

**TATA CONSULTANCY SERVICES LIMITED**  
**CONDENSED BALANCE SHEET AS AT JUNE 30, 2015**

(₹ crores)

	Note	As at June 30, 2015	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	195.87	195.87
(b) Reserves and surplus	4	49231.74	45220.57
		49427.61	45416.44
<b>Non-current liabilities</b>			
(a) Long-term borrowings	5	60.01	64.71
(b) Deferred tax liabilities (net)	6(a)	271.70	271.46
(c) Other long-term liabilities	7	719.12	722.15
(d) Long-term provisions	8	135.81	126.91
		1186.64	1185.23
<b>Current liabilities</b>			
(a) Short-term borrowings	9	243.14	185.56
(b) Trade payables		4522.16	6767.25
(c) Other current liabilities	10	8736.73	2491.47
(d) Short-term provisions	11	3366.21	7019.35
		16868.24	16463.63
<b>TOTAL</b>		<b>67482.49</b>	<b>63065.30</b>
<b>II. ASSETS</b>			
<b>Non - current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		8546.70	7964.88
(ii) Intangible assets		29.13	31.41
(iii) Capital work-in-progress		2200.83	2706.94
		10776.66	10703.23
(b) Non-current investments	13	2549.48	2651.23
(c) Deferred tax assets (net)	6(b)	334.34	303.47
(d) Long-term loans and advances	14	7777.18	8452.55
(e) Other non-current assets	15	554.08	524.68
		21991.74	22635.16
<b>Current assets</b>			
(a) Current investments	16	5303.32	747.47
(b) Inventories	17	16.40	12.34
(c) Unbilled revenue	18	2628.42	2439.36
(d) Trade receivables	19	18501.53	17036.76
(e) Cash and bank balances	20	15646.52	16502.50
(f) Short-term loans and advances	21	2878.85	3352.18
(g) Other current assets	22	515.71	339.53
		45490.75	40430.14
<b>TOTAL</b>		<b>67482.49</b>	<b>63065.30</b>

**III. NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

1-33

*As per our report attached*

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

*For and on behalf of the Board*

**P. R. Ramesh**  
Partner

**N. Chandrasekaran**  
CEO and Managing Director

**Aarthi Subramanian**  
Executive Director

**Rajesh Gopinathan**  
Chief Financial Officer

**Suprakash Mukhopadhyay**  
Company Secretary

Mumbai, July 9, 2015

Mumbai, July 9, 2015

**TATA CONSULTANCY SERVICES LIMITED**  
**CONDENSED STATEMENT OF PROFIT AND LOSS**

(₹ crores)

	Note	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014
I. Revenue from operations (Net of excise duty of ₹ 0.16 crores (Previous period: ₹ 1.32 crores))	23	20073.78	17438.43
II. Other income (net)	24	893.64	798.96
<b>III. TOTAL REVENUE</b>		<b>20967.42</b>	<b>18237.39</b>
<b>IV. Expenses:</b>			
(a) Employee benefit expense	25	7002.32	6024.84
(b) Operation and other expenses	26	6640.78	5925.38
(c) Finance costs	27	1.08	3.73
(d) Depreciation and amortisation expense	12	361.16	335.26
<b>TOTAL EXPENSES</b>		<b>14005.34</b>	<b>12289.21</b>
<b>V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)</b>		<b>6962.08</b>	<b>5948.18</b>
VI. Exceptional item		-	527.76
<b>VII. PROFIT BEFORE TAX</b>		<b>6962.08</b>	<b>6475.94</b>
<b>VIII. Tax expense:</b>			
(a) Current tax	28	1503.74	1392.56
(b) Deferred tax		(30.63)	(13.49)
		<b>1473.11</b>	<b>1379.07</b>
<b>IX. PROFIT FOR THE PERIOD</b>		<b>5488.97</b>	<b>5096.87</b>
<b>X. Earnings per equity share: - Basic and diluted (₹)</b>		<b>28.02</b>	<b>26.02</b>
Weighted average number of equity shares (face value of ₹ 1 each)		195,87,27,979	195,87,27,979
<b>XI. NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS</b>	1-33		

*As per our report attached  
For Deloitte Haskins & Sells LLP  
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*For and on behalf of the Board*

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Company Secretary

Mumbai, July 9, 2015

Mumbai, July 9, 2015

**TATA CONSULTANCY SERVICES LIMITED**  
**CONDENSED CASH FLOW STATEMENT**

(₹ crores)

	Note	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>		2645.81	3385.88
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(471.30)	(729.77)
Proceeds from sale of fixed assets		1.85	0.10
Purchase of mutual funds and other investments		(14010.90)	(12991.01)
Proceeds from sale / redemption of trade investments		110.19	253.36
Proceeds from redemption of mutual funds and sale of other investments		9459.34	8204.84
Loans repaid by subsidiaries		6.48	1.67
Inter-corporate deposits matured		858.00	50.00
Earmarked deposits with banks matured		49.00	-
Fixed deposit placed with banks having original maturity over three months		-	(49.00)
Fixed deposit with banks matured having original maturity over three months		1103.75	1519.90
Dividend received from subsidiaries (including exchange gain)		175.65	55.68
Interest received		277.48	241.08
<b>Net cash used in investing activities</b>		<b>(2440.46)</b>	<b>(3443.15)</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term borrowings		(0.47)	(0.47)
Short term borrowings (net)		57.58	3.59
Interest paid		(1.10)	(3.76)
<b>Net cash provided by/(used in) financing activities</b>		<b>56.01</b>	<b>(0.64)</b>
<b>Net increase in cash and cash equivalents</b>		<b>261.36</b>	<b>(57.91)</b>
Cash and cash equivalents at the beginning of the period		429.78	438.37
Exchange difference on translation of foreign currency cash and cash equivalents		35.84	10.79
<b>Cash and cash equivalents at the end of the period</b>	20	<b>726.98</b>	<b>391.25</b>
Earmarked balances with banks		70.54	14.72
Short-term bank deposits		14849.00	11719.00
<b>Cash and bank balances at the end of the period</b>	20	<b>15646.52</b>	<b>12124.97</b>
<b>IV NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS</b>	1-33		

