CMC Limited

Your IT Partner

A TATA Enterprise

Creating
the world of tomorrow

37th Annual Report

2012-13

BOARD OF DIRECTORS

L-R : Mr Ashok Sinha, Ms Kalpana Morparia, Mr S Ramadorai, Mr Sudhakar Rao,
Mr R Ramanan, Mr S Mahalingam and Prof. M S Ananth

MANAGEMENT TEAM

L-R : Mr Avadhesh Dixit, Mr Vivek Agarwal, Mr R Ramanan and Mr J K Gupta

Letter from CEO

Dear Shareholders,

I am pleased to report that your Company continues to perform on a sustained basis in terms of growth and profitability during the year 2012-13. During this period your Company's consolidated revenues have grown by 31% to ₹1941 crore. Our net profits grew by 52% to ₹230 crore. The earnings per share for the Company increased to ₹75.98. Your Company has also earned many formal recognitions and awards in the marketplace during the last year.

As a continuation of our practice of consistently rewarding shareholders with a higher dividend, this year an increased dividend payout of ₹17.50 per share has been proposed by the Board of Directors of your Company.

Your Company has a talented pool of committed people serving the organization with considerable innovation capabilities. Your Company has also several people and business excellence related initiatives in progress which aim at people excellence and continuous improvement. Your Company encourages and rewards people for Company's growth and innovation through several mechanisms.

Your Company's growth has been a result of its customer centric approach and a balanced portfolio of integrated services and solutions in niche areas to various businesses. Over the last 12 months, your Company has added 80 new customers across the world deepening its customer base.

Your Company's offerings span across four areas relevant to every organization - infrastructure systems engineering, applications and real time systems engineering, digitization and business workflow systems engineering and education and training. Your Company has therefore unique end to end servicing and solution capabilities that differentiate it from the traditional vendors in the marketplace.

Your Company has launched a new initiative called CMC 3.0, where the focus is to enable greater customer centricity by bringing the benefits of emerging technologies such as cloud, mobility, big data and enterprise analytics to help customers improve their businesses. This CMC 3.0 initiative integrates these new technologies into CMC core solutions and services, enabling the creation of new transformational business and operational models for our customers. The CMC 3.0 initiatives are yielding positive results. Your Company aims to be among the global top 20 System Engineering and Integration companies by 2020.

Technology continues to be a key driver of business growth for most customers, with IT spends continuing to see an annual rise in the foreseeable future for value adding solutions and services. We believe that there are adequate opportunities for your Company to capitalize on ensuring continued growth going forward.

On behalf of CMC and on my personal behalf, I would like to thank you for your continued support to CMC. Your belief in this Company has helped make CMC a preferred IT partner to an increasing base of global customers.

With regards,

R Ramanan
Managing Director & CEO
15 April, 2013

Financial Highlights

Revenues

Up 31% @ ₹ 1,941 crore

Operating Profits

Up 41% @ ₹ 317 crore

Net Profits

Up 52% @ ₹ 230 crore

Contents

Annual General Meeting will be held on Wednesday, June 26, 2013 at CMC's Auditorium at its Registered Office, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad-500 032, Andhra Pradesh at 3 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

Visit us at www.cmcltd.com

CORPORATE INFORMATION

Board of Directors
Mr S Ramadorai (Chairman)
Mr R Ramanan (Managing Director & CEO)
Ms Kalpana Morparia
Mr Sudhakar Rao
Mr S Mahalingam
Prof M S Ananth
Mr Ashok Sinha

Board Committees

Audit Committee
Mr Sudhakar Rao
Mr S Mahalingam
Mr Ashok Sinha

Shareholders/Investors Grievance Committee
Mr Sudhakar Rao
Mr S Mahalingam
Mr R Ramanan

Governance Committee
Ms Kalpana Morparia
Mr S Ramadorai
Prof M S Ananth
Mr Sudhakar Rao
Mr S Mahalingam

Executive Committee
Mr S Ramadorai
Mr R Ramanan
Ms Kalpana Morparia
Mr S Mahalingam
Prof M S Ananth

Ethics & Compliance Committee
Mr Ashok Sinha
Mr R Ramanan
Mr Vivek Agarwal

Management Team
Mr R Ramanan (Managing Director & CEO)
Mr J K Gupta (CFO)
Mr Vivek Agarwal (Company Secretary)
Mr Avadhesh Dixit (Head - HR)

Statutory Auditors
M/s Deloitte Haskins & Sells
Chartered Accountants

Secretarial Auditors
M/s Chandrasekaran Associates
Company Secretaries

Internal Auditors
M/s Ernst & Young Pvt. Ltd.

Principal Bankers
Canara Bank
State Bank of Bikaner & Jaipur
ICICI Bank

Registrars & Share Transfer Agents
M/s Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad - 500 081

Stock Exchanges where Company's Securities are listed
BSE Limited
National Stock Exchange of India Limited
The Calcutta Stock Exchange Limited

Registered Office
CMC Centre
Old Mumbai Highway
Gachibowli, Hyderabad-500 032
Tel. : 91 40 6657 8000 (10 lines)
Fax : 91 40 2300 0509

Corporate Office
PTI Building, 5th Floor
4, Sansad Marg
New Delhi-110 001
Tel. : 91 11 2373 6151-8 (8 lines)
Fax : 91 11 2373 6159

NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Members of CMC Limited will be held on Wednesday, 26 June, 2013 at 3.00 p.m. at CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad-500 032, Andhra Pradesh, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended on 31 March, 2013 and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend for the financial year 2012-13 on equity shares.
3. To appoint a Director in place of Mr. S Ramadorai, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Kalpana Morparia, who retires by rotation and, being eligible, offers herself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Prof. M S Ananth be and is hereby appointed as Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Ashok Sinha be and is hereby appointed as Director of the Company liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, the Company hereby approves the re-appointment and remuneration payable to Mr R Ramanan, Managing Director & CEO of the Company from May 1, 2013 to April 30, 2016, upon the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and remuneration in such manner as may be agreed between the Board and Mr R Ramanan so as not to exceed the limits set out in Schedule XIII of the Act including any amendments thereto."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board of Directors

New Delhi
15 April, 2013

VIVEK AGARWAL
Company Secretary

Notes:

1. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.** Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution/authority, as applicable.
2. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment/appointment as Directors under Item Nos. 3, 4, 6, 7 and 8 of the Notice, are annexed hereto.
3. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts in respect of the business under Item nos. 6, 7 and 8 is annexed hereto.
4. Members who hold shares in dematerialised form are requested to bring their DP ID and Client ID details for easy identification of attendance at the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 20 June, 2013 to Wednesday, 26 June, 2013 (both days inclusive).
6. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after 28 June, 2013 but before 25 July, 2013.

7. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for the payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

8. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agents, M/s Karvy Computershare Private Limited (RTA).

9. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The following are the details of the dividends paid by the Company and respective due dates for claim by the shareholders

Financial Year	Date of Declaration of Dividend	Last date for claim
2005-06	27-06-2006	26-06-2013
2006-07	25-06-2007	24-06-2014
2007-08	24-06-2008	23-06-2015
2008-09	26-06-2009	25-06-2016
2009-10	29-06-2010	28-06-2017
2010-11	27-06-2011	26-06-2018
2011-12	27-06-2012	26-06-2019

Further, the Company shall not be in a position to entertain the claims of Shareholders for the unclaimed dividends after the last date as mentioned in the table.

In view of the above, the Shareholders are advised to send all the un-encashed dividend warrants pertaining to the above years to our RTA for revalidation or issuance of Demand Draft in lieu thereof and encash them before the due dates for transfer to the IEPF.

10. Members desiring any information as regards the Annual Report are requested to write to the Company Secretary at the Corporate Office, New Delhi at least ten days before the date of the Annual General Meeting so that information can be made available at the meeting.

11. To promote green initiative as per circular issued by Ministry of Corporate Affairs in 2011, members are requested to register their e-mail addresses through their Depository Participants where they are holding their demat accounts for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.

By Order of the Board of Directors

New Delhi
15 April, 2013

VIVEK AGARWAL
Company Secretary

Registered Office:
CMC Centre
Old Mumbai Highway, Gachibowli
Hyderabad-500 032 (A.P.)

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

Appointment of Prof. M S Ananth as a Director

Prof. M S Ananth was appointed as an Additional Director pursuant to Articles 82 and 85 of the Articles of Association of the Company by the Board of Directors at its meeting held on June 27, 2012.

As per provisions of said Articles and Section 260 of the Companies Act, 1956, Prof. M S Ananth holds office up to the date of this Annual General Meeting. The Company has received a notice along with a deposit of ₹ 500 from a Member signifying intention to propose the appointment of Prof. M S Ananth as Director of the Company liable to retire by rotation.

The Board of Directors is of the opinion that it would be in the interest of the Company to avail Prof. M S Ananth's experience and his continuance will be of benefit to the Company.

The resolution is accordingly recommended for the approval of the Members.

None of the Directors except Prof. M S Ananth is concerned or interested in the Resolution.

Item No. 7

Appointment of Mr. Ashok Sinha as a Director

Mr. Ashok Sinha was appointed as an Additional Director pursuant to Articles 82 and 85 of the Articles of Association of the Company by the Board of Directors at its meeting held on 11 July, 2012.

As per provisions of said Articles and Section 260 of the Companies Act, 1956, Mr. Ashok Sinha holds office up to the date of this Annual General Meeting. The Company has received a notice along with a deposit of ₹ 500 from a Member signifying intention to propose the appointment of Mr. Ashok Sinha as Director of the Company liable to retire by rotation.

The Board of Directors is of the opinion that it would be in the interest of the Company to avail Mr. Ashok Sinha's experience and his continuance will be of benefit to the Company.

The resolution is accordingly recommended for the approval of the Members.

None of the Directors except Mr. Ashok Sinha is concerned or interested in the Resolution.

Item No. 8

Re-appointment of Mr. R Ramanan as Managing Director & CEO

The Board of Directors of the Company ("Board") had on April 15, 2013, re-appointed Mr. R Ramanan, as Managing Director & Chief Executive Officer (MD & CEO) of the Company with effect from May 1, 2013 to April 30, 2016, subject to the approval of the Members.

Mr. R Ramanan, aged 54 years, is a B.Tech.(Electrical Engg.) from IIT Mumbai with more than 32 years of rich working experience. He held several key positions in Tata Consultancy Services ("TCS"), starting his career as a Software Engineer in July 1981. He has been a Project Leader, a Group Leader and an Overseas Regional Manager representing TCS in USA. Mr. R Ramanan was appointed as Dy. Managing Director & COO of the CMC Limited w.e.f. October 16, 2001. He was elevated to the post of MD & CEO w.e.f. December 13, 2003. He was re-appointed as MD & CEO from time to time. He is also Chairman of CMC Americas Inc. and CMC eBiz, Inc., wholly owned subsidiaries of the Company.

The main terms and conditions relating to the re-appointment of Mr R Ramanan as MD & CEO are as follows:

A. **Tenure of Appointment:**

The re-appointment of the MD & CEO is with effect from May 1, 2013 to April 30, 2016.

B. **Nature of Duties:**

The MD & CEO shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company and the business of its subsidiary, including performing duties as assigned by the Board from time to time, by serving on the Board of its subsidiary or any other executive body or Committee of such a Company.

C. **Remuneration:**

(i) Basic Salary upto ₹ 4,00,000 per month. The annual increments which will be effective 1st April each year will be decided by the Board and merit based and takes into account the Company's performance. In addition to the basic salary payable, MD & CEO shall also be entitled to benefits, perquisites & allowances as determined by the Board from time to time and incentive remuneration and/or commission based on certain performance criteria to be prescribed by the Board subject to the maximum limit of 5% of the net profits as mentioned in sections 198, 269, 309 read with sections 349 and 350 of the Companies Act, 1956.

(ii) Minimum Remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the MD & CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites, allowances and incentive remuneration as specified above.

D. Other terms of Appointment:

(i) The MD & CEO shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

(ii) The terms and conditions of appointment of the MD & CEO may be altered and varied from time to time by the Board as it may, in its discretion deems fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the MD & CEO, subject to such approvals as may be required.

(iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.

(iv) The employment of the MD & CEO may be terminated by the Company without notice for payment in lieu of notice:

(a) If the MD & CEO is found to be guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company of any subsidiary company to which he is required by the Agreement to render services; or

(b) In the event of any serious repeated or continuing breach (after prior warning) non observance by the MD & CEO of any of the stipulations contained in the agreement to be executed between the Company and the MD & CEO; or

(c) In the event the Board expresses its loss of confidence in the MD & CEO.

(v) In the event of MD & CEO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

(vi) Upon the termination by whatever means of the MD & CEO's appointment:

(a) The MD & CEO shall immediately tender his resignation as Director of the Company and from such other offices held by him in the Company, in subsidiary company without claim for compensation for loss of office.

(b) The MD & CEO shall not without the consent of the Company at any time thereafter represent himself as connected with the company or any of its subsidiary company.

(vii) The MD & CEO is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1)(I) of the Act. The MD & CEO will not be liable to retire by rotation.

(viii) The terms and conditions of the appointment of the MD & CEO also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

(ix) If and when the Agreement expires or is terminated for any reason whatsoever, the MD & CEO will cease to be the Managing Director and Chief Executive Officer, and also cease to be a Director. If at any time, the MD & CEO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director & Chief Executive Officer, and the Agreement shall forthwith terminate. If at any time, the MD & CEO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director & Chief Executive Officer of the Company.

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

Mr. R Ramanan is concerned or interested in Item No. 8 of the Notice.

As required under Section 302 of the Companies Act, 1956, an abstract of the main terms and conditions of the re-appointment of Mr. R Ramanan together with the memorandum of concern or interest has been sent to the members earlier.

The Resolution regarding the re-appointment and remuneration of the MD & CEO at Item No. 8 is commended for acceptance by the Members.

By Order of the Board of Directors

New Delhi
15 April, 2013

VIVEK AGARWAL
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. S Ramadorai	Mr. R Ramanan	Ms. Kalpana Morparia	Prof. M S Ananth	Mr. Ashok Sinha
Date of Birth	06.10.1944	09.10.1958	30.05.1949	15.11.1945	15.02.1952
Date of Appointment	16.10.2001	16.10.2001	11.03.2008	27.06.2012	11.07.2012
Qualifications	Bachelor's degree in Physics from Delhi University, Bachelor's degree in Electronics and Telecommunications from IISC, Bangalore, Master's degree in Computer Science from University of California, USA and Executive MBA from Sloan School of Management, MIT	B. Tech. (Electrical Engg.)	Bachelor in Science and Law from Bombay University.	B. Tech(Gold Medalist) from University of Madras and M.E./Ph. D from University of Florida, USA.	B. Tech (Electrical Engg.) from IIT-Kanpur; MBA from IIM-Bangalore.
Expertise in specific functional areas	Wide experience in Information Technology Services	Business Management	Banking and Finance	Business Management	Finance and Business Management
Chairmanships/ Directorships of other Companies (excluding foreign companies and Section 25 companies)	Tata Consultancy Services Limited Tata Industries Limited Tata Technologies Limited Hindustan Unilever Limited Piramal Enterprise Limited Tata Elxsi Limited Tata Teleservices (Maharastra) Limited Tata Communications Limited Tata Advanced Systems Limited Asian Paints Limited BSE Limited Tata Lockheed Martin Aerostructures Limited Tata Aerospace Systems Limited	Tata Business Support Services Limited	Dr Reddy's Laboratories Ltd. Bennett Coleman & Company Ltd.	Chennai Petroleum Corp. Ltd. UCAL Fuel Systems Ltd.	Petronet LNG Limited Axis Asset Management Company Ltd.
Chairmanships / Memberships of committees of other Public companies (includes only Audit Committee	**Audit Committee** Tata Technologies Limited Tata Elxsi Limited Hindustan Unilever Limited Tata Teleservices (Maharastra) Limited Tata Advanced Systems Limited BSE Limited	-	**Audit Committee** Dr. Reddy's Laboratories Ltd. Bennett Coleman & Co. Ltd.**	**Audit Committee** UCAL Fuel Systems Ltd.	**Audit Committee** Petronet LNG Ltd.* Axis Asset Management Co Ltd.
Shareholders/ Investors Grievance Committee)	**Shareholders Grievance Committee** Tata Consultancy Services Limited BSE Limited*	-	-	-	-
Number of shares held in the Company	NIL	NIL	NIL	NIL	NIL

*** Chairman**

**** Chairperson**

DIRECTORS' REPORT

TO THE MEMBERS OF CMC LIMITED

Your Directors have pleasure in presenting the 37th Annual Report and the Audited Statement of Accounts for the year ended 31 March, 2013.

1. FINANCIAL RESULTS

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2012-13	**2011-12**	**2012-13**	**2011-12**
Income from Sales and Services	**1123.13**	952.96	**1926.09**	1,466.96
Other Operating Revenue	**1.77**	2.38	**1.77**	2.38
Other Income	**40.75**	44.39	**13.16**	17.46
Total Income	**1165.65**	999.73	**1941.02**	1,486.80
Operating Expenses	**905.21**	788.79	**1611.05**	1,245.01
Profit before Depreciation, Interest and Tax	**260.44**	210.94	**329.97**	241.79
Depreciation and Amortization	**22.55**	20.88	**23.20**	21.37
Interest	**0.16**	0.01	**0.18**	0.02
Profit before Tax	**237.73**	190.05	**306.59**	220.40
Provision for Taxation (incl. deferred Income Tax)	**39.35**	46.72	**76.36**	68.59
Profit after Tax	**198.38**	143.33	**230.23**	151.81
Add: Profit brought forward from previous year	**610.05**	525.07	**675.53**	582.07
Amount available for Appropriations	**808.43**	668.40	**905.76**	733.88
Appropriations				
Proposed Dividend	**53.03**	37.88	**53.03**	37.88
Tax on Proposed Dividend	**9.01**	6.14	**9.01**	6.14
Transfer to General Reserve	**19.84**	14.33	**19.84**	14.33
Balance carried to Balance Sheet	**726.55**	610.05	**823.88**	675.53
	808.43	668.40	**905.76**	733.88

2. DIVIDEND

Your Directors are pleased to recommend for approval of the Members a dividend of ₹ 17.50 per share on 3,03,00,000 equity shares of ₹ 10/- each of the Company for the financial year 2012-13.

3. TRANSFER TO RESERVES

The Company proposes to transfer ₹ 19.84 crore to the General Reserve out of amount available for appropriation, and an amount of ₹ 726.55 crore is proposed to be retained in the Profit and Loss Account.

4. COMPANY'S PERFORMANCE

Your Company is leveraging its core competencies, alliances and customer relationships to achieve marketplace success by carving out a niche position through an appropriate mix of products, services and cutting edge technology integration. Your Company continued to see strong growth of 31% in consolidated income from sales and services which amounted to ₹1926.09 crore in the year ending 31 March, 2013. The Company has registered a strong broad based growth in both domestic and international geographies. The domestic business recorded a growth of 21% to ₹ 702.86 crore, while International business grew at 38% to ₹1223.23 crore. The income from sales and services on standalone basis registered a growth of 18% at ₹ 1123.13 crore during 2012-13, compared to ₹ 952.96 crore in the previous year.

Your Company operates through 4 SBUs and all the business segments of your Company contributed to the increase in total revenue. SI SBU delivered highest growth of 35% followed by 33% by ITeS, 20% by CS and 1% by E&T SBU on consolidated basis.

The Operating Profit (Earnings Before Interest, Tax, Depreciation and Amortization) increased by 41% to ₹ 316.81 crore compared to ₹ 224.33 crore in the previous year.

Your Company continued to focus in the areas aligned with the overall vision of being a leading Systems Engineering and Integration Company. Core focus areas during 2012-13 have been customer orientation, engagement of strategic customers and research & development to ensure products aligned with customer expectation and market requirements for sustained growth. CMC continued to subscribe to a quality philosophy emphasising on process excellence on all facets of work and sustained quality certifications viz. ISO, CMMi Level 5, PCMM etc. to ensure delivery of services around CMC's software assets, turnkey project implementation, ERP implementations and development of portals to bring state government services to the doorstep of the citizen.

5. SPECIAL ECONOMIC ZONE (SEZ)

Your Company had taken up setting up of an IT and ITES Sector Specific Special Economic Zone (SEZ) at Hyderabad. The project is being developed in 3 phases at total estimated cost of ₹ 445 crore and will have total capacity of around 12500 seats when completed. Phase I of the project, consisting of Offshore Development Center (ODC) 1, 2 & 3 with seating capacity of 7000 seats was completed in 2008-09. In Phase II of the project, ODC 5 and 6 with seating capacity of 6000 became operational in 2011-12. Phase III of the project consisting of Multi Level Car Parking and ODC 4 with seating capacity of around 3500 is in full swing. The project is likely to be completed by December 2013. Your Company has spent ₹ 306.16 crore on this project till 31 March, 2013. The Company had also set up another SEZ Unit in Kolkata to cater the demand of international client and provide them business continuity solution. The Company has also started construction of a new building in Kolkata with a built up area of 2.40 lakh sq. ft . at an estimated cost of ₹ 73 crores. The project is likely to be completed by March 2015. On completion, this facility will have capacity of around 2000 seats.

6. CREDIT RATING

Your Directors have pleasure to inform that ICRA Limited has reaffirmed LAA+ rating of your Company for long term exposure (both fund based as well as non fund based) for a total amount of ₹ 200 Crore. ICRA has also reaffirmed A1+ rating for short term debt instruments of the Company up to ₹ 150 crore. ICRA had carried out a credit rating assessment of the company both for short term and long term exposures in compliance with BASEL II norms implemented by Reserve Bank of India for all banking facilities. This enables the company to access banking services at low costs.

7. SUBSIDIARY COMPANIES

Your Company has two wholly owned subsidiary companies viz., CMC Americas, Inc. and CMC eBiz, Inc. in USA. A statement containing brief financial details of the Subsidiary Companies for the year ended 31 March, 2013 is included in the notes on the consolidated financial statement. As required under the Companies Act, 1956 and Listing Agreements with the Stock Exchanges, the Company has prepared the Consolidated Financial Statements of the Company and its Subsidiaries as per Accounting Standard (AS) - 21 and form part of the Annual Report and Accounts.

The Annual Accounts of the Subsidiary Companies and related detailed information will be made available to the Shareholders of the Company seeking such information. The Annual Accounts of the Subsidiary Companies are also kept for inspection by any investors at the Registered Office of your Company.

8. FIXED DEPOSIT

During the year, the Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956.

9. LISTING

The equity shares of the Company are listed with Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange. There are no arrears on account of payment of listing fees to the Stock Exchanges.

10. DIRECTORS

Prof. M S Ananth and Mr Ashok Sinha were appointed as Additional Directors on 27 June, 2012 and 11 July, 2012, respectively and can hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 along with the requisite deposits, in respect of Prof. M S Ananth and Mr Ashok Sinha, proposing their appointment as Directors of the Company.

The Board at its meeting held on 15 April, 2013 re-appointed Mr. R Ramanan as Managing Director & CEO with effect from 1 May, 2013 to 30 April, 2016 subject to the approval of the Members of the Company.

Mr Surendra Singh, Director, retired w.e.f. 11 July, 2012 as per Tata Group Policy on retirement age for Non-Executive Directors adopted by the Company. The Board records its appreciation of the contributions made by Mr Surendra Singh as a Director.

Mr. S Ramadorai and Ms. Kalpana Morparia, Directors, retire by rotation and being eligible, have offered themselves for re-appointment.

11. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

Your Company continues to strive towards maintaining sustainable growth through the philosophy of business excellence using the Tata Business Excellence Model (TBEM). In the annual TBEM assessment, your Company continued to be in the league of Serious Adopters.

Transformational growth through CMC 3.0, innovation in products and service models is a key agenda of the Management along with a customer-focused culture. Continuing along the principles of Total Quality Management, your Company was successfully assessed at Software Engineering Institute's Capability Maturity Model Integration (CMMi) level 5 covering Software Solutions and Integration Services, enterprise-wide for development and services work. All existing ISO certifications related to information security implementation, education and training business, software solutions and integration services were subject to a surveillance audit and renewed.

Your Company continues to mature in its people management practices in line with the People Capability Maturity Model (PCMM). Recognizing that workforce competency is a powerful growth engine, competency mapping and development was completed for the workforce with appropriate interventions through a learning and development plan.

12. CORPORATE SUSTAINABILITY INITIATIVE

12.1 Environment:

Your Company continues to focus on carbon footprint reduction with a carbon abatement program targeted towards achieving appropriate energy star rating for all delivery centres. All offices of your Company have adopted energy efficient devices and environment friendly practices, including standard processes for waste management and recycling, responsible eWaste disposal. Your Company is also considering water conservation.

12.2 Society:

Imparting of skill development training to underprivileged: Your Company continued its effort to impart skill development training to underprivileged students at Rajgurunagar, a small town in Pune. Your Company further took initiative to conduct similar training programme at Guindy, Chennai and Kolkata. Your Company has partnered with Bombay Mothers & Children Welfare Society (BMCWS) to help and educate youth and ensure sustainable livelihood. Hardware and Networking training were imparted to students recommended by BMCWS. Basic skill development training is imparted to underprivileged across the Company.

Your Company invites NGOs/jail inmates/special schools to exhibit their art and sell the hand made products across the company. Your Company also donates IT equipment, books and other daily used items to support Society. Your Company also sponsors Cataract operations, blood donations, free health check up camps regularly at various locations as a part of Corporate Sustainability Initiative.

Affirmative Action: Your Company has committed itself to Affirmative Action program initiated by Tata Group. The program aims to exercise positive discrimination in employing personnel from historically disadvantaged communities (SC/ST) and in engaging them as business partners, without sacrificing merit or quality.

Your Company has a defined leadership system to set and deploy its various objectives that comprises Affirmative Action (AA) as well. Your Company has constituted Affirmative Action Implementation Committee towards the ultimate goal of enhancing the employability and entrepreneurship abilities of SC/ST community; your Company is committed to creating and promoting access to quality education and technical skills and competencies for members of the SC/ST Communities. All our programs and initiatives are designed in alignment with the AA vision. A special emphasis is laid on education and employability initiatives.

The Company has further strengthened its `Affirmative Action' program to realize the benefits of employee diversity in the organization. Special initiatives have been launched to promote gender diversity in the Company.

Give India initiative: Your Company continues to partner with Give India- an NGO, to enable every staff member to make a difference individually to the Society. Give India is a non-profit organisation dedicated to raising funds for credible and effective NGOs in India. Through this voluntary programme, a monthly contribution as per convenience is deducted directly from salary, to a cause of their choice. Give India ensures that this money is channeled to the right NGOs and provides accurate feedback reports on how employee donations are being utilised. This is an ongoing activity.

ePragati - A skill development Initiatives: ePragati offers a platform for a confluence of ideas from diverse organisations in government, industry and academia towards enabling effective and transitional development. As on date, your Company has conducted ePragati in the cities of Pune, Indore and Goa with remarkable success.

12.3 Culture

Sahapedia - an online resource on Indian Art and Culture: In its continuous endeavor of extending community services and enabling wider dissemination and preservation of Indian art and cultural heritage, your Company has promoted a Society namely Sahapedia jointly with the Indian Institute of Information Technology, Hyderabad and Stirring Action on Heritage and the Arts, Delhi (SAHA).

Since its inception last year, Sahapedia has partnered with various renowned bodies viz., the Indian Ministry of Culture, Central Board of Secondary Education, Archaeological Survey of India (ASI) etc. which has strengthened Sahapedia's heritage education activities and at the same time supported Sahapedia's endeavour of archiving knowledge and educational outreach.

13. CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms a part of the Annual Report. During the year, Secretarial Audit and Secretarial Standards Audit were carried out and the detailed Reports as obtained from the Secretarial Auditors are published elsewhere in the Annual Report.

Your Company has been recognised by the Institute of Company Secretaries of India (ICSI) as one of the top 7 companies in India for consistently fostering excellent corporate governance practices. The Company was conferred with "Certificate of Recognition" for the third consecutive year at the 12th ICSI National Award for Excellence in Corporate Governance-2012 presentation ceremony held in April 2013.

14. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 in respect of energy conservation, technology absorption and foreign exchange earnings and outgo is given in Annexure to this Report.

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with no material departures;

ii) The Directors had 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 as on 31 March, 2013 and of the profit of the Company for that period;

iii) The Directors had 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 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) The Directors had prepared the Annual Accounts on a 'going concern' basis.

16. AUDITORS

M/s Deloitte Haskins & Sells, the Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting. The said Auditors have furnished the Certificate of their eligibility for re-appointment under the Companies Act, 1956.

