve Limited, and would be required to refund to the seller, amounts equal to the monies received by TCS e-Serve Limited, on all such claims, as an adjustment to the purchase price consideration.

ii) The Company has provided guarantees aggregating to ₹ 1978.41 crores (GBP 275.60 million) *(March 31, 2010 : ₹ 1719.32 crores) (GBP 252.50 million)* to third parties on behalf of its subsidiary Diligenta Limited. The Company does not expect any outflow of resources in respect of the above.

iii) The Company has undertaken to provide financial support for the amount of loan taken by a subsidiary and interest thereon. As at March 31, 2011, an amount of ₹ 6.34 crores has been provided for in the books of accounts of the Company against such financial support.

16) During the year, the Company has received ₹ 27.33 crores (USD 6 million) from the seller of an investment against the release of an indemnification obligation, which amount has been adjusted against the cost of the investment.

17) **Commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1132.27 crores *(March 31, 2010 : ₹ 1115.02 crores).*

b) Phoenix Group Services Limited ("Phoenix") (formerly known as Pearl Group Services Limited) has an equity holding of 24% in Diligenta Limited. Under the shareholders agreement dated March 23, 2006, the Company has a call option to purchase all the shares held by Phoenix at fixed price of ₹ 217.08 crores (GBP 30.24 million) at the end of fourth year and Phoenix has a put option to sell the shares to the Company at the same price at the end of the fifth year. The Company has further call option commencing from the sixth year till the end of the eightieth year. As at March 31, 2011, neither of the option has been exercised.

c) The Company has undertaken to provide continued financial support to its subsidiary APOnline Limited, Tata Consultancy Services Morocco SARL AU and TCS FNS Pty Limited.

d) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance ₹ 90,000 per unit against the investment of 1000 units aggregating to ₹ 9.00 crores *(March 31, 2010 : ₹ 9.00 crores)*.

18) **Micro and Small Enterprises**

(₹ crores)

	As at March 31, 2011		As at March 31, 2010	
	Principal	**Interest**	Principal	Interest
Amount due to vendor	**6.99**	**-**	*0.22*	-
Principal amount paid (includes unpaid) beyond the appointed date	**60.38**	**-**	*7.86*	-
Interest accrued and remaining unpaid (includes interest disallowable)	**-**	**0.39**	-	*0.25*

19) **Income in Foreign Currency**

(₹ crores)

		2011	2010
(a)	Consultancy services	**26535.18**	*21115.28*
(b)	FOB value of exports of equipment and licenses	**114.08**	*128.92*
(c)	Interest income	**16.57**	*36.16*
(d)	Other income (net)	**-**	*9.21*

20) **Expenditure in Foreign Currency**

(subject to deduction of tax where applicable)

(₹ crores)

		2011	2010
(a)	Royalty	**2.48**	*2.80*
(b)	Legal and Professional fees	**91.92**	*69.98*
(c)	Interest	**0.22**	*4.01*
(d)	Services rendered by business associates and others	**1375.92**	*819.66*
(e)	Communication expenses	**142.80**	*146.52*
(f)	Foreign taxes	**296.46**	*319.78*
(g)	Overseas business expenses	**4682.89**	*4056.93*
(h)	Overseas employee costs	**1395.76**	*1131.00*
(i)	Travelling and conveyance expenses	**88.28**	*69.87*
(j)	Software, hardware and material cost	**357.70**	*373.43*
(k)	Other expenses	**456.21**	*345.18*

21) **Value of Imports calculated on C.I.F. basis**

(₹ crores)

	2011	2010
Raw materials, sub-assemblies and components	**14.04**	*11.11*
Capital goods	**361.82**	*101.84*
Stores and spare parts	**0.01**	*0.02*

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)

	Installed Capacity (units)	Actual Production (units)
Document processing systems	**45000**	**4314**
	45000	*9004*

Licensed capacity for document processing systems is not applicable.