*As per our report attached*

*For Deloitte Haskins & Sells LLP  
Chartered Accountants*

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Partner

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**Suprakash Mukhopadhyay**  
Company Secretary

*For and on behalf of the Board*

Mumbai, July 9, 2015

Mumbai, July 9, 2015

**TATA CONSULTANCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

**1) CORPORATE INFORMATION**

Tata Consultancy Services Limited (referred to as “TCS Limited” or “the Company”) provides consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The Company’s full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Cloud Services, Connected Marketing Solutions, Consulting, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON-Small and Medium Businesses, IT Infrastructure Services, Mobility Products and Services and Platform Solutions.

As at June 30, 2015, Tata Sons Limited owned 73.69% of the Company’s equity share capital and has the ability to control its operating and financial policies. The Company’s registered office is in Mumbai and it has 60 subsidiaries across the globe.

**2) SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation**

These condensed financial statements have been prepared in accordance with the Accounting Standard 25 “Interim Financial Reporting” (AS - 25) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. These condensed financial statements should be read in conjunction with the annual financial statements of the Company for the year ended and as at March 31, 2015. In the opinion of the management, all adjustments which are necessary for a fair presentation have been included. The accounting policies followed in preparation of the condensed financial statements are consistent with those followed in the preparation of the annual financial statements. The results of interim period are not necessarily indicative of the results that may be expected for any interim period or for the full year.

**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 expense during the period. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

**c) Fixed assets**

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset 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**

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the period, depreciation / amortisation is charged on a straight line basis so as to write-off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

**TATA CONSULTANCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

<u>Type of asset</u>	<u>Period</u>
Leasehold land and buildings	Lease period
Freehold buildings	20 years
Factory buildings	20 years
Leasehold improvements	Lease period
Plant and machinery	10 years
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years
Intellectual property / distribution rights	5 years
Rights under licensing agreement	License period

Fixed assets purchased for specific projects are depreciated over the period of the project or the useful life stated above, whichever is shorter.

**e) Leases**

Assets taken on lease 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 recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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 statement of profit and loss 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. 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 as income in the statement of profit and loss.

**g) Investments**

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.

**h) Employee benefits**

**(i) Post-employment benefit plans**

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

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 statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

**TATA CONSULTANCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

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) Other 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.

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**

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue 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.

Revenue from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenue from sale of software licences are recognised upon delivery.

Revenue from maintenance contracts are recognised pro-rata over the period of the contract.

In respect of Business Process Services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised using the proportionate completion method with contract cost determining the degree of completion.

Revenue is reported net of discounts.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

**j) 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 with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is 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 the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

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 is likely to reverse 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 supported by convincing evidence that sufficient future taxable income will be

**TATA CONSULTANCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

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 for relevant tax paying units and where the Company is able to and 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.

**k) 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 and exchange gains and losses are recognised in the statement of profit and loss. 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 foreign exchange forward, options and futures contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward, options and future 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 statement of profit and loss.

**l) Derivative instruments and hedge accounting**

The Company uses foreign exchange forward, options and future contracts 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.

The use of hedging instruments is governed by the Company's policy 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 statement of profit and loss. The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the fair value change in the intrinsic value of the option. The change in fair values of the time value of option, is accumulated in hedging reserve, a component of shareholders' funds and is transferred to the statement of profit and loss when the forecast transaction occurs.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss 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. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is transferred to the statement of profit and loss when 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 statement of profit and loss.

**m) 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 lower of cost and net realisable value. 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.

**TATA CONSULTANCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

**n) 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 and compensated absences) 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.

**o) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

**3) SHARE CAPITAL**

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
<b>Authorised</b>		
(i) 420,05,00,000 equity shares of ₹ 1 each (March 31, 2015 : 420,05,00,000 equity shares of ₹ 1 each)	420.05	420.05
(ii) 105,02,50,000 redeemable preference shares of ₹ 1 each (March 31, 2015 : 105,02,50,000 redeemable preference shares of ₹ 1 each)	105.03	105.03
	525.08	525.08
<b>Issued, Subscribed and Fully paid up</b>		
(i) 195,87,27,979 equity shares of ₹ 1 each (March 31, 2015 : 195,87,27,979 equity shares of ₹ 1 each)	195.87	195.87
	195.87	195.87

144,34,51,698 equity shares (March 31, 2015: 144,34,51,698 equity shares) are held by Tata Sons Limited, the holding company.