17. PARTICULARS OF STAFF

The information required under section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, is provided in an Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Reports and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

18. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

On behalf of the Board of Directors

New Delhi
15 April, 2013

S RAMADORAI
Chairman

Annexure to the Directors' Report

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended March 31, 2013

A. CONSERVATION OF ENERGY

a. The operations of the Company being IT related require normal consumption of electricity. However, the Company is taking every necessary step to reduce the consumption of energy.

b. Your Company is not an industry as listed in Schedule to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption - as per Form B given below:

FORM B

1. Research and Development

a. Specific areas in which Research and Development (R&D) is being carried out by the Company

The Company continues to invest in innovating and developing state of the art technologies that are core to providing key solutions in different industry verticals of interest. This includes critical investments in:

- Insurance Technology & Solutions
- Biometrics Technology
- Mining Technologies
- Big Data and Data Mining Technologies
- Technology & Solutions for Shipping & Ports
- Improving assets in the e-Governance Space
- Mobile Computing
- Cloud Business Model Technologies

Last year, significant investment was made across the Company in

- Sustained rejuvenation of technology platforms supporting the product lines to make them in line with current technology trends.
- Increasing the analytics coverage within the product lines.
- Added mobility enablement to several product lines.

b. Benefits derived as a result of R&D

1. Insurance sector - Your Company continues to enjoy leadership in Domestic General Insurance sector and dominate the competition. The Company has generated increased demand from existing customers and won new based on DSL based code generator configurator product.
2. Ports and Cargo has seen increased new sales in markets within and outside India and is now seen to be closing the gap with market leaders. The last year and continued technology and functional enhancements done to product lines have made it extremely competitive. This year the Company saw first deployment of the technically revamped product in production in London and interest from several terminals who are looking for Terminal operating system replacement.
3. Mining sector - Your Company has seen increased stickiness and increased share of wallet from existing clientele based on enhancements done to Mining product as well as introduction of Integrated analytics suite.
4. eGovernance Products -Your Company has seen new wins in Treasury management system and Government to Citizen Services in India and Abroad.
5. Our GPS based telematics solution has been deployed for public transit arrival time bus prediction in a World Bank funded project apart from seeing its first international deployment in Africa. As of now, more than 60,000 assets are tracked using Nirdeshak based solutions around the world. We have won repeat orders for larger deployments of Intelligent Transport systems in Karnataka.
6. Our Big Data powered Healthcare analytics platform has seen major interest from US based healthcare research firms. We also did several new projects on using Big data technologies for homeland security and industrial automation usage.
7. FACTS our flagship Biometric AFIS product is seeing increased uptake in State Police in India based on customer benchmarks. It has been integrated with state policing systems and India wide crime and criminal tracking network system.
8. Niche projects which combine systems integration, embedded systems, mechanical design, application software and control systems have been delivered successfully to international clientele.

c. Future Plan of Action

- Launch of Life Insurance as a full-fledged offerings from Insurance product suite.
- Consolidated Multi-use Terminal operating system covering all types of cargo.
- Specific Big data products like set top box analytics and continued feature addition to Healthcare analytics platform
- Industrial strength mobility introduction in Mining, Ports, Games and Event management applications
- Wearable computing investment to increase stickiness in all major product lines. M2M Platform creation for connected car.

d. Expenditure on R&D

(₹ / crore)

	Particulars	**2012-13**	2011-12
A.	Capital	**0.88**	0.61
B.	Recurring	**10.30**	9.26
C.	Total	**11.18**	9.87
D.	Total R&D Expenditure as a percentage of Turnover	**1.00**	1.04

2. Technology Absorption, Adaptation and Innovation

a. Efforts made towards technology absorption, adaptation and innovation

I. Your Company proactively uses new and emerging technologies for conceptualizing solutions to meet its business needs. The expertise gained in early usage results in developing/enhancing our offerings and provides us an advantage in differentiating our Company from others.

II. Apart from its own investment in various technologies, your Company constantly interacts with technology leaders and reputed academic institutes such as IITs to understand and absorb new developments in technologies and offerings.

III. Your Company conducts periodic internal meetings including the CEO, Chief Architects and product teams to discuss action plans for product and technology upgrades and shortlist teams for Research & Development initiatives.

IV. Your Company ensures the readiness of its employees through ongoing Training and Skill Development to handle projects demanding new technology and skill set requirements.

V. Your Company also periodically scans the market for innovative offerings and products across the world. After due diligence, these are either integrated with your Company's offerings or used to enhance its solutions portfolio.

VI. Your Company encourages its employees to participate in Tata Group level innovation program - Innovista. It also has equivalent internal programs, which recognize and reward improvements and innovation.

b. Benefits derived as a result of the above efforts

I. Increased business opportunities where the upgraded CMC products and solutions are in demand.

II. Your Company continues to be a valued solution provider for complex projects in the market.

III. Ability to attract best talent to work with us on these products and technologies has created customer interest in engaging us on their transformation projects.

IV. Increased ability to respond to unique requirements of the customers and system engineers.

V. Investing in specific emerging technology spaces such as Cloud, SaaS, Mobility, Analytics and Big Data allows your company relevance and superior positioning for tomorrow's needs

c. Information regarding Importing Technology

The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. **Activities Relating to Exports, Initiatives to increase exports, Development of new export markets for products and services & export plan**

   As a part of its core strategy, the Company is focusing on exports of its services by leveraging wide marketing reach of its Holding Company, Tata Consultancy Services Limited. The Company has established itself as a major supplier of Embedded System Services and software solutions in key industry verticals and e-Governance space.

2. **Total Foreign Exchange Earnings & Outgo**

   The foreign exchange earnings of the Company during the year were as follows:

(₹ / crore)

Particulars	**Year ended 31 March, 2013**	Year ended 31 March, 2012
Revenue:		
Earnings	**361.05**	311.25
Outgo	**65.91**	62.23
Net foreign exchange earnings (NFE)	**295.14**	249.02
NFE / earnings (%)	**81.74**	80.00

On behalf of the Board of Directors

New Delhi
15 April, 2013

S RAMADORAI
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The global technology and related services sector recorded a steady growth of 4.8% in 2012 to USD 1.9 Trillion, in spite of a volatile economic environment. As per the latest report by NASSCOM, IT- BPM (earlier called BPO) services and software products continued to lead, accounting for over USD 1 trillion which is 58% of the total IT spend and the IT hardware accounted for the balance 42% of the worldwide technology spends in 2012.

As per the latest NASSCOM report, total revenues of Indian IT industry is expected to grow by about 13-15 per-cent to reach USD 106-111 billion in FY 2013-14; of which, exports are likely to be about USD 84-87 billion, a growth of about 12-14 per cent. Five major technology changes are expected to open new opportunities for service providers - smart computing (expected to drive industry-specific solutions), Software-as-a-Service (SaaS to play a dominant role), social technologies (empower all elements of an industry's value chain including suppliers, employees, customers and business partners), mobility (access to anytime, anywhere information) and analytics (real-time intelligence). These trends are expected to drive growth in overall technology spend by 6% in 2013 with Hardware emerging as the highest growth segment at 7.5% driven by an expected surge in demand for infrastructure upgrade & improvements, followed by packaged software at 6.5% and IT services at 4.2% as firms work at ways to reduce costs and increase profitability. Global IT-BPM spend is expected to grow between 5-6% over the next 2 years and global sourcing is set to grow faster at about 7-8% during 2013. CMC is gearing itself to drive benefits of emerging trends and opportunities.

B. OPPORTUNITIES & THREATS

Opportunities

CMC had identified a few areas of opportunities based on the megatrends noticed in past 2 years, which continues to be the focus of our growth strategies during 2013-14, the key ones of which are as follows:

(1) In India, higher growth is expected to come from 2nd and 3rd tier cities and SMB sector. CMC's India wide presence and partner network can be leveraged to capitalize on this growth. CMC's e-Pragati initiative started in 2010 specifically targets this opportunity.

(2) Cloud computing and virtualization technology provides flexibility, convenience as well as reliability along with cost optimization. CMC is adapting this technology for its own use as well as a part of its offerings.

(3) Convergence of mobility and web is opening several opportunities for new applications for mobile access to the system particularly in the area of business intelligence and reporting. Existing applications also need enhancements to incorporate these technologies. CMC with core competency in mobile technology as well as embedded systems will tap these opportunities.

Threats

(1) Growth in IT industry is leading to higher job opportunities and increased demand for mid-level roles which are needed to groom the fresh recruits entering the industry. This is leading to higher level of attrition across IT industry

(2) The speed of technology obsolescence has increased as natural reaction to fast changing technologies. The productive life of IT resources and competencies is shrinking increasing the level of investment needed to meet the market requirements.

C. FOCUS AREAS OF THE COMPANY

1. Vision, Mission, Values and Strategies

CMC's market strategy is to offer the full range of IT services, have presence in all industry segments through a diverse range of products and service offerings, and continue expanding geography presence outside India. CMC product and service portfolio is based on providing end-to-end solutions in the Systems Engineering and Integration (SE&I) space. CMC maintains a competitive edge through a wide spectrum of technology skills, including niche areas like real-time systems, embedded systems, process control, image processing, e-commerce technologies; and others.

CMC's vision, mission, values defines the broader directions and goals for the company: **To be A Global Top 20 SE&I Company by 2020**; key considerations being: factors pertaining to SWOT, shifts in technologies, markets, products, customer preferences, competition, regulatory environment, and long-term sustainability. The vision is based on leveraging our USP - CMC's breadth and depth to undertake and successfully execute large scale systems integration projects, CMC co-innovation network of partners / customers / research and academia, and TCS-CMC synergy.

To direct the vision, CMC 2020 transformational strategy (CMC 3.0) was formulated. CMC 3.0 is based on an outside-in approach to customers and markets, building long-term customer relationships and continuously moving up the value chain with our customers. The key growth drivers are organic growth: achieving scale through replication and cross selling, asset growth, customer life-cycle management, top 100 key accounts focus, focus on replicating successes with new customers, new offering and initiatives; along with transformational initiatives based on providing value-adding, profitable, scalable and sustainable products, solutions, services to our customers and to TCS, along with considerations on how technology would impact changes to delivery of services to end-customers. CMC product portfolio complimented with services and technology competence, allows us to maintain service continuum with our existing customers from SI/Embedded systems to CS to ITeS to E&T, and is integral to our strategy to build multi-year relationships with our customers through multi-SBU penetration.

The intrinsic values of CMC will support us in achieving our vision. We shall be a vibrant organization where openness, trust, teamwork, simplicity, responsibility and innovation are valued and promoted. We will practice good corporate governance and will propagate ethical behavior in all work practices and in dealing with our partners/suppliers/vendors/ franchisees and customers.

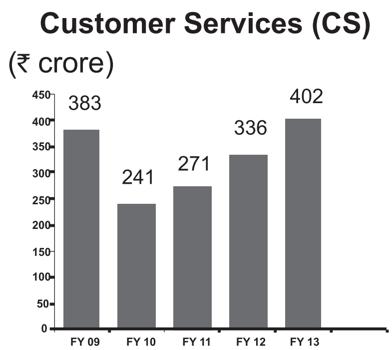
2. Business Segments of the Company:

The Company generates its revenue from 5 segments:

- Customer Services (CS)
- IT Enabled Services (ITeS)
- Special Economic Zone (SEZ)
- Systems Integration (SI)
- Education and Training (E&T)

2.1 Customer Services (CS)

The CS SBU focuses on creating solutions and providing services for the IT infrastructure requirements covering infrastructure architecture, design and consulting services; turnkey system integration of large network and data centre infrastructures. The scope of services includes supply of associated equipment and software; On-Site and Remote Support Services for multi-locations for the IT infrastructures of domestic and international clients. The Company is looking forward for new opportunities in service domain because of changes in the landscape of leveraging cloud based services, virtualization, and cloud migration. The previous five years trend in CS SBU is as follows:

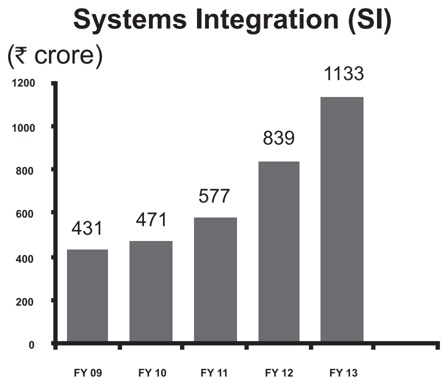


Revenues (Consolidated)

The CS SBU earned revenue of ₹ 402.05 crore during the year on a consolidated basis compared to ₹ 335.99 crore during the previous year, registered an increase of 20% on yearly basis. The share of CS SBU in total revenue from operations decreased to 21% in FY 2012-13 from 23% in FY 2011-12.

2.2 Systems Integration (SI):

The SI SBU undertakes the activities of solution deployment that includes embedded systems, software development, software maintenance and support, turnkey project implementation and systems consultancy and has been one of the key drivers of its transformation towards more value added business with a view to improve overall margin. SI SBU continued to invest and grow its solution asset base during the year so that it can offer innovative solutions around the core IPs' of these assets. This includes enhancements of Biometrics based Assets for identity management, mining assets for mining solutions, transportation assets, insurance & financial solution assets and e-governance assets.



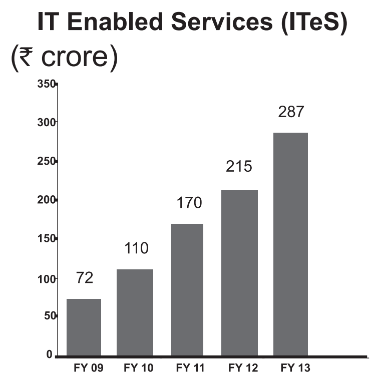
Revenues (Consolidated)

The SI SBU earned revenue of ₹ 1132.80 crore during the year compared with ₹ 839.00 crore earned in the previous year, registering an increase of 35% over the previous financial year. The share of SI SBU in total revenue from operations increased to 59% in FY 2012-13 from 57% in FY 2011-12.

We continue to focus on emerging areas related to big data and analytics, mobility management and integration and cloud related services. These are the new areas the Company has done in the international markets during the year.

2.3 IT enabled Services (ITeS):

The ITeS SBU provides a variety of IT enabled services which include Business Process Outsourcing and Knowledge Process Outsourcing for front end and Back office. This SBU has created specific business domain expertise such as on-demand software services; office records digitization and document management; recruitment and examination results management; legacy data migration management. Also, ITeS SBU continues to work for Election Commission as a state-level agency. ITeS SBU has taken initiatives to leverage its experience in handling large national projects for more rewarding international geographies and has over the years been one of the main drivers to increase international revenue of the Company.

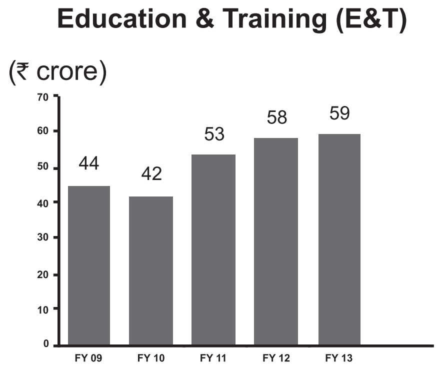


Revenues (Consolidated)

The ITeS SBU earned revenue of ₹ 287.33 crore during the year on consolidated basis compared to ₹ 215.40 crore in the previous year, registering an increase of 33% on yearly basis. This growth was propelled by services centered around CMC Docs and other software assets. The share of ITeS SBU in total revenue from operations remained flat at 15% compared to previous financial year.

2.4 Education & Training (E&T):

The E&T SBU of the Company offers education and training solutions for corporate organizations, government institutions and individuals. Its offerings include a wide range of courses that vary from information technology, soft skills training, integrated career development programmes, skill development to vocational training programmes. The Company offers integrated Learning Solutions for several corporations, and also conducts inductions and refresher programmes. In addition to the training programs for employees, it also delivers various skill enhancement programs for experienced people from the industry. Over the years E&T SBU faced cluttered and commoditized market, with a need to differentiate. The E&T SBU has re-engineered its offerings in corporate and job enabling training segments to differentiate from the competitors. In addition the E&T SBU is exploring opportunities into vocational trainings.

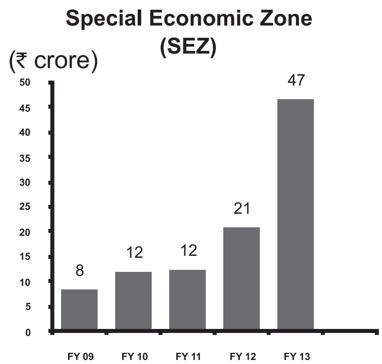


Revenues (Consolidated)

The E&T SBU earned revenue of ₹ 58.92 crore during FY 2012-13 compared to ₹ 58.18 crore during FY 2011-12. The share of E&T SBU in total revenue from operations decreased to 3% in FY 2012-13 from 4% in FY 2011-12.

2.5 Special Economic Zone (SEZ)

The Company is in the process of developing an SEZ spread over about 46.33 acres at its campus at Gachibowli, Hyderabad. The Company started reporting SEZ as a separate segment from FY 2011-12 in line with Accounting Standard (AS) -17 Segment Reporting, as its assets reached the level of more than 10% of the total assets of the Company. The income from this segment represents income from renting out SEZ facilities to TCS. The performance of the SEZ segment during the previous five years is as under:



Revenues (Consolidated)

The Company has earned a rental income of ₹ 46.77 crore in FY 2012-13 compared to ₹ 20.76 crore during FY 2011-12. The increase in rentals is mainly on account of revision of rentals rates and increase in area let out from 678.76 (SFT '000) in FY 2011-12 to 891.79 (SFT '000) during FY 2012-13.

D. Financial Performance (Consolidated):

The Management Discussion and Analysis below relates to consolidated audited financial statement of CMC Limited and its subsidiaries.

Particulars	Year ended 31 March, 2013		Year ended 31 March, 2012		Variation
	₹ Crore	%	₹ Crore	%	%
Income:					
Income from sales and services	**1926.09**	**99.91**	1466.96	99.84	31.30
Other Operating revenue	**1.77**	**0.09**	2.38	0.16	(25.63)
Total Operating revenue	**1,927.86**	**100.00**	1,469.34	100.00	31.21
Expenditure*:					
Material	**212.85**	**11.05**	170.72	11.64	24.68
Manpower	**521.64**	**27.08**	440.22	30.01	18.50
Sub - Contracting Costs	**679.73**	**35.29**	446.11	30.41	52.37
Others	**196.83**	**10.22**	187.96	12.81	4.72
Total Expenditure	**1,611.05**	**83.64**	1,245.01	84.87	29.40
Operating Profit	**316.81**	**16.45**	224.33	15.29	41.22
Other Income	**13.16**	**0.68**	17.46	1.19	(24.63)
Profit before Interest, Tax and Depreciation	**329.97**	**17.13**	241.79	16.48	36.47
Depreciation	**23.20**	**1.20**	21.37	1.46	8.56
Interest	**0.18**	**0.01**	0.02	0.00	800.00
Profit Before Tax	**306.59**	**15.91**	220.40	15.03	39.11
Provision for Taxes	**76.36**	**3.96**	68.59	4.68	11.33
Profit after Taxes	**230.23**	**11.95**	151.81	10.35	51.66

** % shows expenses as a percentage of income from sales and service*
Numbers or % in bracket represents negative numbers or %.

1. Income:

1.1 Income from sales and services

The Company earned a total income from sales and services of ₹ 1,926.09 crore as compared to ₹ 1,466.96 crore during the previous year. Income from sales and services during the year grew by 31% over the previous financial year.

The Company's wholly owned subsidiary CMC Americas, Inc. earned revenue of $191.66mn in FY 2012-13 compared to $152.05mn in FY 2011-12 in dollar terms registering a growth of 26% over the previous financial year. The revenue growth in CMC Americas Inc, has been mainly contributed by software services. The share of international business in total operating revenue improved to 64% as compared to 60% over the previous year.

In domestic markets the Company earned a revenue of ₹ 702.86 crore in FY 2012-13 compared to ₹ 582.82 crore during the previous year. The Company derived its revenue growth in domestic markets mainly in CS segment which grew by 20% and ITeS segment which grew by 33% during the financial year 2012-13.

Income Category	**Year ended 31 March, 2013**		Year ended 31 March, 2012		**Variation Y-o-Y**
	₹ Crore	**%**	₹ Crore	%	**%**
Equipment	**199.93**	**10.38**	154.13	10.51	29.72
Services	**1,726.16**	**89.62**	1,312.83	89.49	31.48
Total Income from sales and services	**1,926.09**	**100.00**	**1,466.96**	**100.00**	**31.30**
Domestic	**702.86**	**36.49**	582.82	39.73	20.60
International	**1,223.23**	**63.51**	884.14	60.27	38.35
Total Income from sales and services	**1,926.09**	**100.00**	**1,466.96**	**100.00**	**31.30**

1.2 Other Operating revenues:

The details of other operating revenues are as under

Income Category	**Year ended 31 March, 2013 ₹ Crore**	Year ended 31 March, 2012 ₹ Crore	**Variation %**
Liabilities / provisions no longer required written back	**0.53**	1.20	(55.83)
Bad debts recovered	**1.24**	1.18	5.08
Total	**1.77**	2.38	**(25.63)**

2. Expenses:

2.1 Materials:

The cost of material includes costs that are incurred on procurement of equipments for resale and consumption of spares on maintenance and warranty service projects.

Particulars	**Unit**	**Year ended 31 March, 2013**	Year ended 31 March, 2012	**Variation %**
Equipment Resale:				
- Sale of purchased equipment	(₹ crore)	**199.93**	154.12	29.72
- Cost of equipment purchased for resale	(₹ crore)	**186.79**	145.07	28.76
- Cost of equipment as a % of equipment revenue	%	**93.43**	94.13	
Maintenance Services:				
- Revenue from maintenance services	(₹ crore)	**51.41**	56.17	(8.47)
- Cost of spares consumptions	(₹ crore)	**26.06**	25.66	1.56
- Spares consumption as a % of maintenance revenue	%	**50.69**	45.68	

2.2 Employee benefits expenses:

The Company has registered significant growth in revenue from services during 2012-13. The employee costs for the year increased to ₹ 521.64 crore compared to ₹ 440.22 crore during the previous year in line with the increased service business.

Particulars	Unit	Year ended 31 March, 2013	Year ended 31 March, 2012	Variation %
Employee benefit Expenses	₹ crore	**521.64**	440.22	18.50
Revenue from Services	₹ crore	**1,726.16**	1,312.84	31.48
Manpower Costs as % of Revenue from Services	%	**30.22**	33.53	

The increase in employee cost is due to increase in compensations in line with industry standards and engagement of additional technical manpower for international projects contributing to revenue growth. The Company has been able to achieve improvement in people utilization ratio during the year. Consequently the manpower cost as a % of revenue from services decreased to 30% in FY 13 from 34% during FY 12.

2.3 Sub - Contracting and Outsourced cost:

Particulars	Unit	Year ended 31 March, 2013	Year ended 31 March, 2012	Variation %
Sub contract and outsourced services	(₹ crore)	**679.73**	446.11	52.37
Revenue from Services	(₹ crore)	**1,726.16**	1,312.84	31.48
Sub-contracted Costs as % of Revenue from Services	%	**39.38**	33.98	

The sub - contracting and outsourcing cost includes cost of staff hired through vendors. The Company has been using services of various vendors in order to achieve cost efficiencies and also to achieve necessary variability in costs which plays important role in the cost management of the Company.

The sub - contracting costs as a percentage of services revenue has increased to 39% in FY 2012-13 from 34% in FY 2011-12 primarily due to increased project execution through vendor employees to achieve efficiency and variability in cost measures.

The outsourcing cost has mainly increased in providing IT enabled services, Facilities management services and onsite Software Services in the international markets which are main user of sub-contracted services.

2.4 Other Expenses

The other expenses have gone up in line with increase in business during the year. However other expenses as a percentage of income from sales and services decreased to 10% in FY 2012-13 from 13% in FY 2011-12 as a result of cost optimization measures taken by the Company during the year. The details are as tabled below:

Particulars	**Year ended 31 March, 2013 ₹ crore**	Year ended 31 March, 2012 ₹ crore	**Variation %**
Rent and Hire Charges	**28.32**	20.65	37.14
Electricity	**27.18**	15.58	74.45
Repair and maintenance	**13.31**	10.40	27.98
Travel and conveyance	**28.88**	29.34	(1.57)
Communication and postage	**10.88**	10.58	2.84
Printing and Stationery	**6.87**	4.05	69.63
Legal and Professional fees	**14.14**	15.21	(7.03)
Payment to Franchisees and other E&T expenses	**24.12**	22.86	5.51
Living expenses on overseas projects	**13.10**	10.63	23.24
Bad Debts / Provision for doubtful debts	**7.46**	7.89	(5.45)
Loss on forex fluctuations	**(1.73)**	4.51	(138.36)
Others	**24.30**	36.27	(33.00)
Total	**196.83**	187.97	4.72
As a % of income from sales and services	**10.22%**	12.81%	

The reasons of variation in some key expenses are as follows:

- Rent and hire charges increased by 37% due to renewal of old leases at revised rentals and new facilities occupied for execution of new projects during the year. The Company has added 25895 sft area on new leases for execution of projects during the year.
- Electricity expenses increased by 74% due to hike in electricity tariffs in various states and new facilities occupied for execution of projects during the year.
- Repair and maintenance increased by 28% due to maintenance charges mainly for the new facilities added during the year.
- Travel and conveyance decreased despite increase in business due to various cost optimization measures taken during the year.
- Printing and stationery increased by 70% mainly towards execution of new project during the year.
- Living allowances increased in line with increase in international service revenue and increase in visa related fees by authorities during the year.

3. Other Income:

The other income has decreased by 25% to ₹ 13.16 crore compared to ₹ 17.46 crore during the previous financial year. The breakup of other income is as follows:

Particulars	**Year ended 31 March, 2013 ₹ crore**	Year ended 31 March, 2012 ₹ crore	**Variation %**
Dividend / profits from mutual funds	**11.67**	15.87	**(26.47)**
Miscellaneous	**1.49**	1.59	**(6.29)**
Total	**13.16**	17.46	**(24.63)**

The decreased in other income is mainly on account of decrease in income from mutual funds. The mutual funds investments during the year decreased to ₹ 85.33 crores in FY 2012-13 from ₹ 151.58 crore in FY 2011-12 due to funds being utilized for SEZ capital expenditure.

4. Depreciation:

Depreciation increased to ₹ 23.20 crore during FY 2012-13 compared to ₹ 21.37 crore during the FY 2011-12. The depreciation charge during the year mainly increased due to the following reasons:

- Depreciation on SEZ facility has increased by ₹ 1.38 crore due to full year depreciation charge on assets capitalized during FY 2011-12 and fresh capitalization during the year.
- During the year the Company has started treating software as Intangible assets. The Company has recognised amortisation of ₹ 0.20 crore on such intangible assets during the year.
- The Company has amortised ₹ 0.91 crore on lease hold improvements during the year on its new facility occupied during FY 2012-13.
- The Company has changed the method of computing depreciation on computers on month to month basis instead of full year in the year of purchase in the earlier years.The change in method has resulted in decreased depreciation charge by ₹ 0.49 crores during the year.
- The depreciation charge on other fixed assets decreased by ₹ 0.17 crore during the FY 2012-13 primarily on account of end of useful life.

The depreciation as a % of revenue from operations has been at 1.20% during FY 2012-13 compared to 1.46% during FY 2011-12.

5. Interest:

Interest expenses increased from ₹ 0.02 crores to ₹ 0.18 crores. The interest expenses pertain to provision for interest on vendor dues as required under law on Micro small and medium enterprises development act.The Company has remained debt free during the FY 2012-13.

6. Provision for tax:

The tax expenses of the Company increased to ₹ 76.36 crores compared to ₹ 68.59 crore during the previous financial year. The effective tax rate decreased to 25% compared to 31% during the previous financial year. The decrease in effective tax rate is mainly on account of increase in international projects executed from SEZ and rental income from leasing out SEZ premises which are eligible for concessional tax treatment.

E. Financial Position (Consolidated):

Capital Structure

1. Share Capital:

The share capital of the Company stood at ₹ 30.30 crores at the same level as it was as at 31 March 2012. There is no change in share capital.

2. Reserve and Surplus:

The general reserve as at 31 March, 2013 increased to ₹ 75.91 crore compared to ₹ 56.07 crore as at 31 March, 2012 due to the following.

- The Company has transferred ₹ 19.84 crore being 10% of standalone profits after tax for the year to general reserve as stipulated by Companies Act, 1956.

Foreign currency translation reserve increased to ₹ 16.17 crore as at 31 March, 2013 compared to ₹ 10.30 crore as at 31 March, 2012 due to the foreign currency translation gain of ₹ 5.87 crore on net investments and current year profits of foreign subsidiary.

Net worth of the Company as at 31 March, 2013 increased to ₹ 946.26 crore compared to ₹ 772.19 crore at the beginning of the year resulting in an increase of 22.54% during the year mainly on account of retained profits after tax earned during the year.

3. Other long term liabilities:

Other long term liability mainly includes warranty related income received in advance against which services will be rendered after a period of 12 months. The long term liability as at 31 March, 2013 was ₹ 15.01 crore as compared to ₹ 12.15 crore as at 31 March, 2012. The increase in liability is mainly on account of advance and security deposits received on a long term project and provision for lease straight lining classified as long term during the year.

4. Long term provisions:

The long term provisions decreased to ₹ 26.64 crore as at 31 March, 2013 compared to ₹ 27.46 crore as at 31 March, 2012 mainly on account of:

- Reduction due to increase in plan asset to ₹ 6.72 crore in FY 2012-13 compared to ₹ 5.66 crore in FY 2011-12 which is partially offset by increase in liability due to decrease in discount rates used for actuarial valuations by 25 basis points.
- Reduction in post retirement medical benefits to ₹ 3.96 crore as at 31.3.2013 from ₹ 4.13 crore as at 31.3.2012 due to change in medical benefits from Company entitlement scheme to third party insurer.

The latest valuations done for employee benefits was as at 31 March, 2013.

5. Trade Payables:

The trade payables as at 31 March, 2013 was ₹ 291.47 crore compared to ₹ 266.10 crore as at 31 March, 2012. Trade payables during the year mainly increased due to increase in project related procurements during the year.

6. Other current liabilities:

Other current liabilities as at 31 March, 2013 was ₹ 61.94 crore compared to ₹ 49.66 crore as at 31 March, 2012. The other current liabilities mainly increased due to:

(₹ / Crore)

Particulars	Amount
Increase in payable for purchase of fixed assets mainly for SEZ related procurement	15.86
Increase in advance for supplies and others payables	5.09
Decrease in income received in advance	(4.90)
Decrease in statutory due	(0.53)
Decrease in security deposits	(3.24)
Net Increase in other current liabilities	**12.28**

7. Short term provisions:

The short term provisions as at 31 March, 2013 was ₹ 101.33 crore as compared to ₹ 121.70 crore as at 31 March, 2012. The short term provision during the year decreased mainly due to:

- Decrease in provision for taxes by ₹ 41.24 crore mainly on account of completion of assessment pertaining to CMC Limited, for financial year 2000-01, 01-02, 02-03 & 03-04, which is partially offset by increase in current year provisions.
- Increase in provision for compensated absences by ₹ 2.86 crore due to decrease in employee compensation during the year and decrease in discount rate used for actuarial valuation by 25 basis points.
- Increase in dividend on equity shares (including corporate dividend tax) by ₹ 18.02 crore.

8. Tangible assets

The gross block of tangible assets as at 31st March, 2013 was ₹ 484.14 crore (including capital WIP) compared to ₹ 387.65 crore as at the beginning of the year, resulting in an increase of 25% during the year mainly on account of SEZ related capital expenditure of ₹ 71.93 crore.