23) **Information in regard to finished goods**

	Opening Stock		Turnover		Closing Stock	
	Qty	Value (₹ crores)	Qty	Value (₹ crores)	Qty	Value (₹ crores)
Document processing systems	**2271**	**1.40**	**6549**	**12.15**	**36**	**0.19**
	5291	*2.87*	*12024*	*19.01*	*2271*	*1.40*
Others (including software license)	**-**	**-**	**-**	**1092.00**	**-**	**-**
	-	-	-	*792.51*	-	-
Total		**1.40**		**1104.15**		**0.19**
		2.87		*811.52*		*1.40*

24) **Value of imported and indigenous raw materials, sub-assemblies and components, stores and spare parts consumed**

	Raw materials, sub-assemblies and components		Stores and Spare Parts	
	(₹ crores)	%	(₹ crores)	%
Imported	**14.23**	**80.36**	**0.01**	**26.91**
	18.67	*78.66*	*0.01*	*57.01*
Indigenous	**3.48**	**19.64**	**0.03**	**73.09**
	5.06	*21.34*	*0.01*	*42.99*
Total	**17.71**	**100.00**	**0.04**	**100.00**
	23.73	*100.00*	*0.02*	*100.00*

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 remitted ₹ Nil *(March 31, 2010 : ₹ Nil)* in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittance, 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 2009-10 and interim dividends for the year 2010-11, are as under:

	Number of Non-Resident Shareholders	Number of Equity Shares Held	Gross Amount of dividend (₹ crores) 2011	2010
Final dividend for 2008-09 declared in June 2009	8739	11,08,03,238	-	*55.40*
Interim dividend declared in July 2009	9136	21,88,45,873	-	*43.77*
Interim dividend declared in October 2009	9368	23,55,64,230	-	*47.11*
Interim dividend declared in January 2010	9515	24,59,40,797	-	*49.19*
Final dividend for 2009-10 declared in June 2010	9980	23,88,02,924	**334.32**	-
Interim dividend declared in July 2010	9950	23,95,09,865	**47.90**	-
Interim dividend declared in October 2010	9435	25,18,31,069	**50.37**	-
Interim dividend declared in January 2011	9626	25,55,13,132	**51.10**	-

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 does not have any outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges as at March 31, 2011 and as at March 31, 2010.

The Company has following outstanding derivative instruments as at March 31, 2011:

The following are outstanding currency option contracts, which have been designated as Cash Flow Hedges, as at:

	March 31, 2011			March 31, 2010		
Foreign Currency	**No. of Contracts**	**Notional amount of Currency Options contracts (million)**	**Fair Value (₹ crores)**	No. of Contracts	Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)
			Gain / (Loss)			(Loss)
U.S. Dollar	**6**	**145.00**	**(39.52)**	*10*	*357.00*	*(115.68)*
Sterling Pound	**9**	**54.00**	**8.64**	-	-	-
Euro	**21**	**149.00**	**1.06**	-	-	-

Net gain on derivative instruments of ₹ 20.20 crores recognised in Hedging Reserve as of March 31, 2011 is expected to be reclassified to the profit and loss account by March 31, 2012.

The movement in Hedging Reserve during the year ended March 31, 2011, for derivatives designated as Cash Flow Hedges is as follows:

(₹ crores)

	Year ended March 31, 2011	Year ended March 31, 2010
Balance at the beginning of the year	**(76.82)**	*(721.86)*
Gains transferred to income statement on occurrence of forecasted hedge transaction	**4.62**	*74.10*
Net changes in the fair value of effective portion of outstanding cash flow derivatives	**83.43**	*569.79*
Net derivative gain related to discontinued Cash Flow Hedges	**0.12**	*1.15*
Balance at the end of the year	**11.35**	*(76.82)*

In addition to the above Cash Flow Hedges, the Company has outstanding foreign exchange forward contracts and currency option contracts with notional amount aggregating ₹ 4432.67 crores *(March 31, 2010 : ₹ 3316.41 crores)* whose fair value showed a gain of ₹ 27.45 crores as at March 31, 2011 *(March 31, 2010 : ₹ 4.67 crores)*. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting and accordingly these are accounted as derivative instruments at fair value with changes in fair value recorded in the profit and loss account. Exchange loss of ₹ 8.88 crores *(Previous year: exchange gain ₹ 91.46 crores)* on foreign exchange forward contracts and currency option contracts have been recognised in the year ended March 31, 2011.