**TATA CONSULTANCY SERVICES LIMITED**  
NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS

**4) RESERVES AND SURPLUS**

Reserves and surplus consist of the following:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
(a) Capital redemption reserve		
(i) Opening balance	100.40	100.00
(ii) Transferred on amalgamation	-	0.40
	<u>100.40</u>	<u>100.40</u>
(b) Capital reserve		
(i) Opening balance	0.34	-
(ii) Transferred on amalgamation	-	0.34
	<u>0.34</u>	<u>0.34</u>
(c) Securities premium reserve		
(i) Opening balance	1918.87	1918.87
(ii) Transferred on amalgamation	-	-
	<u>1918.87</u>	<u>1918.87</u>
(d) Foreign currency translation reserve		
(i) Opening balance	218.46	225.85
(ii) Addition / (deduction) during the period (net)	8.74	(7.39)
	<u>227.20</u>	<u>218.46</u>
(e) Hedging reserve account (Refer Note 31)		
(i) Opening balance	150.75	29.64
(ii) (Deduction) / addition during the period (net)	(189.93)	121.11
	<u>(39.18)</u>	<u>150.75</u>
(f) General reserve		
(i) Opening balance	7052.69	5161.20
(ii) Adjustment on amalgamation	-	(34.20)
(iii) Transferred from surplus in statement of profit and loss	-	1925.69
	<u>7052.69</u>	<u>7052.69</u>
(g) Surplus in statement of profit and loss		
(i) Opening balance	35779.06	36420.45
(ii) Add: Transferred on amalgamation	-	71.78
(ii) Add : Profit for the period	5488.97	19256.96
	<u>41268.03</u>	<u>55749.19</u>
Less : Appropriations		
(a) Interim dividends on equity shares	1077.30	10772.92
(b) Proposed final dividend on equity shares	-	4700.95
(c) Tax on dividend	219.31	2591.54
(d) Write back of tax on dividend of prior year	-	(20.97)
(e) General reserve	-	1925.69
	<u>39971.42</u>	<u>35779.06</u>
	<u>49231.74</u>	<u>45220.57</u>

The Board of Directors at their meeting held on July 9, 2015 declared an interim dividend of ₹ 5.50 per equity share.

**TATA CONSULTANCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

**5) LONG-TERM BORROWINGS**

Long-term borrowings consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Secured loans		
Long-term maturities of obligations under finance lease	59.72	64.13
(b) Unsecured loans		
Borrowings from entity other than banks	0.29	0.58
	60.01	64.71

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

**6) DEFERRED TAX BALANCES**

Deferred tax balances consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
<b>(a) Deferred tax liabilities (net)</b>		
(i) Foreign branch profit tax	259.65	256.03
(ii) Depreciation and amortisation	15.82	15.43
(iii) Others	(3.77)	-
	271.70	271.46
<b>(b) Deferred tax assets (net)</b>		
(i) Depreciation and amortisation	(136.80)	(146.58)
(ii) Employee benefits	184.93	180.90
(iii) Operating lease liabilities	67.68	65.69
(iv) Provision for doubtful receivables, loans and advances	134.06	129.04
(v) Others	84.47	74.42
	334.34	303.47

**7) OTHER LONG-TERM LIABILITIES**

Other long-term liabilities consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Capital creditors	35.48	67.53
(b) Operating lease liabilities	328.37	310.90
(c) Others	355.27	343.72
	719.12	722.15

Others include advance taxes paid of ₹ 354.17 crores (March 31, 2015: ₹ 333.28 crores) by the seller of TCS e-serve Limited which, on refund by the tax authorities, is payable to the seller.

**TATA CONSULTANCY SERVICES LIMITED**  
NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS

**8) LONG-TERM PROVISIONS**

Long-term provisions consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Provision for employee benefits : Post retirement benefits	33.94	32.43
(b) Provision for foreseeable loss on a long-term contract	101.87	94.48
	<b>135.81</b>	<b>126.91</b>

**9) SHORT-TERM BORROWINGS**

Short-term borrowings consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Secured loans Overdraft from banks	33.34	-
(b) Unsecured loans Overdraft from bank	209.80	185.56
	<b>243.14</b>	<b>185.56</b>

Secured overdraft from banks are secured against trade receivables.

**10) OTHER CURRENT LIABILITIES**

Other current liabilities consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Current maturities of long-term debt	0.29	0.47
(b) Current maturities of obligations under finance lease	21.49	22.11
(c) Interest accrued but not due on borrowings	-	0.02
(d) Income received in advance	884.23	854.67
(e) Unclaimed dividends	19.09	19.41
(f) Final dividend on equity shares	4700.95	-
(g) Tax on dividend	939.91	-
(h) Advance received from customers	54.55	26.18
(i) Operating lease liabilities	41.92	44.86
(j) Fair value of foreign exchange forward and currency option contracts secured against trade receivables	88.68	19.75
(k) Statutory liabilities	955.59	568.83
(l) Capital creditors	294.26	299.05
(m) Liabilities for cost related to customer contracts	689.78	615.99
(n) Other payables	45.99	20.13
	<b>8736.73</b>	<b>2491.47</b>

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

**TATA CONSULTANCY SERVICES LIMITED**  
**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

**11) SHORT-TERM PROVISIONS**

Short-term provisions consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Provision for employee benefits	1030.15	951.52
(b) Proposed final dividend on equity shares	-	4700.95
(c) Interim dividend	1077.30	-
(d) Tax on dividend	219.31	939.91
(e) Current income taxes (net)	943.81	323.93
(f) Provision for foreseeable loss on a long-term contract	95.64	103.04
	<b>3366.21</b>	<b>7019.35</b>

Provision for employee benefits include provision for compensated absences and other short-term employee benefits.