9. Intangible assets

The Company has started treating perpetual software licenses purchased by the Company for internal uses as intangible assets. The Company amortizes these software over a period of 4 years. The Company has recognized intangible assets of ₹ 1.89 crore during the year.

10. Deferred tax assets (net)

The deferred tax assets decreased to ₹ 7.07 crore as at 31 March, 2013 as compared to ₹ 10.97 crore as at 31 March, 2012. The deferred tax assets mainly decreased due to:

(₹ / Crore)

Particulars	Amount
Increase in deferred tax liabilities on fixed assets.	(4.68)
Decrease in deferred tax assets related to provision for doubtful debts	(2.22)
Increase in deferred tax assets on employee related benefits	1.16
Increase in deferred tax assets on other items	1.84
Net decrease in deferred tax assets	**(3.90)**

11. Long term loans and advances:

Long term loans and advances as at 31 March, 2013 was ₹ 129.94 crore compared to ₹ 140.63 crore as at 31 March, 2012. The decrease in long term loans and advances are mainly on account of:

(₹ / crore)

Particulars	Amount
Decrease in advance tax mainly on account of set off on completion of assessments	(28.07)
Decrease in other long term advances	(2.27)
Decrease in capital advances during the year	(0.91)
MAT Credit entitlement classified as non current	20.56
Net decrease in long term loans and advances	**(10.69)**

12. Other noncurrent assets:

The other noncurrent asset represents unbilled revenue which is scheduled to be billed after a period of 12 months. During the year, the Company assessed that these amounts may be billable only after a period of 12 months and hence classified these transactions as other noncurrent assets.

13. Current Investments

Current Investments decreased to ₹ 85.33 crore as at 31 March, 2013 from ₹ 151.58 crore as at 31 March, 2012. The investments mainly decreased due to utilization of funds for SEZ related capital expenditure. The Company invests its surplus funds generated from operations in low risk debt funds that optimized the return and protected invested principle.

14. Inventory:

Inventory mainly consists of equipment purchased for resale to customers. The inventory as at 31 March, 2013 increased to ₹ 14.31 crores compared to ₹ 13.41 crore as at 31 March, 2012. The increase in inventory is in line with increase in equipment supply projects.

15. Trade Receivables

The Trade receivables as at 31 March, 2013 was ₹ 416.28 crore as compared to ₹ 382.12 crore as at 31 March, 2012. The Days Sales Outstanding (DSO) decreased to 79 days as compared to 95 days during the previous financial year. The following table provides age wise analysis of the Trade Receivables (Net of Provisions for doubtful debts) as on March 31, 2013:

(₹ / crore)

Ageing	**As at 31 March, 2013**	As at 31 March, 2012
Not due	**152.73**	29.08
Due < 30 days	**110.34**	185.15
Due 30 - 60 days	**46.63**	69.61
Due 60 - 90 days	**14.17**	13.17
Due 90 days - 120 days	**14.30**	24.84
Due 120 days - 180 days	**14.07**	15.27
Due > 180 days	**64.04**	45.00
Total	**416.28**	382.12

16. Short term loans and advances:

The short term loans and advances stood at ₹ 50.10 crore as at 31 March, 2013 compared to ₹ 49.63 crore as at 31 March, 2012. The details of movement in short term loans and advances is as follows:

(₹ / crore)

Particulars	**Amount**
Increase in short term advances for supplies and other short term advances	8.76
Increase in indirect tax credits available for set off	3.22
Increase in prepaid expenses	2.85
Decrease in MAT classified as short term in previous year	(10.14)
Decrease in Security deposits	(3.18)
Decrease in employee loans	(1.04)
Net increase in short term loans and advances	**0.47**

17. Other current assets

Other current assets represents unbilled revenue (accrued debtors) which represents the revenues recognized for services rendered / goods supplied but not invoiced till the Balance sheet date as per the customer contracts other than those amounts which are likely to take more than 12 months to bill. Unbilled revenue as at 31 March, 2013 was ₹ 209.41 crore compared to ₹ 150.24 crore as at 31 March, 2012. The level of unbilled revenue has marginally increased from 37 days as at 31 March, 2012 to 40 days as at 31 March, 2013.

Future Outlook

The Company believes that the current trends in IT spend both domestically and in the international market presents unprecedented opportunity for growth. Liberalization and opening up of more infrastructure sectors like roads, airports and sea ports, national e-Governance initiatives and implementation of Mission mode projects, recent policy initiatives to make Indian companies more competitive including new policy on Special Economic Zone, the focus of Indian corporates to benchmark themselves with leading global players in terms of quality of processes and competitiveness, is going to drive an increase in IT spend. The Company is well poised to exploit the emerging opportunities both in India and global market in synergy with TCS.

F. Risks and concerns

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of the line managers so that risks at the transactional level are identified and steps are taken towards mitigation in a decentralised fashion.

The Board of Directors is responsible for monitoring risk levels on various parameters and the Managing Director ensures implementation of mitigation measures. The Audit Committee provides the overall direction on the risk management policies.

(i) Business risks

Excessive dependence on any single business segment increases risks. The Company continuously makes efforts to broadbase and diversify its revenue stream to prevent undesirable concentration in any one vertical technology client or geographic area.

Excessive exposure to a few large clients has the potential to impact profitability and to increase credit risk. However, large clients and high repeat business lead to higher revenue growth and lower marketing cost. Therefore, the Company makes efforts to strike a balance. CMC actively seeks new business opportunities and clients to reduce client concentration levels.

Hardware supply and integration is significant part of our revenue for which the Company depends on OEMs. Any default and delays on the part of OEMs exposes the Company to the risk of not meeting its commitments to the Customer. The Company has been making efforts to negotiate better terms with OEMs. In addition, the Company has reduced its share of such business and is focusing on increasing value added services business.

A high geographical concentration of business could lead to volatility because of political and economic factors in target markets. However, individual markets have distinct characteristics – growth, IT spends, willingness to outsource, costs of penetration, and price points. Cultural issues such as language, work culture and ethics, and acceptance of global talent also come into play. Due to these business considerations, the company has decided not to impose any rigid limits on geographical concentration. Exposure to the inherent risks in a specific geography consists of legal and contractual risks as well as tax related changes. The company has a process of evaluating country risks by taking legal opinion from the legal counsel operating/familiar with the geography.

Proactively looking for business opportunities in new geographies and thereby increasing their contribution to total revenues helps manage this risk.

Vertical domains relate to the industries in which clients operate. CMC has chosen to focus on several selected vertical segments with a view to leverage accumulated domain expertise to deliver enhanced value to its clients.

Being a company exposed to rapid shifts in technology, an undue focus on any particular technology could adversely affect the risk profile of the company. Given the rapid pace of technological change, CMC has chosen not to impose rigid concentration limits. Often, industry characteristics and market dynamics determine the choice of technology.

(ii) Financial risks

The Company is exposed to longer recovery cycles and incidents of defaults by customers due to its involvement in large turnkey projects implementation and Government entities in its customer profile resulting in need to finance higher level of working capital. The Company has been focusing on improved execution and negotiation of better terms with customers and vendors and also tightening the collection follow-up process. These measures have helped Company in significant reduction in collection cycle and working capital, resulting in cash surplus. The Company is confident to have adequate funding to finance its working capital requirements as well as future growth needs.

The volatility in foreign currency rates may impact the profitability of the company to the extent of its exposure to the International business and specific currencies. However the Company has been able to use the internal hedge provided to it due to imports for domestic market and has demonstrated resilience to impact of increased level of volatility over last 2 years. The Company also takes forward covers selectively to protect against movement in foreign currency rates.

(iii) Legal risks

Litigation regarding intellectual property rights, patents and copyrights is significantly high in the software industry. In addition, there are other general corporate legal risks. The management has clearly charted out a review and documentation process for all contracts.

(iv) Internal process risks

The key resource for CMC is its employees. With increased competition from Indian and international IT services companies, there is an increased pressure on salary increases and consequent pressure on margins. As demand of specified skilled IT personnel outpace supplies, the Company faces higher risk of attrition. The company has been focusing on creating a favorable work environment that encourages innovation and meritocracy to improve employee retention and to reduce attrition rate. The Company has also implemented differential pay structure to attract and retain high performers and employees possessing key skills and domain knowledge.

Risk management processes at the operational level are a key requirement for reducing uncertainty in delivering high-quality software solutions to clients within budgeted time and cost. Adoption of quality assurance frameworks has ensured that risks are identified and measures are taken to mitigate these at the project plan stage itself.

The company evaluates technological obsolescence and the associated risks on a continuing basis and makes investments accordingly.

G. Internal control systems and their adequacy

The Company has an adequate system of internal controls implemented by the management towards achieving efficiency in operations, optimum utilisation of resources and effective monitoring thereof and compliance with applicable laws. The system is continuously reinforced with analysis of data to strengthen it to meet the changing requirements.

The system comprises well defined organisation structure, pre-identified authority levels and documented policy guidelines and manuals for delegation of authority.

A qualified and independent Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy of internal controls.

H. Human Resources

The company's innovative human resources management strategies supported its business growth in an increasingly challenging environment. The strategic initiatives to recruit integrate and retain workforce remains central to creating people centric culture in CMC. Your company continues to focus and invest in human resource development to provide an open work culture and rewarding career opportunities to all its employees. CMC has continually adopted structures that help attract best external talent and promote internal key talent to higher roles and responsibilities.

Your Company has undertaken companywide competency management and development programme based on PCMM framework. This has already started showing results as your company was assessed at PCMM Level 3 last year. This achievement has inspired to keep focusing on people processes and aim for PCMM level 5 in due course of time. This will help the company achieve better effectiveness on staff career development, learning and growth.

The company visited all the leading IITs to hire top notch technical talent to be part of its R&D set up. The company also visited other reputed institutions to attract technical campuses.

This year, the company has created offshore HR support for international geographies. This initiative leverages the power of technology to create value to internal customers.

The company continues with the previous year focus of improving per person productivity through improved utilization by managing a good balance between regular and outsourced person power and moving focus from low realization projects to higher realization International projects.

Rewards and recognition programme has been further strengthened to include rewards that promote organizational innovation and culture of excellence across the organization. Unique employee engagement program 'CMC Ki Adalat' was initiated in all the locations to enhance staff engagement and to foster two way communication.

A Learning and development opportunity to each staff member is one of the key Human Resource Development strategies of your company. Apart from comprehensive technical certification program, the company has initiated various computer based and faculty driven learning opportunities across the company.

The company has further strengthened its 'Affirmative Action' program to realize the benefits of employee diversity in the organization. Special initiatives have been launched to promote gender diversity in the company. CMC women workforce now stands at 23% of total workforce.

Key HR processes have been benchmarked and automated to improve productivity and ensuring better control on operations.

Various HR imitative throughout the year resulted in your company winning *'HR Excellence Award'* from Institute of Directors and *'HR Best Practice'* Award from National HRD Network.

The staff strength of the Company as on 31 March, 2013 was 10663 (including employees on contract) as compared to 10775 as on 31 March, 2012.

I. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in Government regulations, tax laws, economic & political developments within and outside the country and such other factors.

PERFORMANCE SUMMARY - CONSOLIDATED

(₹ / Crore)

Particulars	FY 13	FY 12	FY 11	FY 10	FY 09
Income from sales and services	**1926.09**	1466.96	1080.53	870.73	939.83
Other operating revenues	**1.77**	2.38	3.87	5.44	2.51
Revenue from operations	**1927.86**	**1469.34**	**1084.40**	**876.17**	**942.34**
Income from sales & services:					
International revenue	**1223.23**	884.14	597.71	435.32	379.76
Domestic revenue	**702.86**	582.82	482.82	435.41	560.07
Income from sales and services by geographic segment					
India	**790.44**	664.62	555.40	496.26	649.09
USA	**1044.51**	733.54	468.23	329.23	241.41
UK	**42.57**	30.43	24.54	18.16	15.95
Others	**50.34**	38.37	32.36	27.08	33.38
Cost					
Employee cost	**521.64**	440.22	345.13	276.16	262.78
Other operating cost	**1089.41**	804.79	528.56	432.85	550.37
Total cost (excluding interest and depreciation)	**1611.05**	1245.01	873.69	709.01	813.15
Profitability					
EBIDTA (before other income)	**316.81**	224.33	210.71	167.16	129.19
Profit before tax	**306.59**	220.40	211.83	167.45	143.82
Profit after tax	**230.23**	151.81	179.41	143.23	116.15
Capital accounts					
Share capital	**30.30**	30.30	15.15	15.15	15.15
Reserves and surplus	**915.96**	741.89	638.87	495.53	392.14
Gross block	**402.72**	354.27	172.91	171.42	162.25
Current investments	**85.33**	151.58	226.17	195.32	119.88
Earnings per share in ₹					
EPS – as reported*	**75.98**	50.10	59.21	47.27	38.33

Notes:
Previous year figures have been regrouped/reclassified where necessary.
*EPS for all previous years has been adjusted for impact of bonus issue in FY 12.

RATIO ANALYSIS - CONSOLIDATED

	Unit	FY 13	FY 12	FY 11	FY 10	FY 09
Ratios - Financial Performance						
International Revenue/ Income from sales and services	%	**63.51**	60.27	55.32	49.99	40.41
Domestic Revenue/ Income from sales and services	%	**36.49**	39.73	44.68	50.01	59.59
Equipment Revenue/ Income from sales and services	%	**10.38**	10.51	9.51	11.83	24.71
Services Revenue/ Income from sales and services	%	**89.62**	89.49	90.49	88.17	75.29
Employee Cost / Income from sales and services	%	**27.08**	30.01	31.94	31.72	27.96
Other Operating Cost / Income from sales and services	%	**56.57**	54.86	48.92	49.71	58.56
Total Cost/ Income from sales and services	%	**83.65**	84.87	80.86	81.43	86.52
EBIDTA(before other income)/ Income from sales and services	%	**16.44**	15.29	19.50	19.20	13.75
Profit before tax/ Income from sales and services	%	**15.92**	15.02	19.60	19.23	15.30
Tax/ Income from sales and services	%	**3.96**	4.68	3.00	2.78	2.94
Effective Tax Rate-Tax/PBT	%	**24.91**	31.12	15.30	14.47	19.24
Profit after tax/ Income from sales and services	%	**11.95**	10.35	16.60	16.45	12.36
Ratios-Growth						
International Sales and services	%	**38.59**	47.92	37.30	14.63	0.88
Total Income from sales and services	%	**31.30**	35.76	24.10	(7.35)	(11.73)
EBIDTA(before other Income)	%	**41.22**	6.46	27.89	27.65	6.41
Profit after tax	%	**51.66**	(15.38)	25.26	23.31	25.79
Ratios-Balance Sheet						
Debt-Equity Ratio	Nos.	**0.00**	0.00	0.00	0.03	0.12
Days Sales Outstanding Days-Debtors	Days	**79**	95	85	86	100
Days Sales Outstanding Days-Accrued Debtors	Days	**40**	37	42	44	35
Invested Funds/total sales and services	%	**4.40**	10.33	20.93	22.43	12.76
Ratios-Per Share						
Earnings Per Share*		**75.98**	50.10	59.21	47.27	38.33
Price Earnings Ratio, end of year	Nos.	**17.66**	19.86	17.60	14.63	4.21
Dividend Per Share	₹	**17.50****	12.50**	20.00	20.00	15.00
Dividend Payout (including CDT)/PAT	%	**26.95**	29.00	19.63	24.75	25.18
Market Capitalization as at 31 March	Crs.	**4065.50**	3014.24	3150.52	2030.10	484.72

Notes:

* EPS for all previous years has been adjusted for impact of bonus issue in FY 12.

** On enhanced share capital after bonus issue in the ratio of 1:1 issued during FY 12.

CORPORATE GOVERNANCE REPORT

1. Company's practice on Corporate Governance

Good Corporate governance is about enhancing value for all stakeholders with strong emphasis on transparency, accountability, ethics, integrity, equity, fairness and commitment to values. CMC is committed to adopting global best practices in corporate governance and disclosure. Good Corporate Governance is intrinsic to the management of Company affairs. The values and principles set the context to manage our Company affairs in a fair and transparent manner. As a responsible corporation these values set the framework to maintain accountability in all our affairs and employ democratic and open process. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. Over the years, the governance processes and systems have therefore been strengthened in CMC.

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. In its pursuit of excellence in corporate governance, Company has adopted the Tata Code of Conduct, Tata Business Excellence Model, Tata Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices, Whistle Blower Policy and exclusive Code of Conduct for Non-Executive Directors. The Company has put in place an Information Security Policy that ensures proper utilization of IT resources.

Your Company has been recognised by the Institute of Company Secretaries of India (ICSI) as one of the top 7 companies in the country for consistently fostering excellent Corporate Governance Practices across the organization. The Company was conferred with "Certificate of Recognition" for the third consecutive year at the award ceremony of 12^{th} ICSI National Award for Excellence in Corporate Governance - 2012.

1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation and budgets. In addition, the Board reviews the business plans of SBUs. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee, rotation of audit partners and conduct of Secretarial Audit on quarterly basis, Secretarial Standards recommended by ICSI are receiving constant attention of the Board.

1.2 Corporate Social Responsibility (CSR)

Corporate Social Responsibility forms an integral part of the Company's business activities. Societal well being and benefit enjoys a strategic and operational level focus as a key measurement index in the Balance Score Card (BSC) at all levels. Company has a core committee for CSR to spearhead our efforts to integrate Corporate Sustainability concerns into the company's values, culture, operations and business decisions, at all levels of the organisation. The Company has constituted a voluntary body called `**Maitree**' which functions towards well being of the society and has organized blood donation camps, cataract operations and dental check up for the underprivileged, extended treatment care and financial assistance to poor children etc. on regular basis.

The Company provides safe and healthy working environment to its employees and a safety policy in this regard has been put in place.

Your Company pro-actively identifies the issues such as information security and climate change and addresses them. The Company has launched a C-Green program to focus and promote climate change consciousness. Senior Management ensures effective deployment of the plans through training & certifications on C-Green, C-Green Audits and annual mapping of carbon footprint. The Company has developed expertise in Green IT approaches in its endeavor to help its customers and other stakeholders to minimize power consumption and carbon footprint. In its own operations, CMC has initiated actions to minimize power consumption, waste reduction, water conservation and environmental friendly disposal of e-waste. CMC's IT solutions for Green offerings are Document Management System, Vehicle Tracking System, Freight Management Solutions and Green ERP etc. The Company is also carrying out the eco awareness campaign across the organization. Use of facilities such as teleconferencing, Webex, Video Conferencing is being encouraged to minimize travel. To specifically address emerging climate change needs, CMC is taking a leadership role in Green IT propagation.

1.3 Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities. All the Directors of the Company have access to the services of the Company Secretary.

1.4 Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board and the broad guidelines issued by the Tata Group Counsel to all Tata Group Companies, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Governance Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.

1.5 Term of Board Membership

As per the provisions of the Companies Act, 1956, one third of Board Members (other than Executive Director) retire every year. Managing Director and CEO is appointed by the shareholders for a period of three years, at a time, but is eligible for re-appointment. The Board on the recommendations of the Governance Committee considers the appointment/ re-appointment of Executive and Non-Executive Directors. The Company has adopted the Tata Group guidelines on appointment of Directors and tenure of nine years is considered as a threshold for granting further extension to Non Executive Directors.

1.6 Training of Directors

The Non-Executive Board members of CMC are eminent personalities having wide experience in the field of Business, Finance, Education, Industry, Commerce and Administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The new Directors are appointed as per the Guidelines of Tata Group, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual reports and internal policies available at our website www.cmcltd.com to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

1.7 Mechanism for evaluating Non-Executive Board Members

The Governance Committee evaluates the performance of Non-Executive Directors and recommends Commission payable to them based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance.

1.8 Recording of Minutes of proceedings at Board and Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. Draft Minutes are circulated to all the members of the Board / Committee for their comments.

1.9 Follow-up mechanism

The guidelines for the Board/Committee meetings provide for an effective post-meeting follow-up, review and reporting process for the action taken on decisions/directions of the Board and Committees. As per the Board's decision, the Company Secretary intimates the Action Points arising from deliberation during the meeting to the SBU Head who updates MD & CEO's office/Company Secretariat on the areas of their responsibilities for closing the Action Taken Report points (ATR). Company Secretary prepares the update on items and submits the report on quarterly basis to the Board/Committee and also brief them on the status.

1.10 Compliance

The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to the applicable laws and regulations including the Companies Act, 1956 read with the Rules and Regulations issued there under, Listing Agreement with the Stock Exchanges, SEBI rules & regulations and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

1.11 Succession Planning

The Governance Committee works with the Board to plan for orderly succession of leadership within the Board and the Company to maintain contingency plans for succession in case of any exigencies.

During the year under review, due to timely identification and recommendation of Governance Committee, the Company has inducted two new Independent Directors on retirement/cessation of two Independent Directors without any time gap in between.

1.12 Shareholders Satisfaction Survey

During the year under review, the Company has carried out Shareholders Satisfaction Survey through electronic/physical mode on various matters relating to investor services and was rated `VERY GOOD'. The feedback received from the Shareholders was placed before the Shareholders/Investors Grievance Committee.

We are constantly in the process of enhancing our service levels to further improve the satisfaction levels based on the feedback received from our shareholders. We would welcome any suggestions from your end to improve our services.

1.13 Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the guidelines received from the Tata Group as adopted by the Company, a Securities Dealing Code `Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the Designated Employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company shares. The aforesaid Code is available at the website of the Company www.cmcltd.com.

1.14.Whistle Blower Policy

Your Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the employees to report their concerns directly to the Ethics Counselor/Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the `Whistle Blower Policy' uploaded at the website of the Company.

1.15 Internal Control Systems

CMC has both external and internal audit systems in place. Auditors have access to the records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever required. The Board recognizes the work of the auditors as an independent check on the information with respect to the operations and performance of the Company.

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations;
- Adequacy of safeguards for assets;
- Reliability of financial controls; and
- Compliance with applicable laws and regulations

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of the employees and an organization structure that segregates responsibilities.

The Company uses a state-of-the-art ERP System to record data for accounting and management information purposes and connects to different locations across the organization for efficient exchange of information. The Company has also appointed M/s Ernst and Young Private Limited as Internal Auditors to oversee and carry out internal audit of the Company's activities. The audit is based on the internal audit plan, which is reviewed every year in consultation with Statutory Auditors (M/s Deloitte Haskins & Sells) and the Audit Committee. The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of Company's operations viz., software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes in the Company. Safeguarding of assets and their protection against unauthorized use are also a part of these exercises.

The Company has an Audit Committee, the details of which have been provided in Para 3.1 of the Report. The Audit Committee reviews the reports submitted by the Internal Auditors and follows up to ensure the implementation of corrective actions. The Committee also meets the Statutory Auditors to ascertain, inter-alia, their views on the adequacy of control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

1.16 Best Governance Practices :

CMC believes in adopting the best governance practices prevalent in the industry. Some of the best practices followed in the company are as under:

- All securities related filings with stock exchanges and SEBI are reviewed every quarter by the Shareholders/Investors Grievance Committee of Directors of the Company.
- The Company has policies and procedures in place for corporate communication and disclosures.
- Company is having an independent Board Committee for nomination of Board members.
- The Company undergoes internal audit conducted by independent auditors, M/s Ernst & Young.
- The Company also undergoes Secretarial Audit on quarterly basis conducted by an independent company secretary in whole-time practice.
- The Company has implemented Secretarial Standards SS1 on Board Meetings and SS2 on General Meetings recommended by ICSI. A certificate obtained from the practicing company secretary is published elsewhere in the Annual Report.
- All the employees take online Ethics pledge as a commitment to adhere to the principles of Tata Code of Conduct. New joinees sign a declaration to comply with Code as a part of joining process.
- To reinforce and re-emphasize ethical compliance in our activities, we organized 'Ethics Awareness Week' starting 27-Aug-12 till 31-Aug-12. Several activities aimed at creating awareness around business ethics were organised viz. regular staff take online pledge to comply with Tata Code of Conduct (TCoC), Online Ethics Quiz, Ethics Tagging, Role Play on ethical issues, Movie emphasizing on professional ethics, TCoC sessions etc.
- The Company identified and inducted two Independent Directors without any time gap on cessation of two Senior Independent Directors.
- The Company in line with MCA circular sends communication to its Shareholders/Directors using electronic mode and uses Video Conferencing facilities to facilitate Directors to have effective discussions as may be required.
- Company carried out Customer, Vendor, Shareholders and Employees Satisfaction Survey to assess the satisfaction level of our stakeholders to be able to take corrective measures, if required.
- To ensure 100% participation of our Directors in our Board and Committee meetings a calendar of meetings is finalised and circulated in the beginning of the year.
- The Company has Work and Environment (including Sexual Harassment Policy) Policy, Affirmative Action Policy and Diversity and Inclusion Policy to ensure equal treatment to all the employees in the Company.

1.17 Corporate Identity Number (`CIN')

Our Corporate Identity Number as allotted by Ministry of Corporate Affairs is L72200AP1975PLC001970 and our Company is registered in the state of Andhra Pradesh.

1.18 Board Membership Criteria

The Governance Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. The Company has adopted Tata Group Guidelines on selection criteria of Board members. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director.

2. Board of Directors

The Company has a high profiled Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. Directors are provided with well structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting. To enable the Board to discharge its responsibilities effectively, presentations are given on key issues. Moreover, the Board and its committee meetings schedule is circulated to the Board Members in the beginning of the financial year.

During the year, information as mentioned in Annexure-IA to Clause 49 of the Listing Agreement has been placed before the Board for its consideration from time to time as and when required. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, new investments, compliance with statutory/regulatory requirements and major accounting provisions are considered by the Board.

Minutes of the Board Meetings/Committee Meetings are circulated to the Directors and confirmed at the subsequent meetings.

(A) Composition of Board

The present Board consists of one Executive Director and six Non-Executive Directors. The Company has an appropriate size of the Board for strategic discussions and avails benefit of diverse experience and viewpoints. In order to promote gender diversity, **CMC has a woman director on the Board.**

All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

The Company has a Non-Executive Chairman. The Company has four Independent Directors which is 57% of the total strength of Directors, meeting the requirement relating to the composition of the Board.

(B) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee as well as commission within the limits prescribed under the Companies Act, 1956. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees and commission to them during the year 2012-13.

(C) Other provisions as to Board and Committees

During the year under review the Board was reconstituted on retirement of Dr KRS Murthy on June 27, 2012 and Mr Surendra Singh on July 11, 2012. Presently, the Board comprises of Mr S Ramadorai as Non-executive Non-Independent Chairman, Mr R. Ramanan as Managing Director & CEO and Mr S Mahalingam as Non Independent and Non Executive Director. Ms Kalpana Morparia, Mr Sudhakar Rao, Prof M S Ananth and Mr Ashok Sinha are Independent Directors.

During the year 2012-13, 05 meetings of the Board of Directors were held on April 18, July 11, October 15 in 2012 and on January 11, March 07 in 2013. The maximum time gap between any two consecutive meetings did not exceed four months.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on June 27, 2012, with particulars of their Directorships and Chairman / Membership of Board Committees of other companies showing the position as on March 31, 2013 are given below:

Name	Category	Attendance at		No. of Outside Directorships	No. of Committees and Positions held in Companies	
		Board Meetings	Last AGM		Member	Chairman
Mr S Ramadorai (Chairman)	Non-Independent	5	Yes	13	7	1
Mr R Ramanan (MD & CEO)	Executive	5	Yes	1	1	-
Dr KRS Murthy (till 27.06.2012)	Independent	1	Yes	N.A.	N.A.	N.A.
Mr Surendra Singh (till 11.07.2012)	Independent	2	Yes	N.A.	N.A.	N.A.
Ms Kalpana Morparia	Independent	5	Yes	2	1	1
Mr S Mahalingam	Non-Independent	5	Yes	1	2	1
Mr Sudhakar Rao	Independent	5	Yes	5	4	2
Prof M S Ananth (w.e.f. 27.06.2012)	Independent	3	N.A.	2	1	-
Mr Ashok Sinha (w.e.f. 11.07.2012)	Independent	4	N.A.	2	2	1

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 of public limited companies.

Particulars of the Non-Executive Directors retiring by rotation and eligible for re-appointment have been given in the attachment to the Notice and their profile is also appearing elsewhere in the Report.

The Company has received declarations of independence as prescribed in Clause 49.1.A (iii) of the Listing Agreement from Independent Directors. All requisite declarations have been placed before the Board.

No Director of the Company is related to any other Director of the Company.

(D) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - www.cmcltd.com.

(ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2013. The Annual Report of the Company contains a Certificate by the Managing Director & CEO in terms of Clause 49 of the listing agreement. The declarations affirming compliance to the Code from Directors and Senior Management helps maintain a high standard of ethical business conduct for the Company. In terms of Code of Conduct, Directors and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its members and stakeholders. Further Directors and Senior Management should ensure that they do not derive any undue personal benefit because of their position in the Company and/ or certain confidential information coming into their knowledge.

3. Board Committees

3.1 Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with the provisions of Section 292A of the Companies Act, 1956 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

(i) The Audit Committee presently consists of the three Non-Executive Directors, out of which two are Independent Directors.

(ii) All members of the Committee are financially literate and having the requisite financial management expertise.

(iii) The Chairman of the Audit Committee is an Independent Director.

(iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on June 27, 2012.

(B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

i) Review of the quarterly/annual financial results with the management and the statutory auditors.

ii) Review with the management, statutory auditors and the internal auditors about the nature and scope of audit and of the adequacy of internal control systems.

iii) Consideration of the reports of the internal auditors and the discussion about their findings with the management and suggesting corrective actions, wherever necessary.

iv) Authority to investigate into any matter covered by Section 292A of the Companies Act, 1956.

v) Reviewing the company's risk and its mitigation plan.

vi) Review of the financial reporting process and disclosure of financial information.

vii) Recommending the appointment of Statutory and Internal Auditors, fixation of audit fee and approval for payment for any other services.

viii) Reviewing major accounting policies and practices and adoption of applicable Accounting Standards.

ix) Reviewing the findings of any internal investigations by the Internal Auditors and reporting the matters to the Board.

x) Reviewing the compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions.

xi) Disclosure of Contingent liabilities.

xii) Review the independence of Auditors.

xiii) Ensure that adequate safeguards have been taken for legal compliance both for the Company and its other foreign Subsidiaries.

xiv) Reviewing compliance with respect to the Company's Whistle Blower Policy.