As of balance sheet date, the Company has net foreign currency exposures that are not hedged by a derivative instrument or otherwise amounting to ₹ 857.03 crores *(March 31, 2010 : ₹ 764.85 crores).*

27) **Disclosure required by Clause 32 of the Listing Agreements**

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2011:

(₹ crores)

Subsidiary Company	**Outstanding as at March 31, 2011**	**Maximum amount outstanding during the year**
TCS FNS Pty Limited *	**214.39**	**235.62**
	219.99	*229.56*
TCS Iberoamerica SA **	**263.71**	**278.37**
	265.66	*300.05*
CMC Limited ***	**-**	**-**
	-	*35.72*
Tata Consultancy Services Morocco SARL AU	**5.19**	**5.48**
	5.23	*14.46*
Tata Consultancy Services Canada Inc.	**-**	**-**
	-	*85.76*
MahaOnline Limited	**0.19**	**2.08**
	-	-

		No. of Shares
* TCS FNS Pty Limited has made the following investments in its subsidiaries:		
(a)	TCS Financial Solutions Australia Holdings Pty Limited	65,58,424
(b)	TCS Management Pty Ltd.	4,91,712
** TCS Iberoamerica SA has made the following investments in its subsidiaries:		
(a)	TCS Solution Centre S.A.	50,00,000
(b)	Tata Consultancy Services Argentina S.A.	1,57,69,240
(c)	Tata Consultancy Services Do Brasil Ltda	8,67,31,803
(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
(g)	TCS Uruguay S.A.	5,40,000
*** CMC Limited has made the following investments in its subsidiaries:		
(a)	CMC Americas Inc.	16,00,01,000

28) Increase in payables in respect of purchase of fixed assets amounting to ₹ 14.69 crores for the year ended March 31, 2011 *(Previous year : ₹ 5.02 crores)* have been considered as non cash transactions.

29) **Earnings per share**

(₹ crores)

	2011	2010
Net profit for the year	**7569.99**	*5618.51*
Less: Preference share dividend (including dividend tax)	**12.78**	*19.82*
Amount available for equity shareholders	**7557.21**	*5598.69*
Weighted average number of shares	**195,72,20,996**	*195,72,20,996*
Earnings per share basic and diluted (₹)	**38.61**	*28.61*
Face value per equity share (₹)	**1**	*1*

30) Previous years' figures have been recast / restated wherever necessary.

31) *Previous years' 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, 2011		

II) Capital Raised during the year (Amount ₹ Thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	**Private Placement**
Nil	Nil

III) Position of Mobilisation and Deployment of Funds (Amount ₹ Thousands)

	Total Liabilities	Total Assets
	196899221	196899221
Sources of Funds	Paid-up Capital	Reserves and Surplus
	2957221	192837701
	Secured Loans	Unsecured Loans
	358655	52470
	Other Liabilities	
	693174	
Application of Funds	Net Fixed Assets	Investment
	47675506	57954847
	Net Current Assets	Other Assets
	90748563	520305

IV) Performance of the Company (Amount ₹ Thousands)

Income	Total Expenditure
297701449	210697171
Profit / (Loss) Before Tax	Profit / (Loss) After Tax
87004278	75699920
Earnings per Share in ₹ (Weighted Average)	Dividend Rate % #
38.61	1400

includes interim dividend of ₹ 6 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