**TATA CONSULTANCY SERVICES LIMITED**  
NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS

**12) FIXED ASSETS**

Fixed assets consist of the following:

**(i) Tangible assets**

(₹ in crores)

Description	Freehold land	Leasehold land	Freehold buildings	Factory buildings	Leasehold buildings	Leasehold improvements	Plant and machinery	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Gross Block as at April 1, 2015	<b>326.51</b>	<b>210.49</b>	<b>4379.71</b>	<b>2.77</b>	<b>9.81</b>	<b>1184.11</b>	<b>126.68</b>	<b>4133.90</b>	<b>26.48</b>	<b>1526.33</b>	<b>1183.00</b>	<b>953.84</b>	<b>14063.63</b>
	326.21	209.48	3137.73	2.77	9.81	976.73	10.29	3464.15	25.01	1318.34	942.76	754.73	11178.01
Additions	-	-	<b>468.55</b>	-	-	<b>27.33</b>	<b>66.42</b>	<b>129.40</b>	<b>0.01</b>	<b>59.90</b>	<b>138.32</b>	<b>51.11</b>	<b>941.04</b>
	0.30	1.01	1242.32	-	-	207.97	116.40	709.86	4.72	207.95	241.02	200.90	2932.45
Assets acquired on amalgamation	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	1.78	0.08	1.74	0.09	0.22	3.91
Deletions / Adjustments	-	-	-	-	-	<b>(1.36)</b>	-	<b>(20.54)</b>	<b>(0.86)</b>	<b>(3.33)</b>	<b>(1.96)</b>	<b>(2.66)</b>	<b>(30.71)</b>
	-	-	(0.34)	-	-	(0.59)	(0.01)	(41.89)	(3.33)	(1.70)	(0.87)	(2.01)	(50.74)
Gross Block as at June 30, 2015	<b>326.51</b>	<b>210.49</b>	<b>4848.26</b>	<b>2.77</b>	<b>9.81</b>	<b>1210.08</b>	<b>193.10</b>	<b>4242.76</b>	<b>25.63</b>	<b>1582.90</b>	<b>1319.36</b>	<b>1002.29</b>	<b>14973.96</b>
	326.51	210.49	4379.71	2.77	9.81	1184.11	126.68	4133.90	26.48	1526.33	1183.00	953.84	14063.63
Accumulated depreciation as at April 1, 2015	-	<b>(18.42)</b>	<b>(439.77)</b>	<b>(1.51)</b>	<b>(8.74)</b>	<b>(631.95)</b>	<b>(16.25)</b>	<b>(2999.85)</b>	<b>(18.19)</b>	<b>(848.45)</b>	<b>(407.32)</b>	<b>(708.30)</b>	<b>(6098.75)</b>
	-	(15.45)	(577.96)	(1.43)	(8.53)	(512.98)	(10.27)	(2483.94)	(15.79)	(589.27)	(409.69)	(665.61)	(5290.92)
Depreciation for the period	-	<b>(0.74)</b>	<b>(65.77)</b>	<b>(0.02)</b>	<b>(0.05)</b>	<b>(32.57)</b>	<b>(3.73)</b>	<b>(137.00)</b>	<b>(1.01)</b>	<b>(62.37)</b>	<b>(38.47)</b>	<b>(17.15)</b>	<b>(358.88)</b>
	-	(2.97)	138.11	(0.08)	(0.21)	(119.56)	(5.99)	(555.67)	(5.58)	(259.60)	1.75	(44.38)	(854.18)
Adjustments on amalgamation	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(1.53)	(0.08)	(1.21)	(0.06)	(0.22)	(3.10)
Deletions / Adjustments	-	-	-	-	-	<b>1.18</b>	-	<b>20.52</b>	<b>0.86</b>	<b>3.29</b>	<b>1.86</b>	<b>2.66</b>	<b>30.37</b>
	-	-	0.08	-	-	0.59	0.01	41.29	3.26	1.63	0.68	1.91	49.45
Accumulated depreciation as at June 30, 2015	-	<b>(19.16)</b>	<b>(505.54)</b>	<b>(1.53)</b>	<b>(8.79)</b>	<b>(663.34)</b>	<b>(19.98)</b>	<b>(3116.33)</b>	<b>(18.34)</b>	<b>(907.53)</b>	<b>(443.93)</b>	<b>(722.79)</b>	<b>(6427.26)</b>
	-	(18.42)	(439.77)	(1.51)	(8.74)	(631.95)	(16.25)	(2999.85)	(18.19)	(848.45)	(407.32)	(708.30)	(6098.75)
Net book value as at June 30, 2015	<b>326.51</b>	<b>191.33</b>	<b>4342.72</b>	<b>1.24</b>	<b>1.02</b>	<b>546.74</b>	<b>173.12</b>	<b>1126.43</b>	<b>7.29</b>	<b>675.37</b>	<b>875.43</b>	<b>279.50</b>	<b>8546.70</b>
	326.51	192.07	3939.94	1.26	1.07	552.16	110.43	1134.05	8.29	677.88	775.68	245.54	7964.88

**TATA CONSULTANCY SERVICES LIMITED**  
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**12) FIXED ASSETS (contd.)**