(C) Composition, names of Members and Chairperson, its meetings and attendance:

During the year Audit Committee was re-constituted on June 27, 2012 and further reconstituted on July 11, 2012 and present composition of the Committee is Mr Sudhakar Rao, Chairman and Mr Ashok Sinha and Mr S Mahalingam as members of the Committee. During the year, 7 Audit Committee meetings were held on April 18, June 27, July 11, September 18, October 15 in 2012 and on January 11, March 07 in 2013.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

Name of member	Category	Meetings held during the tenure of Director	Meetings attended
Dr KRS Murthy (till 27.06.2012)	Independent	2	2
Mr Surendra Singh (till 11.07.2012)	Independent	3	3
Mr Sudhakar Rao	Independent	7	7
Mr S Mahalingam (w.e.f. 27.06.2012)	Non-Independent	5	5
Mr Ashok Sinha (w.e.f. 11.07.2012)	Independent	4	4

The Committee meetings are attended by invitation by the Managing Director & CEO, CFO, the representatives of Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

Internal and statutory auditors of the Company submit their audit findings along with their views directly to the Audit Committee. Separate meetings are held with the internal auditors to focus on competence issues and to conduct detailed reviews of the processes and internal controls in the Company.

3.2 Governance Committee

(A) Constitution

The Governance Committee comprises of Ms Kalpana Morparia as the Chairperson of the Committee and Mr S Ramadorai, Mr S Mahalingam, Mr Sudhakar Rao and Prof M S Ananth as Members of the Committee. Remuneration Committee and Nomination Committee were clubbed to form Governance Committee.

(B) Terms of reference

Terms of reference of the Governance Committee include:

1. To consider all payments to Directors and Senior Executives one level below the Board.
2. Making recommendations regarding the composition of the Board.
3. To identify the Independent Directors and to refresh the composition of Board from time to time.

(C) Meetings and attendance during the year:

During the year, 3 Governance Committee meetings were held on April 18, June 27 and July 11 in 2012.

During the year Governance Committee was reconstituted on July 11, 2012 on cessation of directorships of two Independent Directors, Dr KRS Murthy and Mr Surendra Singh and the present composition of the Governance Committee and number of meetings attended by the Members during the year are given below:

Name of member	Category	Meetings held during the tenure	Number of Meetings attended
Dr KRS Murthy (till 27.06.2012)	Independent	2	2
Ms Kalpana Morparia	Independent	3	3
Mr S Ramadorai	Non-Independent	3	2
Mr Surendra Singh (till 11.07.2012)	Independent	3	3
Mr S Mahalingam	Non-Independent	3	3
Prof M S Ananth (w.e.f. 11.07.2012)	Independent	-	-
Mr Sudhakar Rao (w.e.f. 11.07.2012)	Independent	-	-

(D) Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company has in place Performance Focused Management System which aims at focusing and aligning the performance of the individual employees to the organizational objectives. The system involves a comprehensive process which includes different stages like goal setting exercise, performance review ratings and rewards. It ensures that all employees know what is expected of them in their job and are able to measure their performance. Learning & Development Department takes care of honing the skill of the employees.

The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and 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, Superannuation benefits and allowances to its Managing Director & CEO. Annual increments consist of fixed and variable pay recommended by the Governance Committee within the salary scale approved by the Members and is effective April 01 of every year. Variable pay is payable on the performance of the company and the individual performance. The Governance Committee recommends to the Board, the commission payable to the Non-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 each Non-Executive Director.

(E) Remuneration to Managing Director & CEO

(a) The remuneration of the Managing Director & CEO is recommended by the Governance Committee to the Board of Directors based on criteria such as industry Benchmarks, the Company's performance vis-à-vis the industry, performance track record of the Managing Director & CEO.

(b) Mr R Ramanan is the Managing Director & Chief Executive Officer of the Company. The salary, benefits and perquisites paid to Mr R Ramanan, Managing Director & CEO during the year 2012-13 were ₹ 126.65 Lacs.

Details of Remuneration to MD & CEO

Salary (₹ / Lacs)	101.08
Allowances and Perquisites (₹ / Lacs)	19.12
Contribution to Retiral funds (₹ / Lacs)	6.45
Stock options	NIL
Number of Shares held	NIL
Service Contracts	13.12.2009 - 31.4.2013*
Notice period	6 Months

*Service contract has been further extended for 3 years (from 1.5.2013 to 30.4.2016) by the Board of Directors at its meeting held on 15.4.2013 subject to the approval of members at the ensuing Annual General Meeting.

(F) Remuneration to Non-Executive Directors

(a) The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings. A sitting fee of ₹20,000 for attending each meeting of the Board, Audit and Governance Committee and ₹10,000 for attending each of the Shareholders/Investors Grievance, Executive and Ethics & Compliance Committee Meetings was paid to the Non-Executive Directors during the year under review.

The Non-Executive Directors are also considered for payment of commission up to 1% of the net profit of the Company. The Board considered the performance of the Non-Executive Directors based on their attendance and contribution at the Board and Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Payment of sitting fee and Commission to the Non-Executive Directors for the year ended March 31, 2013 are as under:

Name of Director	Sitting Fee (₹ / Lacs)	Commission (₹ / Lacs)
Mr S. Ramadorai	1.60	21
Dr KRS Murthy	1.10	6
Mr Surendra Singh	1.80	5
Ms Kalpana Morparia	1.80	9
Mr S Mahalingam	3.00	6
Mr Sudhakar Rao	2.60	14
Prof M S Ananth (w.e.f. 27.06.2012)	0.80	5
Mr Ashok Sinha (w.e.f. 11.07.2012)	1.80	9

Notes:

(i) The Non-Executive Directors have disclosed that they do not hold any shares in the Company.

(ii) There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.3 Shareholders/Investors Grievance Committee

(A) Composition, names of Members and Chairman, its meetings and attendance

During the year Shareholders/Investors Grievance Committee was reconstituted on cessation of directorships of two senior Independent Directors, Mr Surendra Singh and Dr. K R S Murthy, members of the Committee. The Board has reconstituted a Shareholders/Investors Grievance Committee with Mr Sudhakar Rao as Chairman of the Committee with Mr R Ramanan and Mr S Mahalingam as members of the Committee. The Committee is set up to oversee the performance of the Registrars and Share Transfer Agents with respect to redressal of Shareholders grievances etc. The said Committee would also recommend measures for overall improvement of the quality of Investor services.

The process of share transfer as well as review of redressal of investors/shareholders grievances is undertaken on fortnightly basis by the Registrar and Share Transfer Agents and the Compliance Officer. However, the matters related to issue of fresh Share Certificates are dealt with by the Shareholders/Investors Grievance Committee.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities once in a fortnight in accordance with Clause 49(IV)(G) and the RTA has convened 23 concall meetings with the Compliance Officer during the year under review for the purpose.

During the year, 04 meetings of the Shareholders/Investors Grievance Committee were held on April 18, July 11 and October 15 in 2012 and on January 11 in 2013.

The composition of the Shareholders/Investors Grievance Committee and number of meetings attended by the Members during the year are given below:

Name of member	Category	Meetings held during the tenure	Number of Meetings attended
Mr Surendra Singh (till 11.07.2012)	Independent	2	2
Mr Sudhakar Rao (w.e.f. 11.07.2012)	Independent	2	2
Mr S Mahalingam (w.e.f. 11.07.2012)	Non-Independent	2	2
Dr KRS Murthy (till 27.06.2012)	Independent	1	1
Mr R Ramanan	Executive	4	4

(B) Name and Designation of the Compliance Officer

Mr Vivek Agarwal, Company Secretary, is the Compliance Officer and can be contacted at:

CMC Limited
PTI Building, 5th Floor
4, Sansad Marg
New Delhi-110001

Tel : 91-11-2373 6151
Fax : 91-11-2373 6159
E-mail: vivek.agarwal@cmcltd.com

In addition to the above e-mail of the Compliance Officer, the Investors/Shareholders can also lodge their complaints, if any, at investor.relations@cmcltd.com. A link has been provided to the Shareholders to register their grievances to company's website www.cmcltd.com.

The Company Secretary has been designated as Compliance Officer of the Committee in line with the requirement of Listing Agreement with the Sock Exchanges.

(C) Number of complaints received and redressed during the year 2012-13

Opening Balance	Received during the year 2012-13	Resolved during the year 2012-13	Closing Balance
0	12	12	0

As required under Clause 47(c) of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

(D) Suspense Account for the unclaimed shares

Pursuant to Clause 5A of the Listing Agreement, the requisite information as per aforesaid Clause is given below:

No. of Shareholders as on 01.04.2012	Opening Balance of Shares Suspense Account As on 01.04.2012	Unclaimed shares in physical form dematerialised (returned undelivered) credited during the year	Requests received during the year	Shares transferred during the year	No. of Shareholders as on 31.03.2013	Closing Balance of Shares in Suspense Account as on 31.03.2013
21	334	804	0	0	27	1138

* The voting rights on these shares shall remain frozen till the rightful owner claim such shares.

E. Transfer of Unclaimed Dividend to IEPF

Pursuant to provisions of Section 205A(5) of the Companies Act, 1956 an amount of ₹ 1,86,758 was transferred to Investors Education and Protection Fund (IEPF).

F. Unclaimed Dividend

The details of the shareholders who have not claimed their dividend till date is made available at the website of the Company www.cmcltd.com and reminders in this respect have also been sent to the Shareholders to enable them to claim the dividend before the amount is transferred to IEPF for the year 2005-06.

G. C-Green initiative

Company has sent Annual Reports, dividend intimations and credit of shares through electronic mode to those Shareholders who have registered their email ids with RTA. Physical intimations were sent to those Shareholders whose email addresses were not available and for the bounced email cases.

H. Web Based Query Redressal System

The members may utilize the facility provided by Registrar and Transfer Agent for redressal of their queries. Please visit http://karisma.karvy.com and click on "INVESTORS" option for query registration through free identity registration process. Investors can submit their query in the `QUERIES' option provided on the above website, which would give the grievance registration number. For accessing the status / response to your query, the same number can be used at the option "VIEW REPLY" after 24 hours. The investor can continue to put an additional query relating to the case till they get satisfactory reply.

3.4 Executive Committee

(A) Composition of Executive Committee and terms of reference, its meetings and attendance:

During the year under review Executive Committee was reconstituted on July 11, 2012 on cessation of two Independent Directors, Dr KRS Murthy and Mr Surendra Singh who were members of the Committee. The Executive Committee comprises of Mr S Ramadorai as Chairman and Mr R Ramanan, Ms Kalpana Morparia, Prof M S Ananth and Mr S Mahalingam as members of the Committee.

(B) Terms and reference of the Executive Committee:

- Long term financial projections and cash flows;
- Capital and Revenue Budgets and Capital Expenditure Programs;
- Acquisitions, divestment and business restructuring proposals;
- Senior management succession planning.

During the year, Executive Committee meetings were held on December 19, 2012 and March 07, 2013.

The composition of the Executive Committee and number of meetings attended by the members are given below:

Name of member	Category	Meetings held during the tenure	Number of Meetings attended
Mr S Ramadorai	Non-Independent	2	2
Mr R Ramanan	Executive	2	2
Dr KRS Murthy (till 27.06.2012)	Independent	-	-
Mr Surendra Singh (till 11.07.2012)	Independent	-	-
Ms Kalpana Morparia	Independent	2	2
Mr S Mahalingam	Non-Independent	2	2
Prof M S Ananth (w.e.f. 27.06.2012)	Independent	2	2

3.5 Ethics & Compliance Committee

(A) In terms of the Company's Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (Insider Trading Code) to be followed by Directors, Officers and other employees, the Company has constituted a Committee called Ethics and Compliance Committee. The Committee considers matters relating to the Insider Trading Code and also considers matters relating to the Company's Code of Conduct.

(B) Terms and reference of the Ethics & Compliance Committee:

(i) Set forth the policies relating to and oversee the implementation of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

(ii) Take on record the status reports prepared by the compliance officer dealing in securities by the specified persons on monthly basis.

(iii) To decide penal action in respect of violation of the SEBI Regulations/code by any specified person.

(iv) To review the implementation of MBE (Management of Business Ethics) plan in the Company

(C) Composition of the Ethics & Compliance Committee, its meetings and attendance

During the year, the Ethics & Compliance Committee was reconstituted on July 11, 2012 with Mr Ashok Sinha as the Chairman of the Committee and Mr R Ramanan and Mr Vivek Agarwal as the members of the Committee. Mr J K Gupta is the Compliance Officer.

During the year, 02 meeting of the Ethics & Compliance Committee were held on September 18, 2012 and March 07, 2013.

The composition of the Ethics & Compliance Committee and number of meetings attended by the Members during the year are given below:

Name of member	Category	Meetings held during the tenure	Number of Meetings attended
Mr Surendra Singh (till 11.07.2012)	Independent	-	-
Mr Ashok Sinha (w.e.f. July 11, 2012)	Independent	2	2
Mr R Ramanan	Executive	2	2
Mr Vivek Agarwal	Company Secretary	2	2

4. Subsidiary Company

(i) The Company does not have any Indian Subsidiary Company.

(ii) The financial statements of the unlisted foreign Subsidiary Companies are being placed before the Board.

5. Disclosures

(A) Basis of related party transactions

(i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

(ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.

(iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

(iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

(B) Disclosure of Accounting Treatment

During the year, there has been no change in Accounting Standard.

(C) Board Disclosures - Risk Management

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

The Company did not have any of the above issues during the year under review.

(E) Whistle Blower Policy

The Company is maintaining Whistle Blower Policy in the Company and no personnel has been denied access to the Audit Committee.

(F) Secretarial Audit Report

The Company has obtained Secretarial Audit Report on quarterly/Annual basis from the Company Secretary in practice for compliance with the applicable provisions of the Companies Act, 1956, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed elsewhere.

(G) Secretarial Standards

The Company during the year under review as a Good corporate governance practice has undertaken Secretarial Standards Audit of Secretarial records and procedures followed by the Company in compliance with Secretarial Standards on Annual General meeting and Board Meeting issued by Institute of Company Secretaries of India. The Secretarial Standards Report is published elsewhere forming a part of this Report.

(H) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

(I) Shareholders

(i) The quarterly results and presentations made by the Company to analysts are put on the Company's website www.cmcltd.com under the Disclosure Requirements Section.

(ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depositary Participant.

(iii) Mr Ashok Sinha and Prof M S Ananth have been appointed during the year under review as Independent Directors and hold office till the ensuing Annual General Meeting and are eligible for appointment as Directors of the Company.

(iv) Mr S Ramadorai and Ms Kalpana Morparia are retiring by rotation at the ensuing Annual General Meeting. Mr S Ramadorai and Ms Kalpana Morparia being eligible, offer themselves for re-appointment as Non-Executive Directors.

(v) The Board of Directors at its meeting held on 15 April, 2013 has pursuant to the recommendation of the Governance Committee and subject to the approval of the Members, re-appointed Mr R. Ramanan as Managing Director & CEO for a further term of 3 years effective 1 May, 2013 to 30 April, 2016.

(v) Brief profiles of Directors seeking re-appointment/appointment are as under:

A. Mr S Ramadorai

Mr S Ramadorai was appointed as Non-Executive Chairman of the Company w.e.f. 16 October, 2001. In February 2011, Mr Ramadorai stepped into public service when the Indian Government appointed him as the Adviser to the Prime Minister in the National Council on Skill Development, in the rank of a Cabinet Minister. The Council, which is headed by the Prime Minister, seeks to develop a strategy for Skill Development at the National level with a view to address the skill deficit.

Mr Ramadorai continues as the Vice - Chairman of Tata Consultancy Services Limited (TCS) a company he has been associated with, for the past 41 years. He took over as CEO of TCS in 1996 when the company's revenues were at $155*mn* and has since then led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he stepped down as CEO, leaving a $6*bn* global IT services company to his successor, while he took over the mantle of Vice Chairmanship of the company. Today, the company's revenues stand at US $11.06*bn* for year ended 31 March, 2013, with an employee base of over 276,000 of the world's best trained IT consultants in 44 countries.

Mr Ramadorai is also the Chairman of other Tata companies - Tata Elxsi Ltd, Tata Technologies Ltd and CMC Ltd. He is on the Boards of a number of non Tata companies and educational institutions - Hindustan Unilever Limited, BSE Limited and the MIT Sloan School of Management (EMSAB).

In recognition of Mr Ramadorai's commitment and dedication to the IT industry he was awarded the Padma Bhushan (India's third highest civilian honour) in January 2006. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations.

His academic credentials include a Bachelors degree in Physics from Delhi University (India), a Bachelor of Engineering degree in Electronics and Telecommunications from the Indian Institute of Science, Bangalore (India) and a Masters degree in Computer Science from the University of California - UCLA (USA). In 1993, Mr Ramadorai attended the Sloan School of Management's highly acclaimed Senior Executive Development Program.

Mr Ramadorai is a well recognized global leader and technocrat who has participated in the Indian IT journey from a mere idea in 1960's to a mature industry today. Mr Ramadorai captured this exciting journey in a wonderfully personalized book titled 'The TCS Story...and beyond' which was published in 2011 and remained on top of the charts for several months.

B. Ms Kalpana Morparia

Ms Kalpana Morparia was appointed on the Board of CMC Limited on March 11, 2008. She is the Chief Executive Officer of J P Morgan, India and leads the business group (Corporate and Investment banking, asset management and principal investment management) and service groups (global research, finance, technology and operations) in India. Ms. Morparia is also a member of J P Morgan Asia Pacific Executive Committee.

Prior to becoming CEO of J P Morgan India, she served as Vice Chairperson on the Boards of the ICICI group. She was Joint Managing Director of the ICICI Group from 2001 to 2007. She had been with the ICICI group since 1975, India's second largest bank and with leadership positions in banking, insurance, asset management and private equity.

A graduate in science and law from Bombay University, Ms Morparia has served on several committees constituted by the Government of India. She was titled as one of the 50 most powerful women in international business by the Fortune Magazine in 2008, one of the 25 most powerful women in India by Business Today, a leading Indian business journal, in 2004, 2005, 2006,2008, 2009, 2010 and 2011 and one of `The 100 most Powerful Women' by the Forbes magazine in 2006.

Ms Kalpana serves as an Independent Director on the Boards of Dr. Reddy's Lab. Limited, Bennett Coleman & Co. Limited and Philip Morris International Inc.

C. Mr Ashok Sinha

Mr Ashok Sinha was appointed on the Board of CMC Limited on July 11, 2012. Mr Ashok Sinha is an Electrical Engineer from Indian Institute of Technology, Kanpur and Masters in Business Administration from Indian Institute of Management, Bangalore with specialization in Finance. He is recipient of Distinguished Alumnus Award from IIT Kanpur as well as from IIM Bangalore.

Mr Ashok Sinha worked for 33 years in Bharat Petroleum Corporation Limited (BPCL). In 1995, he became Director (Finance) of BPCL for 10 years and later elevated to the position of Chairman and Managing Director in 2005, which he served as for 5 years. He was also a Director on the Board of other group companies viz., Bharat Petro Resources Limited (BPRL), Petronet LNG Limited (PLL), Indraprastha Gas Limited (IGL), Bharat renewable Energy Limited (BREL) etc.

Presently he is on the Board of Petronet LNG Limited and Axis Asset Management Company Limited.

Mr Ashok Sinha was recipient of the CIO - 100 Award (USA) in 1999, Indian CFO Award and CIO India Award in the year 2001.

D. Prof. M S Ananth

Prof. M S Ananth is a Gold Medalist in B.Tech from the University of Madras. He has also completed M.E/Ph. D from University of Florida, USA.

He was Director, IIT- Madras for about 10 years till July 2011. Presently he is a visiting professor of chemical engineering in IISc, Bangalore. He has made remarkable contributions to research in thermodynamics and has authored number of publications in national and international journals in chemical engineering.

At present, he is on the Board of Chennai Petroleum Corporation and UCAL Fuel Systems Limited.

E. Mr R Ramanan

Mr R Ramanan is the Managing Director and Chief Executive Officer of CMC Limited. He was inducted on the Board of CMC on 16th October, 2001, the same year CMC became a subsidiary of TCS (Tata Consultancy Services). TCS is one of the world's leading IT companies and part of the prestigious Tata Group. Ramanan has been associated with TCS since 1981.

He has been instrumental in overseeing the transformation of CMC Limited from a public sector government-owned organization to a global company; he has played an important role in spurring computerization of various business processes in India using indigenous technology; he has led CMC's focus on large national projects in the areas of education, creating jobs, major e-governance initiatives, the Indian census, government services, defense projects, enabling the growth of nationwide infrastructure and is also responsible for key initiatives of CMC in association with NASSCOM.

Mr Ramanan is the Chairman of CMC Americas, Inc., a wholly-owned subsidiary of CMC in USA, Chairman of CMC eBiz, Inc., a wholly owned-subsidiary of CMC Americas Inc., in USA. He is also on the Board as Director of Tata Business Support Services Limited, based out of Hyderabad, India.

He has also been appointed as advisor to the NZTE Beachheads advisory Panel. This is a unique honor bestowed on him by the NZ High Commission and NZ Government to leverage his expertise for promoting NZ companies on a global platform.

He has been the recipient of some of the prestigious national awards like "Udyog Rattan Award" conferred upon him by the Institute of Economic Studies, "Indira Gandhi Sadbhavna Award" and "Rajiv Gandhi Shiromani Award" for his Outstanding Individual Achievements & Distinguished Services to the Nation from The National Integration & Economic Council.

Under his able guidance, CMC Ltd. has been honored with "Excellence Award" for its contribution in Industrial Development and "Gold Trophy" of the EMPI - The Indian Express Indian Innovation Awards. Also, CMC Ltd. was one of the recipients of the honour by Defence Research Development Organization for its valuable contribution in production of "Networking System Integration Software" based on DRDO Technology. CSI's eGovernance Awards 2010-11 for Orissa Treasury Management System. Award for eGov Portal - Chhattisgarh infotech & biotech Promotion Society (CHiPS). eGov Maharashtra Awards for -MAHAGENCO's Generation Control Room Project. CMC has won the award for "Excellence in HR though Technology" in the recently concluded "World HRD Congress".

6. CEO and CFO Certification

The Managing Director & CEO and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Clause 49(V) of the Listing Agreement.

7. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

8. General Body Meetings

(A) Location and time of General Meetings held in the last 3 years

Year	Date	Venue of Meeting	Time	Whether any Special Resolution passed in previous AGM
2010	29.06.2010	Bhaskara Auditorium, B M Birla Science Centre, Adarsh Nagar, Hyderabad – 500 063, A.P.	3.00 p.m.	No
2011	27.06.2011	CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad - 500 032	3.00 p.m.	No
2012	27.06.2012	- do -	3.00 p.m.	Yes

During the year, there was no resolution passed through Postal Ballot Process.

9. Means of Communication

The Company's website is a comprehensive reference on CMC's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, Dividend Policy, information relating to Stock Exchanges, Registrars & Share Transfer Agents, list of shareholders who have not claimed their dividend during the last six years to comply with MCA Guidelines and frequently asked questions. The website covers all major press reports, releases, awards, campaigns.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly report sent to each household of shareholders.	The results of the Company are published in the newspapers.
Quarterly results and in which newspaper normally published in.	Results are published in The Hindu. Business Line (all editions) and in Prajashakti (Telugu - Hyderabad edition).
Any website where displayed.	Yes, the results are displayed on the Company's website www.cmcltd.com under Investor Center - Disclosure Requirements Section.
Whether it also displays official news releases.	Yes
Whether the website displays the presentation made to the institutional investors and to the analysts	Yes

10. General Shareholder Information

Annual General Meeting:

(i) Date, time and Venue : Wednesday, June 26, 2013 at 3.00 P.M.
CMC's Auditorium, CMC Ltd.
CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad - 500 032

(ii) Financial Year : 1st April to 31st March

(iii) Date of Book Closure : Thursday, 20 June, 2013 to Wednesday, 26 June, 2013 (both days inclusive)

(iv) Dividend : ₹ 17.50 per equity share of face value of ₹ 10 each.

(v) Dividend Payment Date : Dividend will be paid on or after 28 June, 2013 but before 25 July, 2013.

(vi) Tentative Calendar for financial year ending 31 March, 2014:

Quarterly Financial Results	Date of Board Meeting
First Quarterly Results	15 July, 2013
Second Quarterly Results	14 October, 2013
Third Quarterly Results	13 January, 2014
Fourth Quarterly Results	15 April, 2014

(vii) Listing

The Stock Exchanges on which the Company's shares are listed:

- BSE Limited
- National Stock Exchange of India Limited
- The Calcutta Stock Exchange Limited

(viii) Stock Code

BSE Limited : 517326

National Stock Exchange of India Limited : CMC

The Calcutta Stock Exchange Limited : 10000071

The ISIN of the Company for its shares is INE314A01017

(ix) Market price information

a. The reported high and low closing prices during the year ended March 31, 2013 on the National Stock Exchange and the Bombay Stock Exchange, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	NSE		BSE		BSE SENSEX	
2012-13	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
Apr	1052.30	890.00	1035.00	885.00	17664.10	17010.16
May	917.55	810.00	915.00	685.00	17432.33	15809.71
Jun	893.00	822.00	895.00	835.25	17448.48	15748.98
Jul	1027.00	840.20	1024.00	845.15	17631.19	16598.48
Aug	1017.90	824.00	1018.00	933.00	17972.54	17026.97
Sept	1154.80	963.00	1155.60	963.50	18869.94	17250.80
Oct	1190.15	1051.00	1191.65	1055.05	19137.29	18393.42
Nov	1159.90	1070.00	1160.00	1080.20	19372.70	18255.69
Dec	1232.35	1125.50	1233.80	1110.00	19612.18	19149.03
Jan	1450.00	1200.00	1446.90	1205.10	20203.66	19508.93
Feb	1424.95	1256.05	1430.00	1261.00	19966.69	18793.97
Mar	1390.00	1276.25	1390.00	1281.00	19754.66	18568.43

b. **Performance in comparison to BSE Sensex**

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

	1 April, 2012	31 March, 2013	% CHANGE
Company Share Price (closing)	998.40	1341.75	34.39
SENSEX (closing)	17478.15	18835.77	7.77

(x) Registrars and Share Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents - M/s Karvy Computershare Private Limited quoting their Folio Number, Client ID and DP ID at the following address:

M/s Karvy Computershare Private Limited
Unit : CMC Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad - 500 081
Tel: 91 40 2342 0818
Fax: 91 40 2342 0814
Email: einward.ris@karvy.com

(xi) Shareholding as on 31 March, 2013

(a) Distribution of shareholding as on 31 March, 2013

No. of shares	No. of shareholders	% of shareholders	Total no. of shares	% of holding
1-500	26035	97.41	864462	2.85
501-1000	405	1.52	315776	1.04
1001-2000	120	0.45	175931	0.58
2001-3000	34	0.13	82970	0.27
3001-4000	21	0.08	73908	0.24
4001-5000	9	0.03	41917	0.14
5001-10000	32	0.12	235247	0.78
10001 & above	72	0.26	28509789	94.10
Total	**26728**	**100**	**30300000**	**100**
Physical Mode	61	0.22	15967	0.05
Electronic Mode	26667	99.78	30284033	99.95

(b) Shareholding pattern as on 31 March, 2013

Category	No. of shares held	% of issued share capital
Promoter-Tata Consultancy Services Limited	15489922	51.12
Mutual Funds and UTI	3754626	12.39
Financial Institutions / Insurance Companies	2016210	6.66
FIIs	6618714	21.85
NRIs/Foreign Nationals	211060	0.69
Corporate Bodies	449895	1.48
Indian Public & Others	1759573	5.81
Total	**30300000**	**100**

(c) Capital of the Company

The authorized and paid-up capital of your Company is ₹ 35.00 crores and ₹ 30.30 crores respectively.

(d) Top ten Shareholders as on 31 March, 2013

category	Name	No. of shares held	% of issued share capital
Promoter	Tata Consultancy Services Limited	15489922	51.12
FII	Aberdeen Global - Asian Smaller Companies Fund	2017734	6.66
FII	Aberdeen Global Indian Equity Fund Mauritius Limited	1920000	6.34
Mutual Fund	HDFC Trustee Company Limited - HDFC Equity Fund	1916132	6.32
IFI	Life Insurance Corporation of India	839026	2.77
IFI	General Insurance Corporation of India	740000	2.44
FII	Government Pension Fund Global	663881	2.19
FII	Aberdeen Asian Smaller Companies Investment Trust Plc	444000	1.47
Mutual Fund	HDFC Trustee Company Limited - HDFC Prudence Fund	371168	1.22
IFI	The New India Assurance Company Limited	367837	1.21

(e) Reminder to Investors :

Reminders for unpaid dividend are sent to those Shareholders whose dividend is lying unclaimed in CMC Dividend Accounts as per Bank records every year. Also year-wise list of the Shareholders who have not claimed their dividend is posted at website of MCA as well as website of the Company in line with MCA Circular.

(xii) Dematerialisation of shares and liquidity

99.95% of the equity shares have been dematerialised by about 99.78% of the total shareholders as on March 31, 2013. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are actively traded in BSE and NSE.

(xiii) Outstandings GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments

(xiv) Plant locations

The Company is not a manufacturing unit and thus not having any Plant. However, the offices of the Company are located in almost all main cities in India.

(xv) Address for correspondence

The Company Secretary
CMC Limited, PTI Building, 5th Floor
4, Sansad Marg, New Delhi-110001
Tel. : 91-11-23736151-58
Fax : 91-11-23736159
Email : vivek.agarwal@cmcltd.com

(xvi) Electronic Clearing Service (ECS)

The Company is availing of the ECS facility to distribute dividend in main cities to those Members who have opted for it.

11. Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising Company Secretary carries out Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

COMPLIANCE CERTIFICATE

TO THE MEMBERS OF
CMC LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **CMC Limited** ("the Company"), for the year ended on 31 March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. 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 Clause 49 of the above mentioned Listing Agreement.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

NEW DELHI, 15 April, 2013

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

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company - www.cmcltd.com.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31 March, 2013.