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

(₹ 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
1	APOnline Limited	INR	1.000000	4.57	2.80	20.14	12.77	-	25.27	6.27	1.08	5.19	-	India
2	MP Online Limited	INR	1.000000	1.00	4.48	58.78	53.30	-	13.02	4.61	1.54	3.07	-	India
3	C-Edge Technologies Limited	INR	1.000000	10.00	15.48	41.29	15.81	4.31	63.71	14.84	4.85	9.99	-	India
4	CMC Limited	INR	1.000000	15.15	581.96	1015.10	417.99	226.17	809.31	174.03	18.30	155.73	30.30	India
5	Diligenta Limited	GBP	71.785394	308.68	66.64	549.93	174.61	-	581.19	23.34	(7.22)	30.56	-	U.K.
6	Tata Consultancy Services Canada Inc.	CAD	46.009390	41.41	161.72	353.64	150.51	-	992.88	171.38	52.42	118.96	-	Canada
7	Tata America International Corporation	USD	44.590000	0.89	2537.00	3542.05	1004.16	-	16692.14	861.28	319.66	541.62	-	U.S.A.
8	Tata Consultancy Services Asia Pacific Pte Ltd.	USD	44.590000	19.62	175.20	287.97	93.15	4.01	567.87	41.94	5.62	36.32	-	Singapore
9	Tata Consultancy Services Belgium S.A.	EUR	63.357958	1.18	141.32	193.94	51.44	-	403.91	84.72	27.52	57.20	-	Belgium
10	Tata Consultancy Services Deutschland GmbH	EUR	63.357958	0.95	77.80	166.62	87.87	-	566.49	20.71	6.75	13.96	-	Germany
11	Tata Consultancy Services Netherlands B.V.	EUR	63.357958	418.16	297.74	783.88	67.98	-	674.61	97.00	24.28	72.72	-	Netherlands
12	Tata Consultancy Services Sverige AB	SEK	7.096793	0.07	54.62	145.19	90.50	-	499.81	4.00	2.14	1.86	-	Sweden
13	TCS FNS Pty Limited	AUD	46.106060	4.61	(3.24)	21.42	20.05	-	-	-	-	-	-	Australia
14	TCS Iberoamerica SA	USD	44.590000	62.70	381.90	625.11	180.51	-	1.71	(15.43)	-	(15.43)	-	Uruguay
15	WTI Advanced Technology Limited	INR	1.000000	1.05	65.55	70.10	3.50	42.01	28.16	6.24	1.21	5.03	-	India
16	Tata Consultancy Services Morocco SARL AU	MAD	5.601688	8.27	(17.71)	3.78	13.22	-	0.14	(4.05)	-	(4.05)	-	Morocco
17	Tata Consultancy Services (Africa) (Pty) Ltd.	ZAR	6.564932	9.19	1.13	10.37	0.05	-	1.37	1.33	0.01	1.32	-	South Africa
18	CMC Americas Inc.	USD	44.590000	7.13	57.22	122.97	58.62	-	454.53	36.17	13.43	22.74	-	U.S.A.
19	Financial Network Services (Beijing) Co. Ltd.	CNY	6.809696	8.90	(5.18)	194.27	190.55	-	404.56	100.41	28.08	72.33	-	China
20	Tata Information Technology (Shanghai) Company Limited	CNY	6.809696	27.56	20.77	51.13	2.80	-	48.45	0.22	-	0.22	-	China
21	Tata Consultancy Services (China) Co., Ltd.	CNY	6.809696	75.18	(7.20)	87.05	19.07	-	116.14	(14.64)	(1.30)	(13.34)	-	China
22	TCS Solution Center S.A.	USD	44.590000	27.74	(32.18)	104.43	108.87	-	168.46	(24.99)	2.62	(27.61)	-	Uruguay
23	Tata Consultancy Services Argentina S.A.	USD	44.590000	10.37	(38.91)	29.22	57.76	-	37.64	(30.29)	-	(30.29)	-	Argentina
24	Tata Consultancy Services Do Brasil Ltda	USD	44.590000	168.53	(65.03)	282.25	178.75	-	317.87	(73.51)	5.23	(78.74)	-	Brazil
25	Tata Consultancy Services De Mexico S.A., De C.V.	USD	44.590000	1.03	148.60	192.77	43.14	-	374.42	57.98	18.79	39.19	-	Mexico
26	Tata Consultancy Services De Espana S.A.	USD	44.590000	0.40	(17.18)	12.92	29.70	-	15.38	(9.24)	-	(9.24)	-	Spain
27	TCS Italia SRL	EUR	63.357958	13.94	(9.85)	51.26	47.17	-	110.59	1.46	1.99	(0.53)	-	Italy
28	Tata Consultancy Services Japan Ltd.	JPY	0.537934	3.23	3.47	57.04	50.34	-	227.88	(17.34)	(1.97)	(15.37)	-	Japan
29	Tata Consultancy Services Malaysia Sdn Bhd	MYR	14.738065	2.95	8.59	21.65	10.11	-	45.98	4.10	1.04	3.06	-	Malaysia
30	Tata Consultancy Services Luxembourg S.A	EUR	63.357958	19.01	(5.97)	42.44	29.40	-	68.55	(8.41)	(0.07)	(8.34)	-	Luxembourg
31	Tata Consultancy Services Portugal Unipesoal Limitada	USD	44.590000	0.03	14.51	25.52	10.98	-	32.08	5.47	1.45	4.02	-	Portugal
32	Tata Consultancy Services Chile S.A.*	USD	44.590000	-	-	-	-	-	-	-	-	-	-	Chile