(ii) Intangible assets <span style="float: right;">(₹ in crores)</span>			
Description	Intellectual property / distribution rights	Rights under licensing agreement	Total
Gross Block as at April 1, 2015	<b>13.21</b>	<b>128.41</b>	<b>141.62</b>
	<i>13.21</i>	<i>124.51</i>	<i>137.72</i>
Additions	-	-	-
	-	<i>0.06</i>	<i>0.06</i>
Assets acquired on a amalgamation	-	-	-
	-	<i>3.84</i>	<i>3.84</i>
Deletions / Adjustments	-	-	-
	-	-	-
Gross Block as at June 30, 2015	<b>13.21</b>	<b>128.41</b>	<b>141.62</b>
	<i>13.21</i>	<i>128.41</i>	<i>141.62</i>
Accumulated amortisation as at April 1, 2015	<b>(13.11)</b>	<b>(97.10)</b>	<b>(110.21)</b>
	<i>(12.43)</i>	<i>(83.19)</i>	<i>(95.62)</i>
Amortisation for the period	<b>(0.10)</b>	<b>(2.18)</b>	<b>(2.28)</b>
	<i>(0.68)</i>	<i>(10.53)</i>	<i>(11.21)</i>
Adjustments on amalgamation	-	-	-
	-	<i>(3.38)</i>	<i>(3.38)</i>
Deletions / Adjustments	-	-	-
	-	-	-
Accumulated amortisation as at June 30, 2015	<b>(13.21)</b>	<b>(99.28)</b>	<b>(112.49)</b>
	<i>(13.11)</i>	<i>(97.10)</i>	<i>(110.21)</i>
Net book value as at June 30, 2015	-	<b>29.13</b>	<b>29.13</b>
	<i>0.10</i>	<i>31.31</i>	<i>31.41</i>
(iii) Capital work-in-progress <span style="float: right;">(₹ in crores)</span>			
Description	Total		
Capital work-in-progress	<b>2200.83</b>		
	<i>2706.94</i>		

*Previous period figures are in italics*

- (a) Freehold buildings include ₹ 2.67 crores (March 31, 2015: ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- (b) Net book value of computer equipment of ₹ 15.49 crores (March 31, 2015: ₹ 18.49 crores) and leasehold improvements of ₹ 54.05 crores (March 31, 2015: ₹ 56.65 crores) are under finance lease.
- (c) Legal formalities relating to conveyance of freehold buildings having net book value ₹ 0.07 crores (March 31, 2015: ₹ 5.18 crores) are pending completion.

**TATA CONSULTANCY SERVICES LIMITED**  
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**13) NON-CURRENT INVESTMENTS**

Non-current investments consist of the following:

	(₹ in crores)	
	As at	As at
	June 30, 2015	March 31, 2015
<b>(A) TRADE INVESTMENTS (at cost)</b>		
<b>(i) <u>Subsidiary companies</u></b>		
<b>(a) Fully paid equity shares (quoted)</b>		
CMC Limited	379.89	379.89
<b>(b) Fully paid equity shares (unquoted)</b>		
TCS Iberoamerica SA	461.31	461.31
APOnline Limited	-	-
Tata Consultancy Services Belgium S.A.	1.06	1.06
Tata Consultancy Services Netherlands BV	402.87	402.87
Tata Consultancy Services Sverige AB	18.89	18.89
Tata Consultancy Services Deutschland GmbH	1.72	1.72
Tata America International Corporation	452.92	452.92
Tata Consultancy Services Asia Pacific Pte Ltd.	18.69	18.69
TCS FNS Pty Limited	211.72	211.72
Diligenta Limited	429.05	429.05
Tata Consultancy Services Canada Inc. *	-	-
Tata Consultancy Services Canada Inc.	31.25	31.25
C-Edge Technologies Limited	5.10	5.10
MP Online Limited	0.89	0.89
Tata Consultancy Services (Africa) (PTY) Ltd.	65.75	65.75
MahaOnline Limited	1.89	1.89
Tata Consultancy Services Qatar S.S.C.	2.44	2.44
TCS e-Serve International Limited	10.00	10.00
TCS Foundation	-	-
<b>(c) Fully paid preference shares (unquoted)</b>		
Diligenta Limited	-	101.75
10% cumulative redeemable preference shares (1,10,00,000 cumulative preference shares redeemed during the period)		

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**13) NON - CURRENT INVESTMENTS (contd.)**

	(₹ in crores)	
	As at June 30, 2015	As at March 31, 2015
<b>(ii) Others</b>		
<b>(a) Fully paid equity shares (quoted)</b>		
Yodlee, Inc.	-	-
<b>(b) Fully paid equity shares (unquoted)</b>		
National Power Exchange Limited	2.50	2.50
Taj Air Limited	19.00	19.00
ALMCH F *	-	-
KOOH Sports Private Limited	3.00	3.00
Ruralshores Business Services Private Limited*	-	-
<b>(c) Fully paid preference shares (unquoted)</b>		
Ruralshores Business Services Private Limited	25.00	25.00
<b>(B) OTHERS</b>		
<b>(i) Mutual and other funds (unquoted)</b>		
India Innovation Fund	7.04	7.04
<b>(ii) Bonds and Debentures (unquoted)</b>	0.12	0.12
	2552.10	2653.85
Provision for diminution in value of investments	(2.62)	(2.62)
	2549.48	2651.23
Book value of quoted investments	379.89	379.89
Book value of unquoted investments (net of provision)	2169.59	2271.34
Market value of quoted investments	3063.45	2974.41

\* Non-current investments having a value of less than ₹ 50,000.

The Company has given letter of comfort to various banks for credit and / or foreign exchange hedging facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Ltd., (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) Tata Consultancy Services De Mexico S.A., De C.V., (g) Tata Consultancy Services Netherlands BV (h) Tata Consultancy Services Asia Pacific Pte Ltd., (i) Tata Consultancy Services Qatar S.S.C, (j) TCS Italia SRL, (k) Tata Consultancy Services France S.A.S., (l) Tata Consultancy Services Malaysia Sdn Bhd, and (m)Tata Consultancy Services Luxembourg S.A. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiaries.