New Delhi
15 April, 2013

R Ramanan
Managing Director & CEO

SECRETARIAL AUDIT REPORT

To,

The Shareholders of CMC Limited

We have examined the registers, records and documents of CMC Limited (the Company) for the financial year ended 31 March, 2013 in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulation made thereunder;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1999 and
- The listing agreement with the National Stock Exchange, Bombay Stock Exchange and Calcutta Stock Exchange.

A. Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made thereunder and of the various Acts and the Rules, Regulations and Guidelines made thereunder, listing agreement as mentioned above and of the Memorandum and Articles of Association of the Company, with regard to:

1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
2. Filing with the Registrar of Companies the Forms, returns and resolutions.
3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
4. Composition of the Board, appointment, retirement and resignation of directors.
5. Remuneration of executive and non executive directors.
6. Service of notice and agenda of Board Meetings and Meetings of the committee of directors.
7. Meeting of the Board and its committees.
8. Holding Annual General Meeting and production of the various registers there at.
9. Recording the minutes of proceedings of board meetings, committee meetings and General Meetings.
10. Appointment and remuneration of Auditors.
11. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.

12. The Company has transferred the unclaimed/unpaid dividend to Investor Education and Protection Fund in compliance with the provisions of section 205C of the Act during the year.

13. Registration of transfer of shares held in physical mode.

14. Dematerialisation and Rematerialisation of shares.

15. Execution of contracts, affixation of common seal, registered office and the name of the Company.

16. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulations 2011.

17. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading regulations) 1999

18. Requirements set out in the listing agreement with the aforementioned stock exchanges.

B. We further report that-

the Company has complied with various requirements relating to disclosures, declarations made by the Directors with respect to directorships, memberships of committees of the Board of Companies of which they are directors, their shareholding and interest of concern in the contracts entered into by the Company in the pursuing its normal business.

For **Chandrasekaran Associates**
Company Secretaries

New Delhi
12 April, 2013

Dr. S. Chandrasekaran
Senior Partner
FCS : 1644
CP : 715

SECRETARIAL STANDARDS REPORT

THE BOARD OF DIRECTORS OF
CMC LIMITED

We have examined the relevant registers, records and documents maintained by CMC Limited ("the Company") for the financial year ended 31 March, 2013 for compliances of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2).

The management has voluntarily decided to adhere to the Secretarial Standards and comply with the same. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the above said Secretarial Standards.

In our opinion and to the best of our information and according to the explanation given to us, we report that the Company has complied with applicable Secretarial Standards relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2).

For **Chandrasekaran Associates**
Company Secretaries

Dr. S Chandrasekaran
Senior Partner
FCS : 1644
CP : 715

New Delhi
12 April, 2013

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
CMC LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of CMC LIMITED (the "Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
   b. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
   c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Registration No.015125N)

Alka Chadha
Partner
(Membership No. 93474)

NEW DELHI, 15 April, 2013

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	**3,030.00**	3,030.00
(b) Reserves and surplus	4	**91,595.99**	74,188.95
		94,625.99	77,218.95
2. Non-current liabilities			
(a) Other long-term liabilities	5	**1,500.94**	1,214.86
(b) Long-term provisions	6	**2,664.42**	2,745.73
		4,165.36	3,960.59
3. Current liabilities			
(a) Trade payables	7	**29,146.69**	26,610.35
(b) Other current liabilities	8	**6,194.45**	4,966.23
(c) Short-term provisions	9	**10,132.75**	12,169.86
		45,473.89	43,746.44
TOTAL		**144,265.24**	124,925.98
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	**28,466.23**	25,813.55
(ii) Intangible assets	10.B	**169.33**	-
(iii) Capital work-in-progress		**8,330.68**	3,338.57
		36,966.24	29,152.12
(b) Goodwill on consolidation		**34.12**	34.12
(c) Deferred tax assets (net)	11	**707.34**	1,096.92
(d) Long-term loans and advances	12	**12,993.69**	14,062.64
(e) Other non current assets	13	**2,278.75**	-
		52,980.14	44,345.80
2. Current assets			
(a) Current investments	14	**8,533.49**	15,157.80
(b) Inventories	15	**1,431.03**	1,340.68
(c) Trade receivables	16	**41,627.51**	38,211.89
(d) Cash and bank balances	17	**13,741.81**	5,882.45
(e) Short-term loans and advances	18	**5,010.30**	4,963.03
(f) Other current assets	19	**20,940.96**	15,024.33
		91,285.10	80,580.18
TOTAL		**144,265.24**	124,925.98
See accompanying notes forming part of the consolidated financial statements	1 to 30		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
15 April, 2013

For and on behalf of the Board of Directors

S. Ramadorai
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

	Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
			₹ / lacs	₹ / lacs
1.	**Revenue**			
	(a) Revenue from operations	20	**192,786.44**	146,934.24
	(b) Other income	21	**1,316.03**	1,745.98
2.	**Total revenue**		**194,102.47**	148,680.22
3.	**Expenses**			
	(a) Purchases of stock-in-trade	22	**18,857.55**	14,539.52
	(b) Changes in inventories of work-in-progress and stock-in-trade	23	**(178.69)**	(33.48)
	(c) Employee benefits expense	24	**52,164.00**	44,022.05
	(d) Finance costs	25	**17.96**	1.54
	(e) Depreciation and amortisation expense	10	**2,320.22**	2,136.96
	(f) Other expenses	26	**90,262.07**	65,973.74
4.	**Total expenses**		**163,443.11**	126,640.33
5.	**Profit before tax (2 - 4)**		**30,659.36**	22,039.89
6.	**Tax expense**			
	(a) Current tax expense for current year		**8,276.99**	6,954.02
	(b) (Less): MAT credit		**(1,042.53)**	-
	(c) Current tax expense relating to prior years		**-**	99.85
	(d) Net current tax expense		**7,234.46**	7,053.87
	(e) Deferred tax		**401.89**	(195.22)
			7,636.35	6,858.65
7.	**Profit for the year (5-6)**		**23,023.01**	15,181.24
8.	**Earnings per share (of ₹ 10 each)**	28.5		
	(a) Basic		**75.98**	50.10
	(b) Diluted		**75.98**	50.10

See accompanying notes forming part of the consolidated financial statements 1 to 30

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
15 April, 2013

For and on behalf of the Board of Directors

S. Ramadorai
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
A. Cash flow from operating activities			
Profit before tax		**30,659.36**	22,039.89
Adjustments for:			
Depreciation and amortisation		**2,320.22**	2,136.96
Profit on sale of fixed assets (net)		**(2.26)**	(6.44)
Finance costs		**17.96**	1.54
Interest income		**(16.04)**	(14.88)
Dividend income		**(456.75)**	(453.13)
Net gain on sale of investments		**(710.26)**	(1,133.56)
Liabilities / provisions no longer required written back		**(53.31)**	(120.08)
Bad trade and other receivables, loans and advances written off		**45.93**	788.66
Provision for doubtful trade and other receivables, loans and advances		**700.18**	-
Fixed assets written off		**15.84**	5.07
Exchange difference on translation of foreign currency cash and cash equivalent		**(5.35)**	(13.88)
Net unrealised exchange (gain) / loss		**(118.30)**	(107.58)
Operating profit before working capital changes		**32,397.22**	23,122.57
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		**(90.35)**	6.22
Trade receivables		**(3,949.70)**	(13,680.34)
Short-term loans and advances		**(1,148.08)**	571.65
Long-term loans and advances		**227.57**	(2,610.85)
Other current assets		**(5,896.53)**	(2,575.57)
Other non-current assets		**(2,278.75)**	-
		(13,135.84)	(18,288.89)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		**2,563.06**	8,991.34
Non Current Liabilities		**286.08**	494.17
Other current liabilities		**(378.80)**	(2,664.06)
Short-term provisions		**285.69**	1,620.94
Long-term provisions		**(81.31)**	233.97
		2,674.72	8,676.36
Cash generated from operations		**21,936.10**	13,510.04
Net income tax (paid) / refunds		**(9,604.42)**	(7,934.84)
Net cash flow from operating activities	**(A)**	**12,331.68**	5,575.20
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		**(8,473.86)**	(11,955.69)
Proceeds from sale of fixed assets		**2.41**	17.07
Bank balances not considered as Cash and cash equivalents		**516.71**	1,231.98
Foreign exchange translation reserve		**587.69**	1,037.72
Current investments not considered as Cash and cash equivalents			
Purchased		**(66,616.08)**	(65,927.55)
Proceeds from sale		**73,950.67**	74,520.36
Interest received		**18.28**	14.88
Dividend received from Mutual Funds - Others		**456.75**	453.13
Net cash flow from / (used in) investing activities	**(B)**	**442.57**	(608.10)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
C. Cash flow from financing activities			
Finance cost		**(4.72)**	(1.94)
Dividend paid		**(3,784.36)**	(3,026.13)
Tax on dividend		**(614.45)**	(491.54)
Net cash flow used in financing activities	**(C)**	**(4,403.53)**	(3,519.61)
Net increase / (decrease) in Cash and cash equivalents	**(A+B+C)**	**8,370.72**	1,447.49
Cash and cash equivalents at the beginning of the year		**5,319.47**	3,858.10
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		**5.35**	13.88
Cash and cash equivalents at the end of the year*	**17**	**13,695.54**	5,319.47
* Comprises:			
(a) Cash on hand		**56.56**	48.54
(b) Cheques, drafts on hand		**63.21**	77.88
(c) Balances with banks			
(i) In current accounts		**13,160.03**	4,922.74
(ii) In EEFC accounts		**415.74**	270.31
Total		**13,695.54**	5,319.47
See accompanying notes forming part of the consolidated financial statements	**1 to 30**		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
15 April, 2013

For and on behalf of the Board of Directors

S. Ramadorai
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Background

CMC Limited ('the Parent' / 'the Company') is engaged in the design, development and implementation of software technologies and applications, providing professional services in India and overseas, and procurement, installation, commissioning, warranty and maintenance of imported/indigenous computer and networking systems, and in education and training.

The Parent was a Government of India (GoI) enterprise up to 15 October, 2001. Under the disinvestment process, GoI sold 7,726,500 shares representing 51 percent of the share capital to Tata Sons Limited, on 16 October, 2001. The GoI further sold its entire remaining shares representing 26.25 percent of the share capital, in March 2004 by an open offer to the public.

On 29 March, 2004, as per specific approval granted by SEBI, Tata Sons Limited transferred its entire shareholding in the Parent to Tata Consultancy Services Limited (a subsidiary of Tata Sons Limited). As a result, the Parent has become a subsidiary of Tata Consultancy Services Limited.

CMC Americas, Inc. ('the Subsidiary') and its subsidiary CMC eBiz, Inc. renders Information Technology and IT enabled Services primarily in the United States of America.

2. Significant accounting policies

a. Basis of consolidation and significant accounting policies

The consolidated financial statements of the Company and its subsidiaries (Collectively referred to as the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Principles of consolidation

The consolidated financial statements relate to CMC Limited (the 'Company') and of the consolidated financial statements of its wholly owned subsidiary CMC Americas, Inc. (Collectively referred to as the 'Group'). The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31 March, 2013.

ii. 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 after eliminating intra group balances, intra group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

iii. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the date on which the investment in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

iv. Goodwill arising on consolidation is not amortised but tested for impairment.

v. The following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the Company	Country of Incorporation	Percentage of holding and voting power either directly or indirectly through subsidiary	
		As at 31 March, 2013	As at 31 March, 2012
Subsidiary (held directly)			
CMC Americas, Inc.	USA	100%	100%
Subsidiary (held indirectly)			
CMC eBiz, Inc. (100% subsidiary of CMC Americas, Inc)	USA	100%	100%

vi. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

c. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d. Inventories

Inventories include stock in trade, finished goods, stores and spares and work-in-progress.

i. Inventories are valued at the lower of cost (on First in first out basis in respect of stock-in-trade mainly comprising equipment purchased for resale and on weighted average basis in respect of finished goods mainly comprising Education and Training material) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

ii. Inventories of stores and spares are valued at cost, net of provision for diminution in the value. Cost is determined on weighted average cost basis.

iii. Work-in-progress comprises cost of infrastructural facilities in the process of installation at customers' sites. These are valued at cost paid/payable to sub-contractors.

e. Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

- Leasehold assets are amortised over the period of lease.
- Computers, plant and equipment - (other items) are depreciated over six years.

Assets costing less than ₹ 5,000 individually have been fully depreciated in the year of purchase.

Intangible assets are amortised over the estimated useful life.

h. Revenue recognition

<u>Sale of product</u>

Revenue relating to equipment supplied is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

<u>Income from services</u>

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from time bound fixed price contracts, are recognised over the life of the contract using the proportionate of completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

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

Revenue from "Education and Training" is recognised on accrual basis over the course term.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

i. Other income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

j. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

k. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

l. Foreign exchange transactions and translations

Initial recognition

i. Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

ii. Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

iii. Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

i. Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

ii. Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

iii. Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences

i. Company: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

ii. Integral foreign operations: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

iii. Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

m. Grants

i. Grants received for capital expenditure incurred are included in "Capital Reserve". Fixed assets received free of cost are considered as a grant and are capitalised at notional value with a corresponding credit to the Capital Reserve account.

   An amount equivalent to the depreciation charge on such assets is appropriated from capital reserve and recognised as revenue in the Statement of profit and loss.

ii. Grants received for execution of projects is recognised as revenue to the extent utilised.

iii. Unutilised grants are shown under other liabilities.

n. Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in the carrying value of each investment. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis. Cost of investments include acquisition charges such as brokerage, fees and duties.

o. Employee benefits

Employee benefits include provident fund, gratuity fund, superannuation fund, employee state insurance scheme, compensated absences, and post-employment medical benefits.

Post-employment benefit plans

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, 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 the Statement of profit and loss in 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, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive overseas social security contributions and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

i. in case of accumulated compensated absences when employees render the services that increase their entitlement of future compensated absences; and

ii. in case of non-accumulating compensated absences, when the absences occur.

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 service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

p. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction /development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

q. 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 recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and 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 Statement of profit and loss on a straight-line basis.

r. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

s. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as 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 Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

t. Research and development expenses

Research and development costs of revenue nature are charged to the statement of profit and loss, when incurred. Expenditure of capital nature is capitalized and depreciated in accordance with the rates set out in note 2(g).

u. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of profit and loss, except in case of revalued assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

v. Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 disclosed in the Note 27.1.

w. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

x. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

y. Segment Information

i. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Group has structured its operations into the following segments:

Customer Services (CS)

Creating solutions and providing services for the IT infrastructure requirements covering infrastructure architecture, design and consulting services; turnkey system integration of large network and data centre infrastructures. The scope of services mainly includes supply of associated equipment, software; on-site and remote support services for multi-locations for the IT infrastructures and facilities management of customers.

Systems Integration (SI)

Solution deployment activities that mainly includes embedded systems, software development, software maintenance and support, turnkey project implementation and systems consultancy, implementation of Enterprise Resource Planning (ERP) and testing services.

IT enabled Services (ITeS)

Primary value added services including business process outsourcing and knowledge process outsourcing for front end and back office, data network, data center services such as office records digitisation, document management ,legacy data migration management and web design.

Education and Training (E&T)

IT education and training service through its own centers, franchisees including to corporates.

Special Economic Zone Development (SEZ)

Lease of developed SEZ infrastructure in Hyderabad.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

ii. Geographic segments

The Group also provides services overseas, primarily in the United States of America, United Kingdom and others.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 Share capital

	Particulars	As at 31 March, 2013		As at 31 March, 2012	
		Number of shares	**Amount**	Number of shares	Amount
			₹ / lacs		₹ / lacs
(a)	**Authorised**				
	Equity share capital	**35,000,000**	**3,500.00**	35,000,000	3,500.00
	Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights				
(b)	**Issued**				
	Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights	**30,300,000**	**3,030.00**	30,300,000	3,030.00
(c)	**Subscribed and fully paid up**				
	Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights	**30,300,000**	**3,030.00**	30,300,000	3,030.00

Refer Notes (i) to (v) below

Notes:

(i) The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	**% holding**	Number of shares held	% holding
Equity shares with voting rights				
Tata Consultancy Services Limited	**15,489,922**	**51.12**	15,489,922	51.12
Aberdeen Global Indian Equity Fund - Mauritius Limited	**1,920,000**	**6.34**	1,920,000	6.34
Aberdeen Global - Asian Smaller Companies Fund	**2,017,734**	**6.66**	-	-
HDFC Trustees Company Limited - HDFC Equity Fund	**1,916,132**	**6.32**	1,912,832	6.31
Total	**21,343,788**	**70.44**	19,322,754	63.77

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Bonus shares issued	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2013			
- Number of shares	**30,300,000**	**-**	**30,300,000**
- Amount (₹/lacs)	**3,030.00**	**-**	**3,030.00**
Year ended 31 March, 2012			
- Number of shares	15,150,000	15,150,000	30,300,000
- Amount (₹/lacs)	1,515.00	1,515.00	3,030.00

(iv) Details of shares held by Tata Consultancy Services Limited, the holding company

Particulars	Aggregate number of shares	
	As at 31 March, 2013	As at 31 March, 2012
Fully paid up equity shares with voting rights	**15,489,922**	15,489,922

(v) Aggregate number and class of shares allotted as bonus shares for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2013	As at 31 March, 2012
Equity shares with voting rights		
Fully paid up by way of bonus shares	**15,150,000**	15,150,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 Reserves and surplus

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	**General reserve**		
	Opening balance	**5,607.23**	5,688.91
	Add: Transferred from surplus in Statement of Profit and Loss	**1,983.79**	1,433.32
	Less: Utilised during the year for issuing bonus shares	**-**	(1,515.00)
	Closing balance	**7,591.02**	5,607.23
(b)	**Surplus in statement of profit and loss**		
	Opening balance	**67,551.85**	58,205.88
	Add: Profit for the year	**23,023.01**	15,181.24
	Less: Dividends proposed to be distributed to equity shareholders ₹ 17.50 per share (Previous year ₹ 12.50 per share)	**(5,302.50)**	(3,787.50)
	Tax on dividend	**(901.16)**	(614.45)
	Transferred to general reserve	**(1,983.79)**	(1,433.32)
	Closing balance	**82,387.41**	67,551.85
(c)	**Foreign currency translation reserve**		
	Opening balance	**1,029.87**	(7.84)
	Additions during the year (net)	**587.69**	1,037.71
	Closing balance	**1,617.56**	1,029.87
	Total	**91,595.99**	74,188.95

Note 5 Other long-term liabilities

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Income received in advance	**1,142.87**	1,214.86
(b)	Advances from customers	**89.04**	-
(c)	Others	**269.03**	-
	Total	**1,500.94**	1,214.86

Note 6 Long-term provisions

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
	Provision for employee benefits:		
(a)	Provision for gratuity (net) (Refer Note 28.1)	**2,268.84**	2,332.79
(b)	Provision for post-employment medical benefits (Refer Note 28.1)	**395.58**	412.94
	Total	**2,664.42**	2,745.73

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7 Trade payables

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
Trade payables		
Other than acceptances	**29,146.69**	26,610.35
Total	**29,146.69**	26,610.35

Note 8 Other current liabilities

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Current maturities of finance lease obligation	**-**	1.22
(b)	Income received in advance	**1,651.55**	2,141.88
(c)	Unclaimed dividends	**30.98**	27.84
(d)	Other payables		
	(i) Statutory dues (Contributions to PF and ESIC, VAT, Service Tax, Withholding Taxes etc.)	**834.94**	887.70
	(ii) Payables on purchase of fixed assets	**1,931.52**	345.65
	(iii) Interest accrued on trade payables	**14.07**	0.81
	(iv) Interest accrued on others	**0.24**	0.26
	(v) Security deposits received	**307.31**	631.50
	(vi) Advances from customers	**912.11**	929.37
	(vii) Others	**511.73**	-
	Total	**6,194.45**	4,966.23

Note 9 Short-term provisions

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	**Provision for employee benefits**		
	(i) Provision for compensated absences	**3,021.85**	2,736.20
		3,021.85	2,736.20
(b)	**Provision - Others**		
	(i) Provision for tax (net of advance tax ₹ 7,388.32 lacs (Previous year ₹ 7,896.08 lacs)	**907.24**	5,031.71
	(ii) Provision for proposed equity dividend	**5,302.50**	3,787.50
	(iii) Provision for tax on proposed dividend	**901.16**	614.45
		7,110.90	9,433.66
	Total	**10,132.75**	12,169.86

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10 Fixed assets

Particular	Gross block				Accumulated depreciation				Net block	
	As at 1 April, 2012	Additions	Disposals	As at 31 March, 2013	As at 1 April, 2012	Depreciation and amortisation for the year	Eliminated on disposal of assets	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs
A TANGIBLE ASSETS										
(a) Land										
Freehold	6.05	-	-	6.05	-	-	-	-	6.05	6.05
	(6.05)	(-)	(-)	(6.05)	(-)	(-)	(-)	(-)	(6.05)	(6.05)
Leasehold	783.65	-	-	783.65	134.31	10.04	-	144.35	639.30	649.34
	(596.15)	(187.50)	(-)	(783.65)	(126.69)	(7.62)	(-)	(134.31)	(649.34)	(469.46)
(b) Buildings										
Own use	3,699.12	923.53	3.15	4,619.50	1,146.66	270.62	0.64	1,416.64	3,202.86	2,552.46
	(3,320.61)	(378.51)	(-)	(3,699.12)	(991.65)	(155.01)	(-)	(1,146.66)	(2,552.46)	(2,328.96)
Given under operating lease	15,394.89	1,972.47	-	17,367.36	341.85	171.62	-	513.47	16,853.89	15,053.04
	(4,034.87)	(11,360.02)	(-)	(15,394.89)	(170.23)	(171.62)	(-)	(341.85)	(15,053.04)	(3,864.64)
(c) Plant and Equipment										
Own use	9,619.20	1,288.42	250.78	10,656.84	6,241.22	1,038.85	250.73	7,029.34	3,627.50	3,377.98
	(7,570.56)	(2,218.87)	(170.23)	(9,619.20)	(5,351.45)	(1,052.17)	(162.40)	(6,241.22)	(3,377.98)	(2,219.11)
Given under operating lease	3,192.97	184.87	-	3,377.84	526.83	552.59	-	1,079.42	2,298.42	2,666.14
	(-)	(3,192.97)	(-)	(3,192.97)	(-)	(526.83)	(-)	(526.83)	(2,666.14)	(-)
Taken under finance lease	26.25	-	-	26.25	17.39	8.86	-	26.25	-	8.86
	(26.25)	(-)	(-)	(26.25)	(8.14)	(9.25)	(-)	(17.39)	(8.86)	(18.11)
(d) Furniture and Fixtures										
Own use	1,379.48	148.54	38.62	1,489.40	870.70	83.03	36.69	917.04	572.36	508.78
	(1,215.68)	(205.15)	(41.35)	(1,379.48)	(756.56)	(153.50)	(39.36)	(870.70)	(508.78)	(459.12)
Given under operating lease	607.92	53.07	-	660.99	31.86	39.68	-	71.54	589.45	576.06
	(-)	(607.92)	(-)	(607.92)	(-)	(31.86)	(-)	(31.86)	(576.06)	(-)
(e) Vehicles - Own use	90.76	-	5.67	85.09	39.67	7.01	4.15	42.53	42.56	51.09
	(59.44)	(39.02)	(7.70)	(90.76)	(37.14)	(5.44)	(2.91)	(39.67)	(51.09)	(22.30)
(f) Office equipment										
Own use	518.39	56.95	9.41	565.93	262.54	21.66	4.73	279.47	286.46	255.85
	(461.34)	(60.85)	(3.80)	(518.39)	(241.77)	(23.48)	(2.71)	(262.54)	(255.85)	(219.57)
Given under operating lease	108.08	-	-	108.08	0.18	5.13	-	5.31	102.77	107.90
	(-)	(108.08)	(-)	(108.08)	(-)	(0.18)	(-)	(0.18)	(107.90)	(-)
(g) Leasehold improvements	-	336.08	-	336.08	-	91.47	-	91.47	244.61	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total (A)	**35,426.76**	**4,963.93**	**307.63**	**40,083.06**	**9,613.21**	**2,300.56**	**296.94**	**11,616.83**	**28,466.23**	**25,813.55**
Previous year (C)	(17,290.95)	(18,358.89)	(223.08)	(35,426.76)	(7,683.63)	(2,136.96)	(207.38)	(9,613.21)	(25,813.55)	(9,607.32)
B INTANGIBLE ASSETS										
Computer Software	-	188.99	-	188.99	-	19.66	-	19.66	169.33	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total (B)	**-**	**188.99**	**-**	**188.99**	**-**	**19.66**	**-**	**19.66**	**169.33**	**-**
Previous year (D)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total (A+B)	**35,426.76**	**5,152.92**	**307.63**	**40,272.05**	**9,613.21**	**2,320.22**	**296.94**	**11,636.49**	**28,635.56**	**25,813.55**
Previous year (C+D)	(17,290.95)	(18,358.89)	(223.08)	(35,426.76)	(7,683.63)	(2,136.96)	(207.38)	(9,613.21)	(25,813.55)	(9,607.32)

Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11 Deferred tax assets (net)

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
A.	**For the parent company**		
	(a) Tax effect of items constituting deferred tax liability		
	(i) On difference between book balance and tax balance of fixed assets	**(1,933.35)**	(1,451.97)
		(1,933.35)	(1,451.97)
	(b) Tax effect of items constituting deferred tax asset		
	(i) Provision for doubtful receivables	**208.33**	430.61
	(ii) Provision for employee benefits	**1,644.83**	1,537.08
	(iii) Others	**578.91**	394.24
		2,432.07	2,361.93
	Total (A)	**498.72**	909.96
B.	**For the subsidiary company**		
	(a) Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	**(4.46)**	(18.12)
		(4.46)	(18.12)
	(b) Tax effect of items constituting deferred tax asset		
	Provision for employee benefits	**213.08**	205.08
		213.08	205.08
	Total (B)	**208.62**	186.96
	Total (A+B)	**707.34**	1,096.92

Note 12 Long-term loans and advances

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Capital advances - Unsecured, considered good	**1,514.41**	1,605.02
(b)	Security deposits - Unsecured, considered good	**1,155.08**	1,344.90
(c)	Loans and advances to employees		
	(i) Secured, considered good (See note below)	**12.96**	26.97
	(ii) Unsecured, considered good	**9.54**	12.36
(d)	Prepaid expenses - Unsecured, considered good	**146.10**	61.64
(e)	Advance income tax - Unsecured, considered good (net of provisions ₹ 17,438.67 lacs (Previous year ₹ 13,185.59 lacs))	**8,099.50**	10,906.37
(f)	Other loans and advances - Unsecured, considered good	**-**	105.38
(g)	MAT credit entitlement - Unsecured considered good	**2,056.10**	-
	Total	**12,993.69**	14,062.64

Note: Long-term loans and advances include amounts due from:

Managing Director & CEO	**7.09**	8.77

Note 13 Other non current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
Unbilled revenue	**2,278.75**	-
Total	**2,278.75**	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14 Current investments

	Particulars	As at 31 March, 2013		As at 31 March, 2012	
		No. of Units	₹ / lacs	No. of Units	₹ / lacs
(a)	**Fixed maturity plan**				
	Birla Sun Life Fixed Term Plan - Series DT - Growth	-	-	10,000,000	1,000.00
	HDFC Fixed Maturity Plans 370 D FEB 2012(2) Series XXI -Growth	-	-	9,000,000	900.00
	ICICI Prudential FMP Series 54-1 Year Plan C-Cumulative	-	-	22,000,000	2,200.00
	ICICI Prudential FMP Series 62-1 Year Plan B-Cumulative	-	-	9,000,000	900.00
	Kotak FMP Series 44-Growth	-	-	7,000,000	700.00
	Kotak FMP Series 74 -Growth	-	-	8,000,000	800.00
	Kotak FMP Series 84 Growth	10,000,000	1,000.00	10,000,000	1,000.00
	Kotak FMP Series 86-Growth	10,000,000	1,000.00	-	-
	TATA Fixed Maturity Plan Series - 30 Scheme C -Growth	-	-	8,000,000	800.00
	Total (A)		2,000.00		8,300.00
(b)	**Liquid / Liquid plus**				
	Birla Sunlife Ultra Short Term Fund- Institutional Daily Dividend	-	-	3,039,293	3,040.97
	HDFC Floating Rate Income Fund Short Term Plan Daily Dividend	12,961,838	1,306.67	-	-
	Birla Sun Life Cash Plus - Daily Dividend - Regular Plan	1,949,061	1,952.86	-	-
	ICICI Prudential Liquid - Regular Plan - Daily Dividend	699,842	700.00	-	-
	IDFC Money Manager Fund Investment Plan-B Daily Dividend	-	-	16,910,236	1,711.06
	IDFC Ultra Short Term Fund - Daily Dividend (Regular Plan)	10,017,749	1,003.03	-	-
	Kotak Floater Short Term Daily Dividend	155,289	1,570.93	20,815,866	2,105.77
	Total (B)		6,533.49		6,857.80
	Total (A+B)		8,533.49		15,157.80

Note:

Book value of current unquoted investments	8,533.49	15,157.80

Note 15 Inventories

(At lower of cost and net realisable value)

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Work-in-progress	-	5.26
(b)	Finished goods		
	(i) Education and training material	77.14	66.17
	(ii) Others	9.19	12.79
		86.33	78.96
(c)	Stock-in-trade	1,203.13	989.74
	Goods-in-transit	-	29.44
		1,203.13	1,019.18
(d)	Stores and spares	141.57	237.28
	Total	1,431.03	1,340.68

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16 Trade receivables

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	(i) Unsecured, considered good	**6,404.15**	4,500.29
	(ii) Doubtful	**612.93**	1,327.21
		7,017.08	5,827.50
	Less: Provision for doubtful trade receivables	**(612.93)**	(1,327.21)
		6,404.15	4,500.29
(b)	Other trade receivables		
	Unsecured, considered good	**35,223.36**	33,711.60
	Total	**41,627.51**	38,211.89