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
33	TCS Inversiones Chile Limitada	USD	44.590000	115.93	191.35	312.11	4.83	-	0.05	0.04	-	0.04	-	Chile
34	Tata Consultancy Services Chile S.A.	USD	44.590000	118.82	188.19	356.10	49.09	9.87	199.44	(6.19)	(1.21)	(4.98)	-	Chile
35	Syscrom S.A.**	CLP	5.729411	-	-	-	-	-	-	-	-	-	-	Chile
36	Custodia De Documentos Intres Limitada **	CLP	5.729411	-	-	-	-	-	-	-	-	-	-	Chile
37	TATASOLUTION CENTER S.A	USD	44.590000	13.38	65.76	135.04	55.90	-	209.91	26.09	7.87	18.22	-	Ecuador
38	TCS Financial Solutions Australia Holdings Pty Limited	AUD	46.106060	64.23	(18.61)	52.81	7.19	-	0.13	0.02	-	0.02	-	Australia
39	TCS Financial Solutions Australia Pty Limited	AUD	46.106060	0.01	(93.79)	145.24	239.02	-	34.02	(2.75)	1.04	(3.79)	-	Australia
40	TCS Management Pty Ltd.	AUD	46.106060	1.44	(16.61)	8.85	24.02	-	35.04	2.32	0.59	1.73	-	Australia
41	PT Financial Network Services	USD	44.590000	0.28	(0.32)	1.77	1.81	-	-	(0.02)	0.29	(0.31)	-	Indonesia
42	PT Tata Consultancy Services Indonesia	IDR	0.005128	0.51	0.12	5.53	4.90	-	8.63	0.24	0.20	0.04	-	Indonesia
43	Financial Network Services (H.K.) Limited ***	HKD	0.092520	-	-	-	-	-	-	-	-	-	-	Hong Kong
44	Tata Consultancy Services Switzerland Ltd.	CHF	48.772221	7.32	172.89	283.76	103.55	14.66	510.43	35.00	7.55	27.45	-	Switzerland
45	Tata Consultancy Services France SAS	EUR	63.357958	6.34	(36.18)	114.29	144.13	-	192.43	(20.94)	(1.08)	(19.86)	-	France
46	Tata Consultancy Services (South Africa) (PTY) Ltd.	ZAR	6.564932	11.82	25.15	257.97	221.00	-	272.89	16.55	4.63	11.92	1.77	South Africa
47	Tata Consultancy Services (Philippines) Inc.	PHP	1.028959	0.88	9.02	18.86	8.96	-	24.69	5.66	0.10	5.56	-	Philippines
48	Tata Consultancy Services (Thailand) Limited	THB	1.474056	1.18	2.05	4.74	1.51	-	7.29	0.49	-	0.49	-	Thailand
49	TCS e-Serve Limited	INR	1.000000	12.40	1760.11	1938.85	166.34	211.86	1590.35	737.46	187.42	550.04	37.20	India
50	TCS e-Serve International Limited	INR	1.000000	10.00	124.46	195.68	61.22	24.23	263.61	97.36	(0.11)	97.47	-	India
51	TCS e-Serve America, Inc.	USD	44.590000	1.23	2.55	8.88	5.10	-	18.96	3.13	0.93	2.20	-	U.S.A.
52	Exegenix Research Inc. ****	CAD	46.009390	-	-	-	-	-	-	-	-	-	-	Canada
53	ERI Holdings Corp. ****	CAD	46.009390	-	-	-	-	-	-	-	-	-	-	Canada