**TATA CONSULTANCY SERVICES LIMITED**  
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**14) LONG-TERM LOANS AND ADVANCES**

Long-term loans and advances (unsecured) consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Considered good		
(i) Capital advances	196.40	201.90
(ii) Security deposits	563.00	538.00
(iii) Loans and advances to employees	8.94	8.88
(iv) Loans and advances to related parties	15.84	21.98
(v) Advance tax (including refunds receivable (net))	3828.53	3884.22
(vi) MAT Credit entitlement	1801.78	1801.78
(vii) Indirect tax recoverable	5.82	48.89
(viii) Inter-corporate deposits	1072.00	1572.00
(ix) Prepaid expenses	255.02	354.18
(x) Other amounts recoverable in cash or kind or for value to be received	29.85	20.72
(b) Considered doubtful		
(i) Security deposits	0.15	0.15
Less : Provision for doubtful loans and advances	(0.15)	(0.15)
	7777.18	8452.55
Loans and advances to related parties, considered good, comprise:		
Tata Sons Limited	2.74	2.74
TCS FNS Pty Limited	-	6.18
CMC Limited	12.71	12.67
Tata Realty and Infrastructure Limited	0.39	0.39

**15) OTHER NON-CURRENT ASSETS**

Other non-current assets consist of the following:

	(₹ crores)	
	As at	As at
	June 30, 2015	March 31, 2015
(a) Interest receivable	53.73	24.33
(b) Long-term bank deposits	500.00	500.00
(c) Earmarked balances with banks	0.35	0.35
	554.08	524.68

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**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

**16) CURRENT INVESTMENTS**

Current investments consist of the following:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
Mutual and other funds (unquoted)	5303.32	747.47
	5303.32	747.47
	5303.32	747.47

**17) INVENTORIES**

Inventories consist of the following:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
(a) Raw materials, sub-assemblies and components	14.91	10.07
(b) Finished goods and Work-in-progress	0.98	0.46
(c) Goods-in-transit (raw materials)	0.51	1.81
	16.40	12.34
	16.40	12.34

Inventories are carried at the lower of cost and net realisable value.

**18) UNBILLED REVENUE**

Unbilled revenue as at June 30, 2015 amounting to ₹ 2628.42 crores (March 31, 2015: ₹ 2439.36 crores) primarily includes revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis.

**19) TRADE RECEIVABLES**

Trade receivables (Unsecured) consist of the following:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
(a) Over six months from the date they were due for payment		
(i) Considered good	2066.67	1825.69
(ii) Considered doubtful	355.93	322.17
(b) Others		
(i) Considered good	16434.86	15211.07
(ii) Considered doubtful	24.82	22.93
	18882.28	17381.86
Less: Provision for doubtful receivables	(380.75)	(345.10)
	18501.53	17036.76

**TATA CONSULTANCY SERVICES LIMITED**  
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**20) CASH AND BANK BALANCES**

Cash and bank balances consist of the following:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	564.41	303.90
In deposit accounts with original maturity less than three months	2.95	77.64
(ii) Cheques on hand	2.83	46.49
(iii) Cash on hand	0.61	0.50
(iv) Remittances in transit	156.18	1.25
	726.98	429.78
(b) Other bank balances		
(i) Earmarked balances with banks	70.54	69.97
(ii) Short-term bank deposits	14849.00	16002.75
	15646.52	16502.50

**TATA CONSULTANCY SERVICES LIMITED**  
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**21) SHORT-TERM LOANS AND ADVANCES**

Short-term loans and advances (Unsecured) consist of the following:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
(a) Considered good		
(i) Loans and advances to employees	298.74	272.59
(ii) Loans and advances to related parties	27.05	12.32
(iii) Security deposits	98.20	104.17
(iv) Indirect tax recoverable	174.41	157.82
(v) Inter-corporate deposits	705.00	1063.00
(vi) Prepaid expenses	1279.18	1143.00
(vii) Advance to suppliers	76.85	59.76
(viii) Fair value of foreign exchange forward and currency option contracts	131.38	365.38
(ix) Other amounts recoverable in cash or kind or for value to be received	88.04	174.14
(b) Considered doubtful		
(i) Loans and advances to employees	49.43	49.13
(ii) Security deposits	2.59	2.60
(iii) Indirect tax recoverable	1.74	1.74
(iv) Advance to suppliers	2.89	2.89
(v) Other amounts recoverable in cash or kind or for value to be received	2.02	2.00
Less : Provision for doubtful loans and advances	(58.67)	(58.36)
	<b>2878.85</b>	<b>3352.18</b>

Loans and advances to related parties, considered good, comprise:

TCS FNS Pty Limited	5.91	5.10
CMC Limited	0.34	0.73
Tata Consultancy Services (Africa) (PTY) Ltd.	1.54	0.55
TCS e-Serve International Limited	0.44	0.40
C-Edge Technologies Limited	4.99	5.49
Tata America International Corporation	-	0.03
Tata Consultancy Services Netherlands BV	0.23	-
APOnline Limited	-	0.01
Tata Consultancy Services Belgium S.A.	0.12	-
Tata Consultancy Services Sverige AB	1.10	-
Tata Consultancy Services Switzerland Ltd.	0.14	-
Tata Consultancy Services France S.A.S.	0.07	-
Tata AIG General Insurance Company Limited	0.39	0.01
Tata AIA Life Insurance Company Limited	11.78	-