Note 17 Cash and bank balances

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
A	**Cash and cash equivalents**		
	(a) Cash on hand	**56.56**	48.54
	(b) Cheques, drafts on hand	**63.21**	77.88
	(c) Balances with banks		
	(i) In current accounts	**13,160.03**	4,922.74
	(ii) In EEFC accounts	**415.74**	270.31
	Total - Cash and cash equivalents (A)	**13,695.54**	5,319.47
B	**Other bank balances**		
	(i) In other deposit accounts - original maturity more than 3 months	**11.79**	22.24
	(ii) In earmarked accounts		
	- Unclaimed dividend accounts	**30.98**	27.84
	- Escrow account	**-**	509.40
	- Balances held as margin money against guarantees	**3.50**	3.50
	Total - Other bank balances (B)	**46.27**	562.98
	Total Cash and bank balances (A+B)	**13,741.81**	5,882.45

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18 Short-term loans and advances

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	**Security deposits**		
	(i) Secured, considered good	**89.18**	19.06
	(ii) Unsecured, considered good	**637.87**	1,026.57
	(iii) Doubtful	**137.00**	74.95
		864.05	1,120.58
	Less: Provision for doubtful security deposits	**(137.00)**	(74.95)
		727.05	1,045.63
(b)	**Loans and advances to employees**		
	(i) Secured, considered good (See note below)	**53.63**	45.82
	(ii) Unsecured, considered good	**111.61**	223.91
	(iii) Doubtful	**113.46**	113.46
		278.70	383.19
	Less: Provision for doubtful loans and advances to employees	**(113.46)**	(113.46)
		165.24	269.73
(c)	**Prepaid expenses - Unsecured, considered good**	**610.27**	324.99
(d)	**Advance to suppliers**		
	(i) Unsecured, considered good	**1,574.60**	1,197.18
	(ii) Doubtful	**181.14**	181.14
		1,755.74	1,378.32
	Less: Provision for doubtful advances to suppliers	**(181.14)**	(181.14)
		1,574.60	1,197.18
(e)	**MAT credit entitlement - Unsecured considered good**	-	1,013.57
(f)	**Balances with government authorities - Unsecured considered good**		
	(i) VAT credit receivable	**459.06**	438.66
	(ii) Service Tax credit receivable	**585.90**	257.59
	(iii) Withholding tax recoverable	**-**	26.81
		1,044.96	723.06
(g)	**Others**		
	(i) Unsecured, considered good	**888.18**	388.87
	(ii) Doubtful	**128.20**	103.01
		1,016.38	491.88
	Less: Provision for other doubtful loans and advances	**(128.20)**	(103.01)
		888.18	388.87
	Total	**5,010.30**	4,963.03

Note:

	As at 31 March, 2013	As at 31 March, 2012
Short-term loans and advances include amounts due from: Managing Director & CEO	**1.68**	1.68

Note 19 Other current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
Unbilled revenue	**20,940.96**	15,024.33
Total	**20,940.96**	15,024.33

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20 Revenue from operations

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Sale of products - purchased equipment	**19,992.53**	15,412.59
(b)	Sale of services (Refer Note (i) below)	**167,939.99**	129,207.40
(c)	Rentals from special economic zone	**4,676.89**	2,076.21
(d)	Other operating revenues (Refer Note (ii) below)	**177.03**	238.04
	Total	**192,786.44**	146,934.24

Notes:

(i) Sale of services comprises :

		For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a)	Software services	**111,925.39**	85,125.42
(b)	Maintenance services	**5,141.08**	5,616.59
(c)	Facility management services	**20,899.17**	15,039.07
(d)	Education and training	**5,650.37**	5,684.41
(e)	Other services	**24,323.98**	17,741.91
	Total	**167,939.99**	129,207.40

(ii) Other operating revenues:

		For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a)	Liabilities / provisions no longer required written back	**53.31**	120.08
(b)	Bad debts recovered	**123.72**	117.96
	Total	**177.03**	238.04

Note 21 Other income

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Interest income		
	(i) Interest from banks on deposits	**10.04**	5.87
	(ii) Interest on loans and advances	**1.71**	8.25
	(iii) Other interest	**4.29**	0.76
		16.04	14.88
(b)	Dividend income from current investments - mutual funds	**456.75**	453.13
(c)	Net gain on sale of current investments in mutual funds	**710.26**	1,133.56
(d)	Profit on sale of fixed assets (net)	**2.26**	6.44
(e)	Miscellaneous income	**130.72**	137.97
	Total	**1,316.03**	1,745.98

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22 Purchases of stock- in- trade

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ / lacs	₹ / lacs
Purchase of equipment for resale	**18,857.55**	14,539.52
Total	**18,857.55**	14,539.52

Note 23 Changes in inventories of work-in-progress and stock-in-trade

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Inventories at the end of the year		
	Work-in-progress	**-**	5.26
	Stock-in-trade	**1,203.13**	1,019.18
		1,203.13	1,024.44
(b)	Inventories at the beginning of the year		
	Work-in-progress	**5.26**	5.26
	Stock-in-trade	**1,019.18**	985.70
		1,024.44	990.96
	Net (increase)/decrease	**(178.69)**	(33.48)

Note 24 Employee benefits expense

(See note 28.1)

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Salaries and wages	**47,343.72**	40,304.13
(b)	Contributions to provident and other funds	**1,770.24**	1,770.50
(c)	Staff welfare expenses	**3,050.04**	1,947.42
	Total	**52,164.00**	44,022.05

Note 25 Finance Cost

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹ / lacs	₹ / lacs
Interest expenses - others	**17.96**	1.54
Total	**17.96**	1.54

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26 Other expenses

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Consumption of stores and spare parts	**2,605.95**	2,566.04
(b)	Purchased software	**172.38**	385.63
(c)	Subcontracting and outsourcing cost	**67,973.38**	44,610.53
(d)	Electricity charges	**2,717.95**	1,558.48
(e)	Rent including lease rentals (See note 28.4)	**2,831.58**	2,064.92
(f)	Repairs and maintenance - Buildings	**874.40**	670.07
(g)	Repairs and maintenance - Plant and equipment	**407.68**	330.66
(h)	Repairs and maintenance - Others	**48.88**	39.47
(i)	Insurance	**175.77**	967.89
(j)	Rates and taxes	**405.64**	282.24
(k)	Communication and postage	**1,088.04**	1,057.70
(l)	Travelling and conveyance	**2,888.23**	2,934.26
(m)	Printing and stationery	**687.38**	405.24
(n)	Freight and forwarding	**318.95**	284.83
(o)	Business promotion, advertisement and publicity	**144.04**	202.86
(p)	Legal and professional	**1,413.62**	1,521.18
(q)	Education and training		
	(i) Payment to franchisees	**2,082.86**	1,846.51
	(ii) Other expenses	**329.37**	439.73
(r)	Living expenses - overseas contracts	**1,310.18**	1,062.77
(s)	Directors sitting fees	**14.50**	15.20
(t)	Commission to non-executive directors	**75.00**	60.00
(u)	Payments to auditors (See note 27.3)	**142.43**	146.69
(v)	Bad trade and other receivables, loans and advances written off	**45.93**	788.66
(w)	Net loss on foreign currency transactions and translation	**(172.95)**	450.98
(x)	Fixed assets written off	**15.84**	5.07
(y)	Provision for doubtful trade and other receivables, loans and advances	**700.18**	-
(z)	Miscellaneous expenses	**964.86**	1,276.13
	Total	**90,262.07**	65,973.74

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27. Additional information to the financial statements

27.1 Contingent liabilities and commitments

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
a.	Claims against the Company not acknowledged as debts*		
	• Under litigation	**2,290.32**	3,586.21
	• Demand from income tax authorities	**1,347.42**	1,807.06
	• Disputed demands raised by sales tax authorities	**448.57**	836.65
	• Demands raised by service tax authorities	**6,591.03**	6,362.48
	• Disputed demand towards land use conversion fee	**2,025.00**	2,025.00
	• Others	**643.01**	643.01
b.	Unexpired Letters of Credit	**573.32**	8.83
c.	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**6,461.34**	8,127.14

* No provision is considered necessary since the Company expects favorable decisions. The advance paid against the above is ₹ 87.40 lacs (Previous year ₹ 996.23 lacs).

Note:

Includes ₹ 585.55 lacs (Previous year ₹ 354.23 lacs) pertaining to demand of income tax raised by the Deputy Commissioner of Income tax. The Company proposes to file an appeal before the appropriate authorities in respect of the same.

27.2 Unexpired foreign exchange forward contracts

The following are outstanding foreign exchange forward contracts as at 31 March, 2013.

Foreign currency	No. of contracts	Notional amount of forward contracts in foreign currency	Rupee equivalent (₹ / lacs)
USD	**3**	**9,000,000.00**	**4,889.68**
	(5)	(15,000,000.00)	(7,641.00))

As of the balance sheet date, the Company has net foreign currency exposure that is not hedged by a derivative instrument or otherwise amounting to ₹ 4,296.14 lacs (Previous year ₹ 314.37 lacs).

Amounts in brackets represent previous year's figures.

27.3 Auditors' remuneration*

Other expenses include Auditors' remuneration as follows:

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
	₹ / lacs	₹ / lacs
Audit fee (including limited reviews)	**69.52**	68.62
Tax audit	**8.00**	8.00
Certification work	**8.80**	3.40
Reimbursement of out-of-pocket expenses	**14.26**	9.52
	100.58	89.54

* Exclusive of service tax

The remuneration disclosed above excludes fees of ₹ 41.85 lacs (Previous year ₹ 57.15 lacs) including ₹ 6.00 lacs (Previous year ₹ 17.25 lacs) for representation before various authorities for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28. Disclosures under Accounting Standards

28.1 Retirement benefit plans

a. Defined contribution plan

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund and superannuation is deposited in a trust formed by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities.

The Company recognised ₹ 1,507.43 lacs (Previous year ₹ 1,306.71 lacs) for provident fund contributions and ₹ 8.73 lacs (Previous year ₹ 8.98 lacs) for superannuation fund in the Statement of profit and loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

The subsidiaries has contributed ₹ 44.45 lacs (Previous year ₹ 43.91 lacs) towards other foreign defined contribution plan.

b. Defined benefit plan

i. Gratuity plan

The Company makes annual contributions to the Employee's 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 payable for each completed year of service or part thereof in excess of 6 months subject to a maximum of ₹ 10 lacs. Vesting occurs upon completion of 5 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.

ii. Medical plan

The Medical plan liability arises on retirement of an employee. The aforesaid liability for employees retired upto 31 March, 2010 is calculated on the basis of fixed annual amount per employee (based on the basic salary) for qualifying employees. For employees retiring after 31 March, 2010, the Company has affected a Health Insurance plan for coverage of post retirement medical expenses. The liability on this account has also been actuarially valued.

The most recent actuarial valuation of the present value of the defined obligation was carried out on 31 March, 2013. The present value of the defined obligation and the related current service cost and past service cost, was measured using Projected Unit Credit method.

c. The following tables set out the funded status of the gratuity plan and medical plan and amounts recognised in the Company's financial statements as at 31 March, 2013.

(All amounts in ₹ / lacs)

Particulars	**Year ended 31 March, 2013**		Year ended 31 March, 2012	
	Gratuity	**Medical Benefit Plan (Unfunded)**	Gratuity	Medical Benefit Plan (Unfunded)
i. Components of employer expense				
Current service cost	**212.89**	**7.14**	249.18	8.64
Interest cost	**239.13**	**34.07**	211.46	30.61
Expected return on plan assets	**(50.92)**	**-**	(46.27)	-
Actuarial losses / (gains)	**(191.47)**	**(11.78)**	(3.47)	29.47
Total expense recognised in Statement of profit and loss	**209.63**	**29.43**	410.90	68.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹/lacs)

Particulars	Year ended 31 March, 2013		Year ended 31 March, 2012	
	Gratuity	**Medical Benefit Plan (Unfunded)**	Gratuity	Medical Benefit Plan (Unfunded)
ii. Actual contribution and benefit payments for year				
Actual benefit payments	**223.75**	**46.79**	190.65	38.39
Actual contributions	**273.58**	**-**	207.25	-
iii. Net asset/ (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	**(2,941.35)**	**(395.58)**	(2,898.52)	(412.94)
Fair value of plan assets	**672.51**	**-**	565.73	-
Funded status [Surplus/ (Deficit)]	**(2,268.84)**	**(395.58)**	(2,332.79)	(412.94)
Net asset / (liability) recognised in the Balance Sheet	**(2,268.84)**	**(395.58)**	(2,332.79)	(412.94)
iv. Change in defined benefit obligations (DBO) during the year				
Present value of DBO at the beginning of the year	**2,898.52**	**412.94**	2,643.27	382.61
Current service cost	**212.89**	**7.14**	249.18	8.64
Interest cost	**239.13**	**34.07**	211.46	30.61
Actuarial (gain)/losses	**(185.44)**	**(11.78)**	(14.74)	29.47
Benefits paid	**(223.75)**	**(46.79)**	(190.65)	(38.39)
Present value of DBO at the end of the year	**2,941.35**	**395.58**	2,898.52	412.94
v. Change in fair value of assets during the year:				
Plan assets at the beginning of the year	**565.73**	**-**	514.12	-
Expected return on plan assets	**50.92**	**-**	46.28	-
Actual Company contributions	**273.58**	**-**	207.25	-
Actuarial gain/(loss)	**6.03**	**-**	(11.27)	-
Benefits paid	**(223.75)**	**-**	(190.65)	-
Plan assets at the end of the year	**672.51**	**-**	565.73	-
Actual return on plan assets	**56.95**	**-**	35.00	-
vi. Actuarial assumptions:				
Discount rate	**8.00%**	**8.00%**	8.25%	8.25%
Expected return on plan assets	**8.70%**	**-**	9.00%	-
Salary escalation	**4.00%**	**-**	4.00%	-
Attrition	**20.00%**	**20.00%**	20.00%	20.00%
Mortality tables	**Standard Table LIC (1994-96)**	**Standard Table LIC (1994-96)**	Standard Table LIC (1994-96)	Standard Table LIC (1994-96)
vii. Estimate of amount of contributions in the immediate next year	**714.33**	**-**	707.74	**-**

viii. Experience adjustments	**2013**	2012	2011	2010	2009
(a) Gratuity					
On Plan liabilities	**(258.97)**	(14.74)	72.05	181.05	130.99
On Plan assets	**6.03**	(11.27)	178.34	10.31	21.25
(b) Post Retirement Medical Benefits					
On Plan liabilities	**(21.67)**	29.47	(0.79)	26.10	56.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ / lacs)

Particulars	2013	2012	2011	2010	2009
Gratuity					
Present value of DBO	**2,941.35**	2,898.52	2,643.27	2,057.66	1,895.93
Fair value of plan assets	**672.51**	565.73	514.12	133.99	128.83
Funded status - (Deficit)	**(2,268.84)**	(2,332.79)	(2,129.15)	(1,923.67)	(1,767.10)
Experience gain / (loss) adjustments on plan liabilities	**(258.97)**	(129.20)	72.05	181.05	130.99
Experience gain / (loss) adjustments on plan assets	**6.03**	(11.27)	178.34	10.31	21.25
Post Retirement Medical Benefits					
Present value of DBO	**395.58**	412.94	382.61	466.51	445.54
Fair value of plan asset*	**-**	-	-	-	-
Funded status - (Deficit)	**(395.58)**	(412.94)	(382.61)	(466.51)	(445.54)
Experience gain / (loss) adjustments on plan liabilities	**(21.67)**	29.47	(0.79)	26.10	56.06
Experience gain / (loss) adjustments on plan assets*	**-**	-	-	-	-

* Plan is unfunded

Notes:

i. The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets is not available with the Company.

ii. The discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligations.

iii. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

28.2 Segment Information

a. Financial information about the primary business segments is given below:

(All amount in ₹/ lacs)

Particulars	CS	SI	ITeS	E &T	SEZ	Total
i. **Revenue**	**40,204.56** (33,599.38)	**1,13,279.77** (83,900.19)	**28,733.37** (21,540.84)	**5,891.85** (5,817.62)	**4,676.89** (2,076.21)	**192,786.44** (146,934.24)
ii. **Segment result**	**3,458.48** (2,382.57)	**23,821.92** (18,931.66)	**7,992.80** (6,446.28)	**681.49** (766.33)	**3,674.15** (1,279.34)	**39,628.84** (29,806.18)
iii. **Unallocable expenses**						**10,285.51** (9,512.27)
iv. **Operating income**						**29,343.33** (20,293.91)
v. **Other income**						**1,316.03** (1,745.98)
vi. **Profit before tax**						**30,659.36** (22,039.89)
vii. **Tax expense**						**7,636.35** (6,858.65)
viii. **Net profit for the year**						**23,023.01** (15,181.24)
ix. **Segment assets**	**23,875.46** (18,258.42)	**34,823.93** (29,317.32)	**11,702.18** (9,550.13)	**3,581.57** (2,984.83)	**31,341.26** (23,939.76)	**105,324.40** (84,050.46)
x. **Unallocable assets**						**38,940.84** (40,875.52)
xi. **Total assets**						**144,265.24** (124,925.98)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹/ lacs)

Particulars	CS	SI	ITeS	E &T	SEZ	Total
xii. **Segment liabilities**	**11,944.63** (10,598.83)	**17,337.33** (11,396.64)	**4,156.87** (5,956.36)	**3,066.11** (2,194.08)	**2,805.31** (3,308.29)	**39,310.25** (33,454.20)
xiii. **Unallocable liabilities**						**10,329.00** (14,252.83)
xiv. **Total liabilities**						**49,639.25** (47,707.03)
xv. **Other information**						
Capital expenditure (allocable)	**47.31** (34.74)	**375.84** (413.68)	**37.42** (118.11)	**63.14** (209.78)	**7,193.31** (7,907.83)	**7,717.02** (8,684.13)
Capital expenditure (unallocable)						**2,428.01** (2,258.36)
Depreciation and amortisation (allocable)	**68.97** (66.38)	**248.18** (259.60)	**101.46** (132.11)	**122.43** (129.70)	**868.29** (730.27)	**1,409.33** (1,318.06)
Depreciation and amortisation (unallocable)						**910.89** (818.90)
Other significant non-cash expense (allocable)	**427.96** (383.99)	**111.57** (256.92)	**52.17** (61.79)	**157.53** (72.12)	**-** (-)	**749.23** (774.82)

Notes:
i. Unallocated assets include investments, advance tax and tax deducted at source.
ii. Unallocated liabilities include, deferred tax/current tax liabilities, proposed dividend and tax on proposed dividend.
iii. Amounts in brackets represent previous year's figures.

b. Geographical segment **(All amounts in ₹/ lacs)**

Particulars	India	United States of America	United Kingdom	Others	Total
SEGMENT REVENUE					
- Revenue from operations	**79,043.86** (66,699.94)	**104,450.66** (73,354.08)	**4,257.34** (3,043.36)	**5,034.58** (3,836.86)	**192,786.44** (146,934.24)
- Other Income	**1,300.77** (1,738.85)	**10.37** (5.64)	**2.06** (0.10)	**2.83** (1.39)	**1,316.03** (1,745.98)
TOTAL ASSETS	**104,407.15** (98,743.94)	**32,719.82** (21,154.10)	**2,031.81** (955.47)	**5,106.46** (4,072.47)	**144,265.24** (124,925.98)
TOTAL LIABILITIES	**33,369.27** (37,307.09)	**13,775.00** (10,114.96)	**250.58** (245.36)	**2,244.40** (39.62)	**49,639.25** (47,707.03)

Note: Amounts in brackets represent previous year's figures.

28.3 Related Party Disclosures

a. List of related parties

i. Ultimate Holding Company
- Tata Sons Limited

ii. Holding Company
- Tata Consultancy Services Limited

iii. Fellow Subsidiaries
- Tata AIG General Insurance Company Limited
- Tata Teleservices (Maharashtra) Limited
- Tata Consultancy Services, Netherlands BV
- Tata Consultancy Services Sverige AB
- Tata Teleservices Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28.3 Related Party Disclosures (Contd.)

- Tata Business Support Services Limited (formerly E2E Serwiz Solutions Limited)
- Infiniti Retail Limited
- Tata Consultancy Services, Asia Pacific Pte Limited
- Tata America International Corporation
- Tata Housing Development Company Limited
- Tata Consultancy Services Argentina S.A.
- TCS Deutschland Gmbh
- Nova Integrated System Limited

iv. Key Management Personnel

- Mr. R. Ramanan

b. Transactions /balances outstanding with Related Parties.

(All amounts in ₹/ lacs)

Transactions / Outstanding balances	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
Purchase of goods/services	**26.61**	**3,353.43**	**288.39**	**-**	**3,668.43**
			(note a)		
	(30.73)	(896.60)	(1,355.62)	(-)	(2,282.95)
Purchase of fixed assets	**-**	**-**	**4.96**	**-**	**4.96**
			(note b)		
	(-)	(-)	(123.45)	(-)	(123.45)
Sale of goods	**-**	**7,665.19**	**849.73**	**-**	**8,514.92**
			(note c)		
	(1.71)	(4,908.30)	(222.46)	(-)	(5,132.47)
Service income	**-**	**99,629.96**	**685.95**	**-**	**100,315.91**
			(note d)		
	(-)	(70,921.00)	(474.47)	(-)	(71,395.47)
Managerial remuneration	**-**	**-**	**-**	**126.65**	**126.65**
	(-)	(-)	(-)	(128.29)	(128.29)
Brand equity contribution	**139.13**	**-**	**-**	**-**	**139.13**
	(137.19)	(-)	(-)	(-)	(137.19)
Dividend paid	**-**	**1,936.24**	**-**	**-**	**1,936.24**
	(-)	(1,548.99)	(-)	(-)	(1,548.99)
Reimbursement of	**-**	**1,419.05**	**45.00**	**-**	**1,464.05**
expenses to the Company	(1.47)	(753.40)	(9.09)	(-)	(763.96)
			(note e)		
Balance Outstanding at the year end					
Trade receivables	**-**	**19,237.60**	**714.83**	**-**	**19,952.43**
			(note f)		
	(-)	(16,194.07)	(268.89)	(-)	(16,462.96)
Unbilled revenues	**-**	**10,061.48**	**256.37**	**-**	**10,317.85**
			(note g)		
	(-)	(6,844.96)	(107.19)	-	(6,952.15)
Income received in advance	**-**	**234.75**	**-**	**-**	**234.75**
	(-)	(391.05)	(-)	(-)	(391.05)
Trade payables / Advances received	**139.63**	**1,088.78**	**50.98**	**-**	**1,279.39**
			(note h)		
	(137.64)	(2,465.02)	(352.46)	(-)	(2,955.12)
Loans/ advances	**-**	**-**	**-**	**8.77**	**8.77**
	(-)	(-)	(-)	(10.45)	(10.45)

Note: Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same type.

Notes Ref.	Particulars	Year ended / As at 31 March, 2013	Year ended / As at 31 March, 2012
		₹ / lacs	₹ / lacs
a.	**Purchase of goods / services**		
	Tata Teleservices Limited	**136.32**	132.61
	Tata Teleservices (Maharashtra) Limited	**89.28**	97.08
	Tata America International Corporation	**-**	1,124.79
	TCS Deutschland Gmbh	**33.54**	-
	Tata Consultancy Services Argentina S.A.	**28.94**	-
b.	**Purchase of fixed assets**		
	Tata Teleservices (Maharashtra) Limited	**-**	120.97
	Infiniti Retail Limited	**4.96**	-
c.	**Sale of goods**		
	Tata Housing Development Company Limited	**-**	85.33
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**37.81**	137.13
	Tata AIG General Insurance Company Limited	**800.16**	-
d.	**Service income**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**245.93**	164.06
	Tata Housing Development Company Limited	**52.96**	69.73
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**282.80**	237.60
	Tata AIG General Insurance Company Limited	**104.26**	-
e.	**Reimbursement of expenses to the Company**		
	Tata America International Corporation	**21.84**	-
	Tata AIG General Insurance Company Limited	**23.16**	-
f.	**Trade receivables**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**-**	47.85
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**67.37**	171.38
	Tata Teleservices Limited	**15.94**	-
	Tata AIG General Insurance Company Limited	**566.68**	-
	Tata Housing Development Company Limited	**48.91**	-
g.	**Unbilled revenue**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**80.07**	45.96
	Tata Housing Development Company Limited	**4.93**	60.92
	Tata Business Support Services Limited	**26.00**	-
	Tata AIG General Insurance Company Limited	**145.37**	-
h.	**Trade payables / advances received from customers**		
	Tata Teleservices (Maharashtra) Limited	**13.17**	11.45
	Tata America International Corporation	**-**	340.06
	TCS Deutschland Gmbh	**9.30**	-
	Tata Teleservices Limited	**6.16**	-
	Tata America International Corporation	**21.95**	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28.4 Lease Commitments

i. Obligations towards operating leases (As lessee)

Rent expenses of ₹ 1,262.25 lacs (Previous year ₹ 739.33 lacs) in respect of obligation under non-cancellable operating leases have been recognised in the Statement of profit and loss. Further a sum of ₹ 1,569.33 lacs (Previous year ₹ 1,325.59 lacs) has been charged to the Statement of profit and loss in respect of cancellable operating leases.

The total of future minimum lease payments under non cancellable operating leases for the following periods:

Particulars	**As at 31 March, 2013**	As at 31 March, 2012
	₹ / lacs	₹ / lacs
a. Not later than one year	**1,386.26**	849.62
b. Later than one year but not later than five years	**2,628.22**	1,295.93
c. Later than five years	**269.07**	153.34
ii. Obligations towards finance leases (As lessee)		
a. Not later than one year	**-**	1.29
b. Later than one year but not later than five years	**-**	-
c. Later than five years	**-**	-

iii. Finance Lease (As lessor)

The Parent has purchased and given on lease computer equipment, peripherals and system software. The details are as follows:-

a. Total gross investment	**95.56**	233.97
• Not later than one year	**95.56**	138.41
• Later than one year but not later than five years	**-**	95.56
• Later than five years	**-**	-
b. Present value of minimum lease payments receivable	**91.85**	216.18
• Not later than one year	**91.85**	124.33
Later than one year but not later than e five years	**-**	91.85
Later than five years	**-**	-
c. Unearned finance income	**3.71**	17.79

28.5 Earnings per share

Particulars	Units	**Year ended 31 March, 2013**	Year ended 31 March, 2012
Net profit attributable to shareholders	₹ /lacs	**23,023.01**	15,181.24
Weighted average number of equity shares in issue	Nos. /lacs	**303.00**	303.00
Basic and diluted earnings per share of ₹10 each	₹	**75.98**	50.10
Face Value per share	₹	**10.00**	10.00

The Company does not have any outstanding dilutive potential equity shares.

28.6 Taxes

The provision for taxes is as follows:

Particulars	**Year ended 31 March, 2013**	Year ended 31 March, 2012
	₹/ lacs	₹/ lacs
a. Current taxes		
i. Domestic taxes*	**3,524.09**	4,820.91
ii. Foreign taxes	**3,710.37**	2,232.96
b. Deferred taxes		
i. Domestic taxes	**411.24**	(149.06)
ii. Foreign taxes	**(9.35)**	(46.16)

*includes taxes in foreign jurisdiction ₹ 1.08 lacs (Previous year ₹ 46.81 lacs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28.7 Research and development expenses

Expenditure includes "Research and Development" expenditure aggregating to ₹ 1,117.75 lacs (Previous year ₹ 986.15 lacs). Amounts aggregating to ₹88.13 lacs (Previous year ₹ 60.90 lacs) have been capitalised.

29. Statement pursuant to exemption under section 212 (8) of the Companies Act, 1956 relating to subsidiary companies:

Particulars	CMC Americas Inc, USA As at 31 March, 2013		CMC eBiz Inc, USA As at 31 March, 2013	
	US $ / lacs	**₹ / lacs**	**US $ / lacs**	**₹ / lacs**
a. Capital	16.00	869.28	-	-
b. Reserves	185.58	10,082.51	21.75	1,181.67
c. Total assets	573.89	31,179.33	37.42	2,033.02
d. Total liabilities	372.31	20,227.54	15.67	851.35
e. Investments	-	-	-	-
	Year Ended 31 March, 2013		**Year Ended 31 March, 2013**	
	US $ / lacs	**₹ / lacs**	**US $ / lacs**	**₹ / lacs**
f. Turnover	1849.77	100,497.63	66.77	3627.60
g. Profit before tax	161.31	8,763.94	15.89	863.30
h. Provision for tax	61.60	3,346.72	6.40	347.71
i. Profit after tax	99.71	5,417.22	9.49	515.59
j. Proposed dividend	50.00	2,716.49	-	-

Note: US $ have been converted to INR at the exchange rate prevailing on 31.03.2013 (1 US $ = ₹ 54.3298)

30. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

S. Ramadorai
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
CMC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CMC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

    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 Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

    e. On the basis of the written representations received from the directors as on 31 March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

NEW DELHI, 15 April, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. Having regard to the nature of the Company's business/activities/result, clause 4(xiii) of the Order is not applicable.

ii. In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 all 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 and such disposal has, in our opinion, not affected the going concern status of the Company.

iii. In respect of its inventory:

a. As explained to us, inventory in the Company's possession has been verified by the Management during the year at reasonable intervals. For materials lying with third parties or at customers' sites aggregating to Rs. 1,105.97 lacs in the absence of confirmations from such parties, we have relied on certification from the respective project managers.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iv. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

v. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

vi. Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are no contracts or arrangements with companies, firms or other parties which need to be listed in the register maintained under Section 301 of the Companies Act, 1956.

vii. According to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

viii. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.

ix. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company.

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

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

The operations of the Company during the year did not give rise to any Excise Duty.

b. there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess, Investor Education and Protection Fund and other material statutory dues in arrears as at 31 March, 2013 for a period of more than six months from the date they became payable.