54	TCS Uruguay S. A.	USD	44.590000	0.10	13.73	20.08	6.25	-	51.95	8.80	0.10	8.70	-	Uruguay
55	MGDC S.C.	USD	44.590000	0.02	27.76	43.99	16.21	-	196.90	12.89	4.84	8.05	-	Mexico
56	Diligenta 2 Limited (w.e.f. 31.08.2010)	GBP	71.785394	0.01	118.30	165.44	47.13	-	190.88	0.52	-	0.52	-	U.K.
57	MahaOnline Limited (w.e.f. 28.07.2010)	INR	1.000000	2.55	(0.20)	2.55	0.20	-	0.02	(0.20)	-	(0.20)	-	India
58	MS CJV Investments Corporation (w.e.f. 04.10.2010)	USD	44.590000	6.26	-	6.26	-	-	-	-	-	-	-	U.S.A.
59	Retail FullServe Limited (w.e.f. 08.10.2010)	INR	1.000000	0.05	44.11	63.26	19.10	-	44.11	5.81	(0.24)	6.05	-	India
60	CMC eBiz Inc. (w.e.f. 27.01.2011)	USD	44.590000	0.01	0.40	4.23	3.82	-	2.86	0.75	0.36	0.40	-	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 31.03.2011
2. *Merged with Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.) on July 31, 2010.
3. **Merged with Tata Consultancy Services Chile S.A. (formerly Tata Consultancy Services BPO Chile S.A.) on June 30, 2010.
4. ***Liquidated on October 15, 2010.
5. ****Merged with Tata Consultancy Services Canada Inc. on December 1, 2010.

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Awards and Recognitions

Supplier, Partner and Industry Awards

- Rated Level A+ for its Sustainability Report by Global Reporting Initiative
- ICAI Gold Shield Award for Excellence in Financial Reporting
- Hua Xia Bank and TCS win Best Core Banking Project Implementation Award
- Winner 2010 SAP® Pinnacle Award
- CMAI INFOCOM National Telecom Awards 2010
- Best Recovery of the Year Award (Business Continuity Institute)
- Outstanding Team Contribution Award (Woolworths' team at Annual IT Supplier Awards)

Talent Management Awards

- Top Employer in the Netherlands
- Leading E-Human Resources Management (Singapore HR Institute)
- Asia's Best Employer Brand Awards 2010
- Investing in People Award (Ohio, USA)
- HR Excellence Awards for Leadership Development and Diversity
- Workforce Management's Optimas Award for 'General Excellence'
- Best HRM Company in China
- Recruiting and Staffing Industry Leader of the Year (RASBIC)

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Tata Consultancy Services Limited
9th Floor Nirmal Building Nariman Point Mumbai 400 021
www.tcs.com