**22) OTHER CURRENT ASSETS**

Other current assets consist of the following:

	(₹ crores)	
	As at June 30, 2015	As at March 31, 2015
(a) Interest receivable	465.71	339.53
(b) Others	50.00	-
	<b>515.71</b>	<b>339.53</b>

**TATA CONSULTANCY SERVICES LIMITED**

**NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS**

**23) REVENUE FROM OPERATIONS**

Revenue from operations consist of revenue from:

	(₹ crores)	
	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014
(a) Information technology and consultancy services	19658.67	17198.29
(b) Sale of equipment and software licenses	415.11	240.14
	20073.78	17438.43

**24) OTHER INCOME (NET)**

Other income (net) consist of the following:

	(₹ crores)	
	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014
(a) Interest income	433.06	482.86
(b) Dividend income	175.91	36.43
(c) Profit on redemption of mutual funds and sale of other investments (net)	54.29	33.21
(d) Rent	0.79	0.75
(e) Profit on sale of fixed assets (net)	1.51	0.10
(f) Exchange gain (net)	198.59	231.50
(g) Miscellaneous income	29.49	14.11
	893.64	798.96
Interest income comprise:		
Interest on bank deposits	362.86	337.69
Interest on inter-corporate deposits	49.09	68.18
Interest on long-term bonds and debentures	-	75.49
Interest on loan given to subsidiary	0.06	0.56
Others	21.05	0.94
Dividend income comprise:		
Dividends from subsidiaries (non-current trade investments)	175.91	36.43
Profit on redemption of mutual funds and sale of other investments (net) comprise :		
From non-current investments (net)	-	4.41
From current investments (net)	54.29	28.80
Exchange gain (net) include:		
Gain / (Loss) on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges. (Refer Note 31)	7.89	(20.13)

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**25) EMPLOYEE BENEFIT EXPENSE**

Employee benefit expense consist of the following:

	(₹ crores)	
	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014
(a) Salaries and incentives	6210.94	5353.70
(b) Contributions:		
(i) Provident fund	154.80	140.97
(ii) Superannuation scheme	44.85	39.11
(iii) Gratuity fund	51.25	59.99
(iv) Social security and other plans for overseas employees	171.11	107.08
(c) Staff welfare expenses	369.37	323.99
	<u>7002.32</u>	<u>6024.84</u>

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**26) OPERATION AND OTHER EXPENSES**

Operation and other expenses consist of the following:

	(₹ crores)	
	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014
(a) Overseas business expenses	3187.54	2884.36
(b) Services rendered by business associates and others	1406.12	1205.24
(c) Software, hardware and material costs	682.93	601.55
(d) Communication expenses	163.64	152.97
(e) Travelling and conveyance expenses	240.69	185.99
(f) Rent	267.28	261.70
(g) Legal and professional fees	73.51	83.67
(h) Repairs and maintenance	140.65	111.79
(i) Electricity expenses	131.62	128.27
(j) Bad debts written off / (recovered) (net)	0.01	(0.18)
(k) Provision for doubtful receivables (net)	29.11	28.57
(l) Advances written off / (recovered) (net)	-	(0.01)
(m) Provision for doubtful advances (net)	0.30	0.65
(n) Recruitment and training expenses	56.13	49.81
(o) Printing and stationery	8.72	9.82
(p) Insurance	5.88	6.57
(q) Rates and taxes	26.20	19.76
(r) Entertainment	12.53	11.90
(s) Other expenses	207.92	182.95
	<u>6640.78</u>	<u>5925.38</u>
(i) Overseas business expenses comprise:		
Travel expenses	199.07	257.36
Employee allowances	2988.47	2627.00
(ii) Repairs and maintenance comprise:		
Buildings	47.09	58.01
Office and computer equipment	93.56	53.78
(iii) Software, hardware and material costs include:		
Material costs		
(a) Raw materials, sub-assemblies and components consumed	8.42	11.03
(b) Opening stock:		
Finished goods and work-in-progress	0.46	0.61
(c) Less: Closing stock:		
Finished goods and work-in-progress	0.98	0.35
	<u>(0.52)</u>	<u>0.26</u>
	<u>7.90</u>	<u>11.29</u>
(iv) Other expenses include:		
Donation to Electoral Trust	-	3.16

**27) FINANCE COSTS**

Finance costs consist of the following:

	(₹ crores)	
	For the quarter ended June 30, 2015	For the quarter ended June 30, 2014
Interest expense	1.08	3.73
	<u>1.08</u>	<u>3.73</u>

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**28)** Current tax includes write back of provision (net) of ₹ 0.20 crore (June 30, 2014: ₹ Nil) in domestic and certain overseas jurisdictions relating to earlier years. The impact of MAT entitlement of earlier period is ₹ Nil (March 31, 2015: ₹ 8.83 crores).

**29) SEGMENT REPORTING**

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

Business segments comprise banking, finance and insurance services, manufacturing, retail and consumer packaged goods, telecom, media and entertainment and others such as energy, resources and utilities, Hi-tech, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

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

Assets 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 revenue is 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.