The operations of the Company during the year did not give rise to any Excise Duty.

c. Details of dues of Income Tax, Sales Tax, and Service Tax which have not been deposited as on 31 March, 2013 on account of disputes which are given below:

Statute		Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹/lacs
West Bengal Value Added Tax Act, 2003	i	Tax demand on disallowance of credit for Tax Deducted at Source (TDS), concessional sales tax forms and set off of amount of tax paid to sub-contractors	West Bengal Commercial Taxes Appellate and Revision Board	1999-00 to 2000-01	2.34
	ii	Tax demand on disallowance of credit for Tax Deducted at Source (TDS), concessional sales tax forms and set off of amount of tax paid to sub-contractors	Assistant Commissioner of Commercial Taxes	1997-98	11.88
	iii	Tax demand imposed on enhancement of turnover	West Bengal Commercial Taxes Appellate and Revision Board	2003-04	9.95
	iv	Exparte assessment made by Deputy Commissioner	West Bengal Commercial Taxes Appellate and Revision Board	2004-05	30.20
	v	Enhancement of gross turnover, imposition of VAT on franchisee collections	West Bengal Commercial Taxes Appellate and Revision Board	2006-07	14.92
					69.29
Bihar Value Added Tax Act, 2005		Tax demand and penalty imposed on enhancement of turnover during assessment and delay in filing of return	Commercial Taxes Tribunal	1990-91 to 1992-93	39.19
Madhya Pradesh Commercial Tax Act, 1994		Tax demand on disallowance of credit for TDS and tax deposited through challans	Assistant Commissioner, Commercial Tax	2005-06	0.42
Madhya Pradesh Land Revenue Code, 1959		Tax demand on enhancement of turnover during assessment	Assistant Commissioner, Commercial Tax	2002-03 & 2005-06 to 2007-08	6.19
Uttar Pradesh Trade Tax Act, 1948	i	Tax demand on interstate sales deemed intra state sales	Deputy Commissioner, Commercial Tax	1994-95	1.94
	ii	Tax demand on disallowance of non-taxable turnover	Deputy Commissioner, Appeal	1996-97	0.38
	iii	Tax demand on disallowance of credit for TDS and tax deposited through challans	Deputy Commissioner, Commercial Tax	2002-03	2.87
	iv	Tax demand on disallowance of exempted turnover	Lucknow High Court	2004-05	10.39
	v	Tax demand due to deficiencies in documents accompanying the goods	Joint Commissioner Appeals	2006-07	1.70
					17.28
Uttar Pradesh Value Added Tax Act, 2008	i	Tax demand due to deficiencies in documents accompanying the goods	Commercial Tax Tribunal	2009-10	5.30
	ii	Tax demand on account of road permit issued for spares for internal use.	Deputy Commissioner, Commercial Tax	2008-09	1.30
	iii	Tax demand on account of entry tax.	Deputy Commissioner, Commercial Tax	2008-09	0.39
					6.99
Central Sales Tax Act, 1956	i	Tax demand on non-submission of sales tax forms.	Deputy Commissioner, Appeals	2006-07	2.86
	ii	Tax demand due to error in computation.	Commercial Tax Officer	2006-07	0.32
					3.18
Tamil Nadu Value Added Tax Act, 2006	i	Tax demand on 'sales in transit' transactions	Sales Tax Tribunal	1993-94	9.22
	ii	Tax demand on spares replaced under warranty	Appellate Assistant Commissioner	1995-96 to 1998-99	1.63
	iii	Tax demand on defective Form - C and Form - D	Commercial Tax Officer	1994-95 & 1998-99	0.49
	iv	Tax demand raised by the Assessing Officer towards tax on notional gross profit	Commercial Tax Officer	1994-95 & 1998-99	3.13
	v	Tax demand on re-opening completed assessment Appellate	Appellate Assistant/Deputy Commissioner	2004-05 & 2006-07	17.33
	vi	Tax demand on gross amount including sales tax	Appellate Assistant Commissioner	1996-97 & 1997-98	13.55
	vii	Tax demand on exceeded turnover	Appellate Assistant Commissioner, Commercial Tax	2005-06	14.53
					59.88
Andhra Pradesh Value Added Tax Act, 2005	i	Tax demand on sales assessed as works contract	Appellate Tribunal	2001-02	56.74
	ii	Tax demand on sales assessed as works contract	Appellate Deputy Commissioner	2003-04	23.86
	iii	Tax demand on sales assessed as works contract	Appellate Tribunal	2002-03	32.71
					113.31
Uttaranchal Value Added Tax Act, 2005	i	Tax demand on disallowance of exempted turnover	Commercial Tax Officer	2005-06	0.71
	ii	Tax demand on denial of input tax credit	Appellate Assistant Commissioner	2006-07	3.59
					4.30
Kerala Value Added Tax Act, 2003		Tax demand on goods assessed at higher rate of tax.	Assistant/Deputy Commissioner	1996-97 & 1999-2000	4.07
Delhi Sales Tax on Work Contract Act, 1999	i	Tax demand on disallowance of input tax credit.	Commercial Tax Officer	1999-00	0.52
	ii	Tax demand on recomputation of gross turnover on the basis of TDS certificates submitted	Commercial tax Officer	2002-03	36.55
					37.07

Statute		Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹/lacs
Finance Act, 1994	i	Demand of service tax on election photo identification cards	High Court	2002-03	17.45
	ii	Demand of service tax on facility management project	Custom, Excise and Service Tax Appellate Tribunal	2003-04	13.44
	iii	Demand of service tax on course fee shared with franchisees.	Supreme Court	2003-04	4.50
	iv	Demand of service tax on election photo identification cards	Joint Commissioner, Service Tax	2002-03 to 2008-09	97.72
	v	Demand of service tax on course fee shared with franchisees	Commissioner of Service Tax (Appeals)	2003-04	25.77
	vi	Demand of service tax on installation and commissioning of equipment	Custom, Excise and Service Tax Appellate Tribunal/Joint Commissioner of Service Tax (Appeals)	2004-05 to 2009-10	3,137.42
	vii	Excess utilisation of CENVAT credit	Custom, Excise and Service Tax Appellate Tribunal	2005-06 to 2009-10	797.29
	viii	Demand of service tax on election photo identification cards	Assistant Commissioner of Service Tax	2009-10 & 2010-11	10.33
	ix	Demand of service tax on installation and commissioning of equipment.	Commissioner of Service Tax (Appeals)	2010-11	23.07
	x	Demand of service tax for irregular availment of input service tax credit.	Custom, Excise and Service Tax Appellate Tribunal	2008-09 & 2010-11	1.63
	xi	Demand of service tax on course fee shared with franchisees.	Custom, Excise and Service Tax Appellate Tribunal	2003-04	2.14
	xii	Demand of service tax on facility management services.	Custom, Excise and Service Tax Appellate Tribunal	2003-04 to 2006-07	655.52
	xiii	Demand of service tax on facility management and other services.	Custom, Excise and Service Tax Appellate Tribunal	2004-05 to 2009-10	744.89
	xiv	Demand on account of denial of cenvat credit against service tax paid to travel agents on account of booking of tickets of employees.	Commissioner of Service Tax	2006-07 to 2008-09	0.41
	xv	Demand of service tax on facility management and other services.	Commissioner of Central Excise and Service Tax (Appeals)	2010-11	25.47
	xvi	Demand of service tax on facility management and other services.	Commissioner of Service Tax	2011-12	61.48
	xvii	Demand of service tax on preparation of electoral rolls.	Additional Commissioner of Service Tax	2004-2005 to 2006-07	36.25
	xviii	Demand of service tax and penalty thereon related to installation and commissioning services.	Assistant Commissioner of Service Tax (Audit)	2005-06 to 2008-2009	599.52
	xix	Incorrect utilisation of service tax input credit.	Additional Commissioner of Service Tax (Appeals)	2004-05 to 2009-10	9.56
	xx	Disputed service tax for non-payment of service tax under supply of eligible goods.	Commissioner of Service Tax	2008-09 to December,2010	19.73
	xxi	Disputed service tax for non-payment of service tax under supply of eligible goods.	Commissioner of Service Tax	January to September 2011	6.16
	xxii	Disputed service tax related to installation and commissioning services.	Custom, Excise and Service Tax Applellate Tribunal	2006-07 to 2010-11	111.98
	xxiii	Disputed service tax on input credit not captured in the service tax returns.	Custom, Excise and Service Tax Appellate Tribunal	2010-11	14.55
	xxiv	Demand of service tax on installation and commissioning of equipment.	Additional Commissioner of Service Tax	2011-12	43.60
	xxv	Demand of service tax on annual maintenance of contracts.	Commissioner of Service Tax	2007-08 & 2011-12	87.67
	xxvi	Incorrect utilisation of service tax input credit.	Additional Commissioner of Service Tax	2011-12	5.35
	xxvii	Demand of service tax on recovery of expenses.	Additional Commissioner of Service Tax	2008-09 to 2011-12	33.71
	xxviii	Service tax charged at lower rate.	Custom, Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	1.86
	xxix	Demand of service tax on election photo identification cards.	Assistant Commissioner of Service Tax	2011-12	2.56
					6,591.03
Income Tax Act,1961	i	Tax deducted at lower rate.	Commissioner of Income Tax	2007-08	266.63
	ii	Tax liability on disallowance of deductions.	Assistant Commissioner of Income Tax	2010-11	495.24
	iii	Tax liability on unearned income and on disallowance of certain deductions.	Refer note below	2009-10	585.55
					1,347.42
				Grand Total	**8,299.61**

Note : Demand raised by the Deputy Commissioner of Income tax.The Company proposes to file an appeal before the appropriate authorities in respect of the above (See note 28.1 of notes forming part of the financial statements).

We are informed that there are no dues in respect of Wealth Tax, Customs Duty and Cess which have not been deposited on account of any dispute. The Company's operations did not give rise to Excise Duty.

xi. The Company does not have any accumulated losses nor has incurred any cash losses during the current and the immediately preceding financial year.

xii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any loans from financial institutions or banks or issued any debentures. Accordingly, the provisions of clause 4(xi) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.

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

xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi. According to the information and explanations given to us, the Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.

xvii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long- term investment

xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix. According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.

xx. The Company has not raised any money by way of public issues during the year.

xxi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

NEW DELHI, 15 April, 2013

BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	**3,030.00**	3,030.00
(b) Reserves and surplus	4	**80,246.21**	66,611.98
		83,276.21	69,641.98
2. Non-current liabilities			
(a) Other long-term liabilities	5	**1,500.94**	1,214.86
(b) Long-term provisions	6	**2,664.42**	2,745.73
		4,165.36	3,960.59
3. Current liabilities			
(a) Trade payables	7	**18,034.84**	17,917.64
(b) Other current liabilities	8	**5,206.78**	4,675.11
(c) Short-term provisions	9	**8,997.53**	11,623.85
		32,239.15	34,216.60
TOTAL		**119,680.72**	107,819.17
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	**28,425.67**	25,735.58
(ii) Intangible assets	10.B	**169.33**	-
(iii) Capital work-in-progress		**8,330.68**	3,338.57
		36,925.68	29,074.15
(b) Non-current investments	11	**818.01**	818.01
(c) Deferred tax assets (net)	12	**498.72**	909.96
(d) Long-term loans and advances	13	**12,963.88**	14,008.64
(e) Other non-current assets	14	**2,278.75**	-
		53,485.04	44,810.76
2. Current assets			
(a) Current investments	15	**8,533.49**	15,157.80
(b) Inventories	16	**1,431.03**	1,340.68
(c) Trade receivables	17	**33,503.49**	26,596.46
(d) Cash and bank balances	18	**2,987.30**	2,217.38
(e) Short-term loans and advances	19	**4,434.58**	4,775.23
(f) Other current assets	20	**15,305.79**	12,920.86
		66,195.68	63,008.41
TOTAL		**119,680.72**	107,819.17

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
15 April, 2013

For and on behalf of the Board of Directors

S. Ramadorai
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

	Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
			₹ / lacs	₹ / lacs
1.	**Revenue**			
	(a) Revenue from operations	21	**112,489.68**	95,533.69
	(b) Other income	22	**4,075.26**	4,439.41
2.	**Total revenue**		**116,564.94**	99,973.10
3.	**Expenses**			
	(a) Purchases of stock-in-trade	23	**18,857.55**	14,481.16
	(b) Changes in inventories of work-in-progress and stock-in-trade	24	**(178.69)**	(33.48)
	(c) Employee benefits expense	25	**38,724.33**	34,258.37
	(d) Finance costs	26	**15.62**	0.94
	(e) Depreciation and amortisation expense	10	**2,254.81**	2,088.30
	(f) Other expenses	27	**33,118.10**	30,172.81
4.	**Total expenses**		**92,791.72**	80,968.10
5.	**Profit before tax (2 - 4)**		**23,773.22**	19,005.00
6.	**Tax expense**			
	(a) Current tax expense for current year		**4,566.62**	4,721.05
	(b) (Less): MAT credit		**(1,042.53)**	-
	(c) Current tax expense relating to prior years		**-**	99.85
	(d) Net current tax expense		**3,524.09**	4,820.90
	(e) Deferred tax		**411.24**	(149.06)
			3,935.33	4,671.84
7.	**Profit for the year (5-6)**		**19,837.89**	14,333.16
8.	**Earnings per share (of ₹ 10 each)**	29.5		
	(a) Basic		**65.47**	47.30
	(b) Diluted		**65.47**	47.30

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
15 April, 2013

For and on behalf of the Board of Directors

S. Ramadorai
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R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
A. Cash flow from operating activities			
Profit before tax		**23,773.22**	19,005.00
Adjustments for:			
Depreciation and amortisation expense		**2,254.81**	2,088.30
Profit on sale of fixed assets (net)		**(2.26)**	(6.44)
Finance costs		**15.62**	0.94
Interest income		**(15.27)**	(14.76)
Dividend income		**(3,216.75)**	(3,147.03)
Liabilities / provisions no longer required written back		**(53.31)**	(120.08)
Provision for doubtful trade and other receivables, loans and advances		**700.18**	-
Bad trade and other receivables, loans and advances written off		**45.76**	788.07
Fixed assets written off		**15.84**	5.07
Net gain on sale of mutual funds		**(710.26)**	(1,133.56)
Exchange difference on translation of foreign currency cash and cash equivalent		**(5.35)**	(13.88)
Net unrealised exchange (gain) / loss		**(118.30)**	(107.58)
Operating profit before working capital changes		**22,683.93**	17,344.05
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		**(90.35)**	6.22
Trade receivables		**(7,440.96)**	(9,805.59)
Short-term loans and advances		**(760.16)**	454.78
Long-term loans and advances		**247.18**	(2,098.59)
Other current assets		**(2,364.82)**	(738.21)
Other non current assets		**(2,278.75)**	-
		(12,687.86)	(12,181.39)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		**143.93**	3,256.93
Non current liabilities		**286.08**	494.18
Other current liabilities		**(1,069.69)**	(2,656.00)
Short-term provisions		**285.69**	1,527.06
Long-term provisions		**(81.31)**	233.97
		(435.30)	2,856.14
Cash generated from operations		**9,560.77**	8,018.80
Net income tax paid		**(6,520.42)**	(5,546.06)
Net cash flow from operating activities	**(A)**	**3,040.35**	2,472.74
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		**(8,445.84)**	(11,909.58)
Proceeds from sale of fixed assets		**2.41**	17.07
Bank balances not considered as Cash and cash equivalents		**7.31**	(27.16)
Current investments in mutual funds not considered as cash and cash equivalents			
- Purchased		**(66,616.08)**	(65,927.55)
- Proceeds from sale		**73,950.67**	74,520.36
Interest received - others		**17.50**	14.76
Dividend received			
- Subsidiary		**2,760.00**	2,693.90
- Others		**456.75**	453.13
Net cash flow from / (used in) investing activities	**(B)**	**2,132.72**	(165.07)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
C. Cash flow from financing activities			
Finance cost		**(2.38)**	(1.34)
Dividend paid		**(3,784.36)**	(3,026.13)
Tax on dividend		**(614.45)**	(491.54)
Net cash flow used in financing activities	**(C)**	**(4,401.19)**	(3,519.01)
Net increase / (decrease) in Cash and cash equivalents	**(A+B+C)**	**771.88**	(1,211.34)
Cash and cash equivalents at the beginning of the year		**2,163.80**	3,361.26
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		**5.35**	13.88
Cash and cash equivalents at the end of the year*	**18**	**2,941.03**	2,163.80
* Comprises:			
(a) Cash on hand		**56.56**	48.54
(b) Cheques, drafts on hand		**63.21**	77.88
(c) Balances with banks			
(i) In current accounts		**2,405.52**	1,767.07
(ii) In EEFC accounts		**415.74**	270.31
Total		**2,941.03**	2,163.80

See accompanying notes forming part of the financial statements 1 to 31

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

New Delhi
15 April, 2013

For and on behalf of the Board of Directors

S. Ramadorai
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Background

CMC Limited ("the Company") is engaged in the design, development and implementation of software technologies and applications, providing professional services in India and overseas, and procurement, installation, commissioning, warranty and maintenance of imported/indigenous computer and networking systems, and in education and training.

The Company was a Government of India (GoI) enterprise up to 15 October, 2001. Under the disinvestment process, GoI sold 7,726,500 shares representing 51 percent of the share capital to Tata Sons Limited, on 16 October, 2001. The GoI further sold its entire remaining shares representing 26.25 percent of the share capital, in March 2004 by an open offer to the public.

On 29 March, 2004, as per specific approval granted by SEBI, Tata Sons Limited transferred its entire shareholding in the Company to Tata Consultancy Services Limited (a subsidiary of Tata Sons Limited). As a result, the Company has become a subsidiary of Tata Consultancy Services Limited.

2. Significant accounting policies

a. Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c. Inventories

Inventories include stock in trade, finished goods, stores and spares and work-in progress.

i. Inventories are valued at the lower of cost (on First in first out basis in respect of stock in trade mainly comprising equipment purchase for resale and on weighted average basis in respect of finished goods mainly comprising Education and Training material) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

ii. Inventories of stores and spares are valued at cost, net of provision for diminution in the value. Cost is determined on weighted average cost basis.

iii. Work-in-progress comprises cost of infrastructural facilities in the process of installation at customers' sites. These are valued at cost paid/payable to sub-contractors.

d. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f. Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

- Leasehold assets are amortised over the period of lease.
- Computers, plant and equipment - (other items) are depreciated over six years.

Assets costing less than ₹ 5,000 individually have been fully depreciated in the year of purchase.

Intangible assets are amortised over the estimated useful life.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

g. Revenue recognition

Sale of Products

Revenue relating to equipment supplied is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from time bound fixed price contracts, are recognised over the life of the contract using the proportionate of completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

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

Revenue from "Education and Training" is recognised on accrual basis over the course term.

h. Other income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

i. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

j. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

k. Foreign exchange transactions and translations

Initial recognition

i. Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

ii. Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

iii. Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

i. Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

ii. Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iii. Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences

i. Company: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

ii. Integral foreign operations: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

iii. Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

l. Grants

i. Grants received for capital expenditure incurred are included in "Capital Reserve". Fixed assets received free of cost are considered as a grant and are capitalised at notional value with a corresponding credit to the Capital Reserve account.

   An amount equivalent to the depreciation charge on such assets is appropriated from capital reserve and recognised as revenue in the Statement of profit and loss.

ii. Grants received for execution of projects is recognised as revenue to the extent utilised.

iii. Unutilised grants are shown under other liabilities.

m. Investments

Long-term investments are stated at cost, less provision for other than temporary diminution in the carrying value of each investment. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value, determined on a portfolio basis. Cost of investments include acquisition charges such as brokerage, fees and duties.

n. Employee benefits

Employee benefits include provident fund, gratuity fund, superannuation fund, employee state insurance scheme, compensated absences, and post-employment medical benefits.

Post-employment benefit plans

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, 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 the Statement of profit and loss in 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, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

i. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

ii. in case of non-accumulating compensated absences, when the absences occur.

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 service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

o. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction /development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

p. Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and 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 Statement of profit and loss on a straight-line basis.

q. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

s. Research and development expenses

Research and development costs of revenue nature are charged to the statement of profit and loss, when incurred. Expenditure of capital nature is capitalised and depreciated in accordance with the rates set out in note 2(f).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

t. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of profit and loss, except in case of revalued assets.

u. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 disclosed in the note 28.1. Contingent assets are not recognised in the financial statements.

v. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

w. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

x. Segment information

i. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into the following segments:

Customer Services (CS)

Creating solutions and providing services for the IT infrastructure requirements covering infrastructure architecture, design and consulting services; turnkey system integration of large network and data centre infrastructures. The scope of services mainly includes supply of associated equipment, software; on-site and remote support services for multi-locations for the IT infrastructures and facilities management of customers.

Systems Integration (SI)

Solution deployment activities that mainly includes embedded systems, software development, software maintenance and support, turnkey project implementation and systems consultancy, implementation of Enterprise Resource Planning (ERP) and testing services.

IT Enabled Services (ITeS)

Primary value added services including business process outsourcing and knowledge process outsourcing for front end and back office, data network, data center services such as office records digitisation, document management ,legacy data migration management and web design.

Education and Training (E&T)

IT education and training service through its own centers, franchisees including to corporates.

Special Economic Zone Development (SEZ)

Lease of developed SEZ infrastructure in Hyderabad.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

ii. Geographic segments

The Company also provides services overseas, primarily in the United States of America, United Kingdom and others.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 Share capital

	Particulars	As at 31 March, 2013		As at 31 March, 2012	
		Number of shares	**Amount ₹ / lacs**	Number of shares	Amount ₹ / lacs
(a)	**Authorised**				
	Equity share capital	**35,000,000**	**3,500.00**	35,000,000	3,500.00
	Equity shares of ₹10 (Previous year ₹ 10) each with voting rights				
(b)	**Issued**				
	Equity shares of ₹ 10 (Previous year ₹ 10) each with voting rights	**30,300,000**	**3,030.00**	30,300,000	3,030.00
(c)	**Subscribed and fully paid up**				
	Equity shares of ₹10 (Previous year ₹10) each with voting rights	**30,300,000**	**3,030.00**	30,300,000	3,030.00

Refer Notes (i) to (v) below

Notes:

(i) The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	**% holding**	Number of shares held	% holding
Equity shares with voting rights				
Tata Consultancy Services Limited	**15,489,922**	**51.12**	15,489,922	51.12
Aberdeen Global Indian Equity Fund - Mauritius Limited	**1,920,000**	**6.34**	1,920,000	6.34
Aberdeen Global - Asian Smaller Companies Fund	**2,017,734**	**6.66**	-	-
HDFC Trustees Company Limited - HDFC Equity Fund	**1,916,132**	**6.32**	1,912,832	6.31
Total	**21,343,788**	**70.44**	19,322,754	63.77

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Bonus shares issued	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2013			
- Number of shares	**30,300,000**	**-**	**30,300,000**
- Amount (₹/lacs)	**3,030.00**	**-**	**3,030.00**
Year ended 31 March, 2012			
- Number of shares	15,150,000	15,150,000	30,300,000
- Amount (₹/lacs)	1,515.00	1,515.00	3,030.00

(iv) Details of shares held by Tata Consultancy Services Limited, the holding company

Particulars	Aggregate number of shares	
	As at 31 March, 2013	As at 31 March, 2012
Fully paid up equity shares with voting rights	**15,489,922**	15,489,922

(v) Aggregate number and class of shares allotted as bonus shares for the period of 5 years immediately preceeding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2013	As at 31 March, 2012
Equity shares with voting rights		
Fully paid up by way of bonus shares	**15,150,000**	15,150,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4 Reserves and surplus

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
(a) General reserve		
Opening balance	**5,607.23**	5,688.91
Add: Transferred from surplus in Statement of profit and loss	**1,983.79**	1,433.32
Less: Utilised during the year for issuing bonus shares	**-**	(1,515.00)
Closing balance	**7,591.02**	5,607.23
(b) Surplus in Statement of profit and loss		
Opening balance	**61,004.75**	52,506.86
Add: Profit for the year	**19,837.89**	14,333.16
Less: Dividends proposed to be distributed to equity shareholders		
₹ 17.50 per share (Previous year ₹12.50 per share)	**(5,302.50)**	(3,787.50)
Tax on dividend	**(901.16)**	(614.45)
Transferred to general reserve	**(1,983.79)**	(1,433.32)
Closing balance	**72,655.19**	61,004.75
Total	**80,246.21**	66,611.98

Note 5 Other long term Liabilities

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
(a) Income received in advance	**1,142.87**	1,214.86
(b) Advances from customers	**89.04**	-
(c) Others	**269.03**	-
Total	**1,500.94**	1,214.86

Note 6 Long-term provisions

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
Provision for employee benefits:		
(a) Provision for gratuity (net) (Refer Note 29.1)	**2,268.84**	2,332.79
(b) Provision for post-employment medical benefits (Refer Note 29.1)	**395.58**	412.94
Total	**2,664.42**	2,745.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7 Trade payables

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹/lacs
Trade payables:		
Other than acceptances (Refer note 28.2)	**18,034.84**	17,917.64
Total	**18,034.84**	17,917.64

Note 8 Other current liabilities

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
(a) Income received in advance	**1,340.56**	1,851.98
(b) Unclaimed dividends	**30.98**	27.84
(c) Other payables		
(i) Statutory dues (Contributions to PF and ESIC, VAT, Service Tax, Withholding Taxes etc.)	**834.94**	887.70
(ii) Payables on purchase of fixed assets	**1,931.52**	345.65
(iii) Interest accrued on trade payables	**14.07**	0.81
(iv) Interest accrued on others	**0.24**	0.26
(v) Security deposits received	**307.31**	631.50
(vi) Advances from customers	**637.10**	929.37
(vii) Others	**110.06**	-
Total	**5,206.78**	4,675.11

Note 9 Short-term provisions

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Provision for employee benefits	**₹ / lacs**	₹ / lacs
(i) Provision for compensated absences	**2,479.02**	2,190.19
	2,479.02	2,190.19
(b) Provision - Others		
(i) Provision for tax (net of advance tax ₹ 4,276.77 lacs (Previous year ₹ 7,896.08 lacs))	**314.85**	5,031.71
(ii) Provision for proposed equity dividend	**5,302.50**	3,787.50
(iii) Provision for tax on proposed dividend	**901.16**	614.45
	6,518.51	9,433.66
Total	**8,997.53**	11,623.85

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 10 Fixed assets

Particular	Gross block				Accumulated depreciation				Net block	
	As at 1 April, 2012	Additions	Disposals	As at 31 March, 2013	As at 1 April, 2012	Depreciation and amortisation for the year	Eliminated on disposal of assets	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs
A TANGIBLE ASSETS										
(a) Land										
Freehold	6.05	-	-	6.05	-	-	-	-	6.05	6.05
	(6.05)	(-)	(-)	(6.05)	(-)	(-)	(-)	(-)	(6.05)	(6.05)
Leasehold	783.65	-	-	783.65	134.31	10.04	-	144.35	639.30	649.34
	(596.15)	(187.50)	(-)	(783.65)	(126.69)	(7.62)	(-)	(134.31)	(649.34)	(469.46)
(b) Buildings										
Own use	3,699.12	923.53	3.15	4,619.50	1,146.66	270.62	0.64	1,416.64	3,202.86	2,552.46
	(3,320.61)	(378.51)	(-)	(3,699.12)	(991.65)	(155.01)	(-)	(1,146.66)	(2,552.46)	(2,328.96)
Given under operating lease	15,394.89	1,972.47	-	17,367.36	341.85	171.62	-	513.47	16,853.89	15,053.04
	(4,034.87)	(11,360.02)	(-)	(15,394.89)	(170.23)	(171.62)	(-)	(341.85)	(15,053.04)	(3,864.64)
(c) Plant and Equipment										
Own use	9,452.53	1,265.71	244.61	10,473.63	6,143.66	982.30	239.27	6,886.69	3,586.94	3,308.87
	(7,450.00)	(2,172.76)	(170.23)	(9,452.53)	(5,293.30)	(1,012.76)	(162.40)	(6,143.66)	(3,308.87)	(2,156.70)
Given under operating lease	3,192.97	184.87	-	3,377.84	526.83	552.59	-	1,079.42	2,298.42	2,666.14
	(-)	(3,192.97)	(-)	(3,192.97)	(-)	(526.83)	(-)	(526.83)	(2,666.14)	(-)
(d) Furniture and Fixtures										
Own use	1,379.48	148.54	38.62	1,489.40	870.70	83.03	36.69	917.04	572.36	508.78
	(1,215.68)	(205.15)	(41.35)	(1,379.48)	(756.56)	(153.50)	(39.36)	(870.70)	(508.78)	(459.12)
Given under operating lease	607.92	53.07	-	660.99	31.86	39.68	-	71.54	589.45	576.06
	(-)	(607.92)	(-)	(607.92)	(-)	(31.86)	(-)	(31.86)	(576.06)	(-)
(e) Vehicles - Own use	90.76	-	5.67	85.09	39.67	7.01	4.15	42.53	42.56	51.09
	(59.44)	(39.02)	(7.70)	(90.76)	(37.14)	(5.44)	(2.91)	(39.67)	(51.09)	(22.30)
(f) Office equipment										
Own use	473.20	56.95	9.41	520.74	217.35	21.66	4.73	234.28	286.46	255.85
	(416.15)	(60.85)	(3.80)	(473.20)	(196.58)	(23.48)	(2.71)	(217.35)	(255.85)	(219.57)
Given under operating lease	108.08	-	-	108.08	0.18	5.13	-	5.31	102.77	107.90
	(-)	(108.08)	(-)	(108.08)	(-)	(0.18)	(-)	(0.18)	(107.90)	(-)
(g) Leasehold improvements	-	336.08	-	336.08	-	91.47	-	91.47	244.61	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total (A)	**35,188.65**	**4,941.22**	**301.46**	**39,828.41**	**9,453.07**	**2,235.15**	**285.48**	**11,402.74**	**28,425.67**	**25,735.58**
Previous year (C)	(17,098.95)	(18,312.78)	(223.08)	(35,188.65)	(7,572.15)	(2,088.30)	(207.38)	(9,453.07)	(25,735.58)	(9,526.80)
B INTANGIBLE ASSETS										
Computer Software	-	188.99	-	188.99	-	19.66	-	19.66	169.33	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total (B)	**-**	**188.99**	**-**	**188.99**	**-**	**19.66**	**-**	**19.66**	**169.33**	**-**
Previous year (D)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total (A+B)	**35,188.65**	**5,130.21**	**301.46**	**40,017.40**	**9,453.07**	**2,254.81**	**285.48**	**11,422.40**	**28,595.00**	**25,735.58**
Previous year (C+D)	(17,098.95)	(18,312.78)	(223.08)	(35,188.65)	(7,572.15)	(2,088.30)	(207.38)	(9,453.07)	(25,735.58)	(9,526.80)