<b>Quarter ended June 30, 2015</b>						(₹ crores)
<b>Particulars</b>	<b>Business Segments</b>					<b>Total</b>
	<b>Banking, Financial Services and Insurance</b>	<b>Manufacturing</b>	<b>Retail and Consumer Packaged Goods</b>	<b>Telecom, Media and Entertainment</b>	<b>Others</b>	
Revenue	<b>7924.76</b>	<b>1727.65</b>	<b>2976.87</b>	<b>2432.18</b>	<b>5012.32</b>	<b>20073.78</b>
	<i>6899.11</i>	<i>1562.90</i>	<i>2634.98</i>	<i>2256.47</i>	<i>4084.97</i>	<i>17438.43</i>
Segment result	<b>2750.68</b>	<b>570.24</b>	<b>791.28</b>	<b>704.05</b>	<b>1614.43</b>	<b>6430.68</b>
	<i>2346.06</i>	<i>482.62</i>	<i>807.74</i>	<i>636.99</i>	<i>1214.80</i>	<i>5488.21</i>
Unallocable expenses (net)						<b>362.24</b>
						<i>338.99</i>
Operating income						<b>6068.44</b>
						<i>5149.22</i>
Other income (net)						<b>893.64</b>
						<i>798.96</i>
Profit before Exceptional item and tax						<b>6962.08</b>
						<i>5948.18</i>
Exceptional item						-
						<i>527.76</i>
Profit before tax						<b>6962.08</b>
						<i>6475.94</i>
Tax expense						<b>1473.11</b>
						<i>1379.07</i>
Profit for the period						<b>5488.97</b>
						<i>5096.87</i>

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**29) SEGMENT REPORTING (contd.)**

As at June 30, 2015

(₹ crores)

Particulars	Business Segments					Total
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	
Segment assets	<b>6650.34</b>	<b>1996.28</b>	<b>2829.30</b>	<b>3229.88</b>	<b>6986.95</b>	<b>21692.75</b>
	<i>6372.20</i>	<i>1759.34</i>	<i>2745.56</i>	<i>3012.31</i>	<i>5987.99</i>	<i>19877.40</i>
Unallocable assets						<b>45789.74</b>
						<i>43822.56</i>
Total assets						<b>67482.49</b>
						<i>63699.96</i>
Segment liabilities	<b>898.99</b>	<b>125.62</b>	<b>178.19</b>	<b>223.52</b>	<b>448.77</b>	<b>1875.09</b>
	<i>827.35</i>	<i>112.63</i>	<i>119.76</i>	<i>151.23</i>	<i>297.02</i>	<i>1507.99</i>
Unallocable liabilities						<b>16179.79</b>
						<i>23434.17</i>
Total liabilities						<b>18054.88</b>
						<i>24942.16</i>

*Previous period figures are in italics.*

**30) CONTINGENT LIABILITIES**

(₹ crores)

	As at June 30, 2015	As at March 31, 2015
Claims against the Company not acknowledged as debt	89.51	40.72
Income tax demands (See (a) below)	3902.10	3901.82
Indirect tax demands (See (b) below)	61.29	61.01
Guarantees given by the Company on behalf of subsidiaries (See (c) and (d) below)	3530.65	3310.95

a) In respect of income tax demands of ₹ 318.20 crores (March 31, 2015: ₹ 318.20 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

b) In respect of indirect tax demands of ₹ 8.53 crores (March 31, 2015: ₹ 8.53 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

c) The Company has provided guarantees aggregating ₹ 2901.31 crores (GBP 289.66 million) (March 31, 2015: ₹ 2694.55 crores)(GBP 291.30 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.

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**31) DERIVATIVE FINANCIAL INSTRUMENTS**

The Company, in accordance with its risk management policies and procedures, enters into foreign exchange forward, options and future contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Company has outstanding foreign exchange option contracts, which have been designated as Cash Flow Hedges, as at:

Foreign Currency	No. of Contracts	June 30, 2015		March 31, 2015	
		Notional amount of contracts (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of contracts (million)
U.S. Dollar	21	960.00	29.30	-	-
Sterling Pound	24	285.00	(13.17)	18	297.00
Euro	21	198.00	13.66	9	171.00
Australian Dollar	15	123.00	25.57	6	97.00

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

	(₹ crores)			
	Period ended		Year ended	
	June 30, 2015		March 31, 2015	
	Intrinsic Value	Time Value	Intrinsic Value	Time Value
Balance at the beginning of the period	151.42	(0.67)	24.88	4.76
Changes in the fair value of effective portion of Cash Flow Hedges	(50.12)	(131.92)	905.89	(440.18)
(Gains)/losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	(80.69)	72.80	(779.35)	434.75
Balance at the end of the period	20.61	(59.79)	151.42	(0.67)

Net loss on derivative instruments of ₹ 39.18 crores recognised in Hedging Reserve as at June 30, 2015, is expected to be transferred to the statement of profit and loss by June 30, 2016.

In addition to the above Cash Flow Hedges, the Company has outstanding foreign exchange forward, options and future contracts with notional amount aggregating ₹ 22111.70 crores (March 31, 2015: ₹ 19949.03 crores) whose fair value showed a loss of ₹ 12.66 crores as at June 30, 2015 (March 31, 2015: gain of ₹ 159.65 crores). Exchange loss of ₹ 240.78 crores (June 30, 2014 : Exchange gain of ₹ 177.60 crores) on foreign exchange forward, options and future contracts for the quarter ended June 30, 2015 have been recognised in the statement of profit and loss.

**32)** At their respective meetings held on October 16, 2014, the Boards of the Company and of its subsidiary, CMC Limited have approved a Scheme of Amalgamation of CMC Limited with the Company. The appointed date for the proposed Scheme is April 1, 2015. The Scheme is subject to sanction of the Hon'ble High Courts and all other statutory approvals as may be required under law.

**33)** Previous period figures have been recast / restated.