Amount in brackets previous year's figure

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Non-current investments

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Unquoted Nos.	**Total ₹ / lacs**	Unquoted Nos.	Total ₹ / lacs
Investment (At cost) Trade investment in equity instruments Investment in non-assessable fully paid up equity shares of USD 0.01 each in wholly owned subsidiary - CMC Americas Inc., USA	**160,001,000**	**818.01**	160,001,000	818.01
Total	**160,001,000**	**818.01**	160,001,000	818.01

Note 12 Deferred tax assets (net)

Particulars		As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
Tax effect of items constituting deferred tax liability			
(i)	On difference between book balance and tax balance of fixed assets	**(1,933.35)**	(1,451.97)
		(1,933.35)	(1,451.97)
(b)	**Tax effect of items constituting deferred tax asset**		
(i)	Provision for doubtful receivables	**208.33**	430.61
(ii)	Provision for employee benefits	**1,644.83**	1,537.08
(iii)	Others	**578.91**	394.24
		2,432.07	2,361.93
Total		**498.72**	909.96

Note 13 Long-term loans and advances

Particulars		As at 31 March, 2013	As at 31 March, 2012
		₹/lacs	₹/lacs
(a)	Capital advances - Unsecured, considered good	**1,514.41**	1,605.02
(b)	Security deposits - Unsecured, considered good	**1,125.27**	1,334.71
(c)	Loans and advances to employees		
	(i) Secured, considered good (See note below)	**12.96**	26.97
	(ii) Unsecured, considered good	**9.54**	12.36
(d)	Prepaid expenses - Unsecured, considered good	**146.10**	61.64
(e)	Advance income tax - Unsecured, considered good (net of provisions ₹ 17,438.67 lacs (Previous year ₹ 13,185.59 lacs))	**8,099.50**	10,862.56
(f)	Other loans and advances - Unsecured, considered good	**-**	105.38
(g)	MAT credit entitlement - Unsecured considered good	**2,056.10**	-
	Total	**12,963.88**	14,008.64

Note:

Long-term loans and advances include amounts due from:

	2013	2012
Managing Director & CEO	**7.09**	8.77

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14 Other non-current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹/lacs	₹/lacs
Unbilled revenue	2,278.75	-
Total	2,278.75	-

Note 15 Current investments

	Particulars	As at 31 March, 2013		As at 31 March, 2012	
		No. of Units	₹ / lacs	No. of Units	₹ / lacs
(a)	Fixed maturity plan (FMP)				
	Birla Sun Life Fixed Term Plan - Series DT - Growth	-	-	10,000,000	1,000.00
	HDFC Fixed Maturity Plans 370 D FEB 2012(2) Series XXI -Growth	-	-	9,000,000	900.00
	ICICI Prudential FMP Series 54-1 Year Plan C-Cumulative	-	-	22,000,000	2,200.00
	ICICI Prudential FMP Series 62-1 Year Plan B-Cumulative	-	-	9,000,000	900.00
	Kotak FMP Series 44-Growth	-	-	7,000,000	700.00
	Kotak FMP Series 74 -Growth	-	-	8,000,000	800.00
	Kotak FMP Series 84 Growth	10,000,000	1,000.00	10,000,000	1,000.00
	Kotak FMP Series 86-Growth	10,000,000	1,000.00	-	-
	TATA Fixed Maturity Plan Series - 30 Scheme C -Growth	-	-	8,000,000	800.00
	Total (A)		2,000.00		8,300.00
(b)	Liquid / Liquid plus				
	Birla Sunlife Ultra Short Term Fund- Institutional Daily Dividend	-	-	3,039,293	3,040.97
	HDFC Floating Rate Income Short Term Fund - Daily Dividend	12,961,838	1,306.67	-	-
	Birla Sun Life Cash Plus - Daily Dividend - Regular Plan	1,949,061	1,952.86	-	-
	ICICI Prudential Liquid - Regular Plan - Daily Dividend	699,842	700.00	-	-
	IDFC Money Manager Fund Investment Plan-B Daily Dividend	-	-	16,910,236	1,711.06
	IDFC Ultra Short Term Fund - Regular Plan - Daily Dividend	10,017,749	1,003.03	-	-
	Kotak Floater Short Term Daily Dividend	155,289	1,570.93	20,815,866	2,105.77
	Total (B)		6,533.49		6,857.80
	Total (A+B)		8,533.49		15,157.80
	Note:				
	Book value of current unquoted investments		8,533.49		15,157.80

Note 16 Inventories

(At lower of cost and net realisable value)

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Work-in-progress	-	5.26
(b)	Finished goods		
	(i) Education and training material	77.14	66.17
	(ii) Others	9.19	12.79
		86.33	78.96
(c)	Stock-in-trade	1,203.13	989.74
	Goods-in-transit	-	29.44
		1,203.13	1,019.18
(d)	Stores and spares	141.57	237.28
	Total	1,431.03	1,340.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 Trade receivables

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
	(i) Unsecured, considered good	6,404.15	4,500.29
	(ii) Doubtful	612.93	1,327.21
		7,017.08	5,827.50
	Less: Provision for doubtful trade receivables	(612.93)	(1,327.21)
		6,404.15	4,500.29
(b)	Other trade receivables		
	Unsecured, considered good	27,099.34	22,096.17
	Total	**33,503.49**	26,596.46

Note 18 Cash and bank balances

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
A	**Cash and cash equivalents**		
	(a) Cash on hand	56.56	48.54
	(b) Cheques, drafts on hand	63.21	77.88
	(c) Balances with banks		
	(i) In current accounts	2,405.52	1,767.07
	(ii) In EEFC accounts	415.74	270.31
	Total - Cash and cash equivalents (A)	**2,941.03**	2,163.80
B	**Other bank balances**		
	(i) In other deposit accounts - original maturity more than 3 months	11.79	22.24
	(ii) In earmarked accounts		
	- Unclaimed dividend accounts	30.98	27.84
	- Balances held as margin money against guarantees	3.50	3.50
	Total - Other bank balances (B)	**46.27**	53.58
	Total Cash and bank balances (A+B)	**2,987.30**	2,217.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 19 Short-term loans and advances

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	**Security deposits**		
	(i) Secured, considered good	**89.18**	1.29
	(ii) Unsecured, considered good	**625.49**	1,026.57
	(iii) Doubtful	**137.00**	74.95
		851.67	1,102.81
	Less: Provision for doubtful security deposits	**(137.00)**	(74.95)
		714.67	1,027.86
(b)	**Loans and advances to employees**		
	(i) Secured, considered good (See note below)	**30.90**	34.92
	(ii) Unsecured, considered good	**87.08**	208.70
	(iii) Doubtful	**113.46**	113.46
		231.44	357.08
	Less: Provision for doubtful loans and advances to employees	**(113.46)**	(113.46)
		117.98	243.62
(c)	**Prepaid expenses - Unsecured, considered good**	**402.48**	207.88
(d)	**Advance to suppliers**		
	(i) Unsecured, considered good	**1,268.66**	1,197.18
	(ii) Doubtful	**181.14**	181.14
		1,449.80	1,378.32
	Less: Provision for doubtful advances to suppliers	**(181.14)**	(181.14)
		1,268.66	1,197.18
(e)	**MAT credit entitlement - Unsecured, considered good**	**-**	1,013.57
(f)	**Balances with government authorities - Unsecured considered good**		
	(i) VAT credit receivable	**459.06**	438.66
	(ii) Service tax credit receivable	**585.90**	257.59
		1,044.96	696.25
(g)	**Others**		
	(i) Unsecured, considered good	**885.83**	388.87
	(ii) Doubtful	**128.20**	103.01
		1,014.03	491.88
	Less: Provision for other doubtful loans and advances	**(128.20)**	(103.01)
		885.83	388.87
	Total	**4,434.58**	4,775.23
	Note:		
	Short-term loans and advances include amounts due from: Managing Director & CEO	**1.68**	1.68

Note 20 Other current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
Unbilled revenue	**15,305.79**	12,920.86
Total	**15,305.79**	12,920.86

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 21 Revenue from operations

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Sale of products - Purchased equipment	**19,992.53**	15,340.96
(b)	Sale of services (Refer Note (i) below)	**87,643.23**	77,878.48
(c)	Rentals from special economic zone	**4,676.89**	2,076.21
(d)	Other operating revenues (Refer Note (ii) below)	**177.03**	238.04
	Total	**112,489.68**	95,533.69

Notes:

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(i)	Sale of services comprises :		
	(a) Software services	**41,052.76**	39,318.51
	(b) Maintenance services	**5,141.08**	5,616.59
	(c) Facility management services	**20,899.17**	15,039.07
	(d) Education and training	**5,650.37**	5,684.41
	(e) Other services	**14,899.85**	12,219.90
	Total	**87,643.23**	77,878.48
(ii)	Other operating revenues:		
	(a) Liabilities / provisions no longer required written back	**53.31**	120.08
	(b) Bad debts recovered	**123.72**	117.96
	Total	**177.03**	238.04

Note 22 Other income

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Interest income		
	(i) Interest from banks on deposits	**9.29**	5.75
	(ii) Interest on loans and advances	**1.71**	8.25
	(iii) Other interest	**4.27**	0.76
		15.27	14.76
(b)	Dividend income		
	(i) from current investments - mutual funds	**456.75**	453.13
	(ii) from long-term investments - subsidiary	**2,760.00**	2,693.90
(c)	Net gain on sale of current investment in mutual funds	**710.26**	1,133.56
(d)	Profit on sale of fixed assets (net of loss)	**2.26**	6.44
(e)	Miscellaneous income	**130.72**	137.62
	Total	**4,075.26**	4,439.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 23 Purchase of stock- in- trade

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
	Purchase of equipment for resale	**18,857.55**	14,481.16
	Total	**18,857.55**	14,481.16

Note 24 Changes in inventories of work-in-progress and stock-in-trade

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Inventories at the end of the year		
	Work-in-progress	-	5.26
	Stock-in-trade	**1,203.13**	1,019.18
		1,203.13	1,024.44
(b)	Inventories at the beginning of the year		
	Work-in-progress	**5.26**	5.26
	Stock-in-trade	**1,019.18**	985.70
		1,024.44	990.96
	Net (Increase)/decrease	**(178.69)**	(33.48)

Note 25 Employee benefits expense

(See note 29.1)

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Salaries and wages	**35,035.68**	30,588.38
(b)	Contributions to provident and other funds	**1,725.79**	1,726.59
(c)	Staff welfare expenses	**1,962.86**	1,943.40
	Total	**38,724.33**	34,258.37

Note 26 Finance cost

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
	Interest Expenses - Others	**15.62**	0.94
	Total	**15.62**	0.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27 Other expenses

	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		₹ / lacs	₹ / lacs
(a)	Consumption of stores and spare parts	2,605.95	2,566.04
(b)	Purchased software	170.98	380.68
(c)	Subcontracting and outsourcing cost	12,177.16	10,901.90
(d)	Electricity charges	2,705.73	1,550.01
(e)	Rent including lease rentals (See note 29.4)	2,472.01	1,836.42
(f)	Repairs and maintenance - Buildings	874.40	670.07
(g)	Repairs and maintenance - Plant and equipment	407.68	330.66
(h)	Repairs and maintenance - Others	41.58	35.05
(i)	Insurance	89.12	58.38
(j)	Rates and taxes	401.62	281.98
(k)	Communication and postage	957.66	901.44
(l)	Travelling and conveyance	2,514.72	2,680.36
(m)	Printing and stationery	647.10	375.73
(n)	Freight and forwarding	300.29	257.91
(o)	Business promotion, advertisement and publicity	137.66	157.74
(p)	Legal and professional	1,167.18	1,162.78
(q)	Education and training		
	(i) Payment to franchisees	2,082.86	1,846.51
	(ii) Other expenses	329.37	439.73
(r)	Living expenses - overseas contracts	1,310.18	1,062.77
(s)	Directors sitting fees	14.50	15.20
(t)	Commission to non-executive directors	75.00	60.00
(u)	Payments to auditors (See note 28.7)	112.32	119.38
(v)	Bad trade and other receivables, loans and advances written off	45.76	788.07
(w)	Net loss on foreign currency transactions and translation	(172.95)	450.98
(x)	Fixed assets written off	15.84	5.07
(y)	Provision for doubtful trade and other receivables, loans and advances	700.18	-
(z)	Miscellaneous expenses	934.20	1,237.95
	Total	**33,118.10**	30,172.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Additional information to the financial statements

28.1 Contingent liabilities and commitments

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
a.	Claims against the company not acknowledged as debts*		
	• Under litigation	**2,290.32**	3,586.21
	• Demand from income tax authorities (Refer note below)	**1,347.42**	1,807.06
	• Disputed demands raised by sales tax authorities	**448.57**	836.65
	• Demands raised by service tax authorities	**6,591.03**	6,362.48
	• Disputed demand towards land use conversion fee	**2,025.00**	2,025.00
	• Others	**643.01**	643.01
b.	Unexpired Letters of Credit	**573.32**	8.83
c.	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**6,461.34**	8,127.14

* No provision is considered necessary since the Company expects favorable decisions. The advance paid against the above is ₹ 87.40 lacs (Previous year ₹ 996.23 lacs).

Notes:

Includes ₹ 585.55 lacs (Previous year ₹ 354.23 lacs) pertaining to demand of income tax raised by the Deputy Commissioner of Income tax. The Company proposes to file an appeal before the appropriate authorities in respect of the same.

28.2 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		₹ / lacs	₹ / lacs
a.	Amounts payable to suppliers under MSMED (suppliers) as on 31 March, 2013		
	- Principal	**5.00**	9.64
	- Interest due thereon	**-**	0.81
b.	Payments made to suppliers beyond the appointed day during the year		
	- Principal	**627.95**	0.74
	- Interest due thereon	**13.26**	-
c.	Amount of interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSMED	**-**	0.01
d.	Amount of interest accrued and remaining unpaid as on 31 March, 2013	**14.07**	0.81
e.	Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	**13.26**	0.01

Notes:

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED on the basis of information available with the Company. This has been relied upon by the auditors.

28.3 Unexpired foreign exchange forward contracts

The following are outstanding Foreign Exchange Forward contracts as at 31 March, 2013.

Foreign currency	No. of contracts	Notional amount of forward contracts in foreign currency	Rupee equivalent (₹ / lacs)
USD	**3**	**9,000,000.00**	**4,889.68**
	(5)	(15,000,000.00)	(7,641.00)

As of the balance sheet date, the Company has net foreign currency exposure that is not hedged by a derivative instrument or otherwise amounting to ₹ 4,296.14 lacs (Previous year ₹ 314.37 lacs).

Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
		₹ / lacs	₹ / lacs
28.4	**Value of imports (calculated on CIF basis)**		
	(a) Equipment / system software	**3,576.21**	2,423.03
	(b) Stores and spares	**2.33**	6.26
	(c) Capital equipment	**313.87**	876.48
28.5	**Expenditure in foreign currency (on accrual basis)**		
	(a) Living expenses - overseas contracts	**1,240.69**	1,018.10
	(b) Travelling and conveyance	**97.27**	68.24
	(c) Overseas branch expenses and others	**367.40**	949.54
	(d) Legal and professional	**544.64**	338.07
	(e) Taxes in foreign jurisdiction	**448.82**	543.48
28.6	**Earnings in foreign currency (on accrual basis)**		
	(a) Export (Services)	**32,321.95**	28,431.42
	(b) Export (Equipment Supply)	**1,022.92**	-
	(c) Dividend received from subsidiary	**2,760.00**	2,693.90
28.7	**Auditors' remuneration***		
	Payment to Auditors includes Auditors' remuneration as follows:		
	Audit fee (including limited reviews)	**45.00**	45.00
	Tax audit	**8.00**	8.00
	Certification work	**8.80**	3.40
	Reimbursement of out-of-pocket expenses	**8.67**	5.83
	Total	**70.47**	62.23

* Exclusive of service tax

The remuneration disclosed above excludes fees of ₹ 41.85 lacs (Previous year ₹ 57.15 lacs) including ₹ 6.00 lacs (Previous year ₹ 17.25 lacs) for representation before various authorities for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.

29 Disclosures under Accounting Standards

29.1 Retirement benefit plans

a. Defined contribution plan

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund and superannuation is deposited in a trust formed by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities.

The Company recognised ₹ 1,507.43 lacs (Previous year ₹ 1,306.71 lacs) for provident fund contributions and ₹ 8.73 lacs (Previous year ₹ 8.98 lacs) for superannuation fund in the Statement of profit and loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

b. Defined benefit plan

i. Gratuity plan

The Company makes annual contributions to the Employee's 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 payable for each completed year of service or part thereof in excess of 6 months subject to a maximum of ₹10 lacs. Vesting occurs upon completion of 5 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.

ii. Medical plan

The Medical plan liability arises on retirement of an employee. The aforesaid liability for employees retired upto 31 March, 2010 is calculated on the basis of fixed annual amount per employee (based on the basic salary) for qualifying employees. For employees retiring after 31 March, 2010, the Company has affected a Health Insurance plan for coverage of Post Retirement Medical expenses. The liability on this account has also been actuarially valued.

The most recent actuarial valuation of the present value of the defined obligation was carried out on 31 March, 2013. The present value of the defined obligation and the related current service cost and past service cost, was measured using Projected Unit Credit Method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. The following tables set out the funded status of the gratuity plan and medical plan and amounts recognised in the Company's financial statements as at 31 March, 2013.

(All amounts in ₹ / lacs)

Particulars	**Year ended 31 March, 2013**		Year ended 31 March, 2012	
	Gratuity	**Medical Benefit Plan (Unfunded)**	Gratuity	Medical Benefit Plan (Unfunded)
i. Components of employer expense				
Current service cost	**212.89**	**7.14**	249.18	8.64
Interest cost	**239.13**	**34.07**	211.46	30.61
Expected return on plan assets	**(50.92)**	**-**	(46.27)	-
Actuarial losses / (gains)	**(191.47)**	**(11.78)**	(3.47)	29.47
Total expense recognised in Statement of profit and loss	**209.63**	**29.43**	410.90	68.72
ii. Actual contribution and benefit payments for year				
Actual benefit payments	**223.75**	**46.79**	190.65	38.39
Actual contributions	**273.58**	**-**	207.25	-
iii. Net asset/ (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	**(2,941.35)**	**(395.58)**	(2,898.52)	(412.94)
Fair value of plan assets	**672.51**	**-**	565.73	-
Funded status [Surplus/ (Deficit)]	**(2,268.84)**	**(395.58)**	(2,332.79)	(412.94)
Net asset / (liability) recognised in the Balance Sheet	**(2,268.84)**	**(395.58)**	(2,332.79)	(412.94)
iv. Change in defined benefit obligations (DBO) during the year				
Present value of DBO at the beginning of the year	**2,898.52**	**412.94**	2,643.27	382.61
Current service cost	**212.89**	**7.14**	249.18	8.64
Interest cost	**239.13**	**34.07**	211.46	30.61
Actuarial (gain)/losses	**(185.44)**	**(11.78)**	(14.74)	29.47
Benefits paid	**(223.75)**	**(46.79)**	(190.65)	(38.39)
Present value of DBO at the end of the year	**2,941.35**	**395.58**	2,898.52	412.94
v. Change in fair value of assets during the year:				
Plan assets at the beginning of the year	**565.73**	**-**	514.12	-
Expected return on plan assets	**50.92**	**-**	46.27	-
Actual company contributions	**273.58**	**-**	207.26	-
Actuarial gain/(loss)	**6.03**	**-**	(11.27)	-
Benefits paid	**(223.75)**	**-**	(190.65)	-
Plan assets at the end of the year	**672.51**	**-**	565.73	-
Actual return on plan assets	**56.95**	**-**	35.00	-
vi. Actuarial assumptions:				
Discount rate	**8.00%**	**8.00%**	8.25%	8.25%
Expected return on plan assets	**8.70%**	**-**	9.00%	-
Salary escalation	**4.00%**	**-**	4.00%	-
Attrition	**20.00%**	**20.00%**	20.00%	20.00%
Mortality tables	**Standard Table LIC (1994-96)**	**Standard Table LIC (1994-96)**	Standard Table LIC (1994-96)	Standard Table LIC (1994-96)
vii. Estimate of amount of contributions in the immediate next year	**714.33**	**-**	707.74	-

viii. Experience adjustments	**2013**	2012	2011	2010	2009
(a) Gratuity					
On Plan liabilities	**(258.97)**	(14.74)	72.05	181.05	130.99
On Plan assets	**6.03**	(11.27)	178.34	10.31	21.25
(b) Post Retirement Medical Benefits					
On Plan liabilities	**(21.67)**	29.47	(0.79)	26.10	56.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in ₹ / lacs)

Particulars	**2013**	2012	2011	2010	2009
Gratuity					
Present value of DBO	**2,941.35**	2,898.52	2,643.27	2,057.66	1,895.93
Fair value of plan assets	**672.51**	565.73	514.12	133.99	128.83
Funded status - (Deficit)	**(2,268.84)**	(2,332.79)	(2,129.15)	(1,923.67)	(1,767.10)
Experience gain / (loss) adjustments on plan liabilities	**(258.97)**	(129.20)	72.05	181.05	130.99
Experience gain / (loss) adjustments on plan assets	**6.03**	(11.27)	178.34	10.31	21.25
Post Retirement Medical Benefits					
Present value of DBO	**395.58**	412.94	382.61	466.51	445.54
Fair value of plan asset*	**-**	-	-	-	-
Funded status - (Deficit)	**(395.58)**	(412.94)	(382.61)	(466.51)	(445.54)
Experience gain / (loss) adjustments on plan liabilities	**(21.67)**	29.47	(0.79)	26.10	56.06
Experience gain / (loss) adjustments on plan assets	**-**	-	-	-	-

* Plan is unfunded

Notes:

i. The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets is not available with the Company.

ii. The discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligations.

iii. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

29.2 Segment Information

(a) Financial information about the primary business segments is given below:

(All amount in ₹/ lacs)

Particulars	**CS**	**SI**	**ITeS**	**E&T**	**SEZ**	**Total**
i. Revenue	**36,460.42** (30,518.98)	**40,991.10** (39,314.89)	**24,469.42** (17,805.99)	**5,891.85** (5,817.62)	**4,676.89** (2,076.21)	**112,489.68** (95,533.69)
ii. Segment result	**2,167.26** (1,455.87)	**15,024.01** (14,176.72)	**6,769.10** (5,084.85)	**681.49** (766.33)	**3,674.15** (1,279.35)	**28,316.01** (22,763.12)
iii. Unallocable expenses						**8,618.05** (8,197.53)
iv. Operating income						**19,697.96** (14,565.59)
v. Other income						**4,075.26** (4,439.41)
vi. Profit before tax						**23,773.22** (19,005.00)
vii. Tax expense						**3,935.33** (4,671.84)
viii. Net profit for the year						**19,837.89** (14,333.16)
ix. Segment assets	**23,466.45** (17,461.88)	**21,652.53** (18,219.19)	**9,767.40** (7,085.88)	**3,581.57** (2,984.83)	**31,341.26** (23,939.76)	**89,809.21** (69,691.54)
x. Unallocable assets						**29,871.51** (38,127.63)
xi. Total assets						**119,680.72** (107,819.17)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amount in ₹/ lacs)

Particulars	CS	SI	ITeS	E&T	SEZ	Total
xii. Segment liabilities	**11,686.60**	**6,400.75**	**3,439.25**	**3,066.11**	**2,805.31**	**27,398.02**
	(10,202.29)	(6,680.60)	(3,299.86)	(2,194.08)	(3,308.29)	(25,685.12)
xiii. Unallocable liabilities						**9,006.49**
						(12,492.08)
xiv. Total liabilities						**36,404.51**
						(38,177.19)
xv. Other information						
Capital expenditure (allocable)	**47.31**	**375.84**	**19.71**	**63.14**	**7,193.31**	**7,699.31**
	(34.74)	(413.68)	(71.99)	(209.78)	(7,907.83)	(8,638.02)
Capital expenditure (unallocable)						**2,423.01**
						(2,258.36)
Depreciation and amortisation expense (allocable)	**68.97** (66.38)	**248.18** (259.60)	**38.13** (85.13)	**122.43** (129.70)	**868.29** (730.27)	**1,346.00** (1,271.08)
Depreciation and amortisation expense (unallocable)						**908.81** (817.22)
Other significant non-cash expense (allocable)	**427.96** (383.99)	**111.57** (256.92)	**52.17** (61.79)	**157.53** (72.12)	**-** (-)	**749.23** (774.82)

Notes:

i. Unallocated assets include investments, advance tax and tax deducted at source.

ii. Unallocated liabilities include, deferred tax/current tax liabilities, proposed dividend and tax on proposed dividend.

iii. Amounts in brackets represent previous year's figures.

b. Geographical Segment **(All amounts in ₹/ lacs)**

Particulars	India	United States of America	United Kingdom	Others	Total
Segment Revenue	**79,043.86**	**24,153.90**	**4,257.34**	**5,034.58**	**112,489.68**
- Revenue from operations	(66,699.94)	(21,953.53)	(3,043.36)	(3,836.86)	(95,533.69)
	4,060.77	**9.60**	**2.06**	**2.83**	**4,075.26**
-Other income	(4,432.75)	(5.17)	(0.10)	(1.39)	(4,439.41)
Total Assets	**105,191.04**	**7,351.42**	**2,031.81**	**5,106.45**	**119,680.72**
	(98,743.93)	(4,047.30)	(955.47)	(4,072.47)	(107,819.17)
Total Liabilities	**33,369.27**	**540.26**	**250.58**	**2,244.40**	**36,404.51**
	(37,307.08)	(585.13)	(245.36)	(39.62)	(38,177.19)

Note: Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29.3 Related Party Disclosures

(a) List of related parties

i. Ultimate Holding Company
- Tata Sons Limited

ii. Holding Company
- Tata Consultancy Services Limited

iii. Fellow Subsidiaries
- Tata AIG General Insurance Company Limited
- Tata Teleservices (Maharashtra) Limited
- Tata Consultancy Services, Netherlands BV
- Tata Consultancy Services Sverige AB
- Tata Teleservices Limited
- Tata Business Support Services Limited (formerly E2E Serwiz Solutions Limited)
- Infiniti Retail Limited
- Tata Consultancy Services, Asia Pacific Pte Limited
- Tata Housing Development Company Limited
- TCS Deutschland Gmbh
- Nova Integrated System Limited

iv. Subsidiary
- CMC Americas, Inc.

v. Step-down Subsidiary
- CMC eBiz, Inc. (wholly owned subsidiary of CMC Americas Inc.)

vi. Key Management Personnel
- Mr. R. Ramanan

b. Transactions /balances outstanding with Related Parties.

(All amounts in ₹/ lacs)

Transactions / Outstanding balances	Ultimate Holding Company	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
Purchase of goods/services	**26.61**	**1,063.54**	**8.72**	**259.45** (note a)	**-**	**1,358.32**
	(30.73)	(896.59)	(32.26)	(230.84)	(-)	(1,190.42)
Purchase of fixed assets	**-**	**-**	**-**	**4.96** (note b)	**-**	**4.96**
	(-)	(-)	(-)	(123.45)	(-)	(123.45)
Sale of goods	**-**	**7,665.19**	**-**	**849.73** (note c)	**-**	**8,514.92**
	(1.71)	(4,908.30)	(-)	(222.46)	(-)	(5,132.47)
Service income	**-**	**22,574.26**	**24,085.21**	**685.95** (note d)	**-**	**47,345.42**
	(-)	(18,145.35)	(21,884.75)	(474.47)	(-)	(40,504.57)
Managerial remuneration	-	-	-	-	**126.65**	**126.65**
	(-)	(-)	(-)	(-)	(128.29)	(128.29)
Brand equity contribution	**139.13**	**-**	**-**	**-**	**-**	**139.13**
	(137.19)	(-)	(-)	(-)	(-)	(137.19)
Dividend income	**-**	**-**	**2,760.00**	**-**	**-**	**2,760.00**
	(-)	(-)	(2,693.90)	(-)	(-)	(2,693.90)
Dividend paid	**-**	**1,936.24**	**-**	**-**	**-**	**1,936.24**
	(-)	(1,548.99)	(-)	(-)	(-)	(1,548.99)
Reimbursement of expenses to the Company	**-**	**1,419.05**	**-**	**23.16** (note e)	**-**	**1,442.21**
	(1.47)	(753.40)	(-)	(-)	(-)	(754.87)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in ₹/ lacs)

Transactions / Outstanding balances	Ultimate Holding Company	Holding Company	Subsidiary Company	Fellow Subsidiary	Key Management Personnel	Total
Balance outstanding at the year end						
Trade receivables	**-**	**9,423.79**	**6,646.29**	**714.83** (note f)	**-**	**16,784.91**
	(-)	(6,079.83)	(2,696.17)	(268.89)	(-)	(9,044.89)
Unbilled revenues	**-**	**5,065.81**	**322.76**	**256.37** (note g)	**-**	**5,644.94**
	(-)	(4,824.38)	(503.08)	(107.19)	(-)	(5,434.65)
Income received in advance	**-**	**234.75**	**64.91**	**-**	**-**	**299.66**
	(-)	(391.05)	(-)	(-)	(-)	(391.05)
Trade payables / Advances received from Customers	**139.62**	**501.25**	**5.82**	**29.03** (note h)	**-**	**675.72**
	(137.64)	(1,874.11)	(35.56)	(12.40)	(-)	(2,059.71)
Loans/ advances	**-**	**-**	**-**	**-**	**8.77**	**8.77**
	(-)	(-)	(-)	(-)	(10.45)	(10.45)
Investment in share capital	**-**	**-**	**818.01**	**-**	**-**	**818.01**
	(-)	(-)	(818.01)	(-)	(-)	(818.01)

Note:
Amounts in brackets represent previous year's figures.

Notes:

Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same nature.

Notes Ref.	Particulars	Year ended / As at 31 March, 2013	Year ended / As at 31 March, 2012
		₹ / lacs	₹ / lacs
a.	**Purchase of goods / services**		
	Tata Teleservices Limited	**136.32**	132.61
	Tata Teleservices (Maharashtra) Limited	**89.28**	97.08
	TCS Deutschland Gmbh	**33.54**	-
b.	**Purchase of fixed assets**		
	Tata Teleservices (Maharashtra) Limited	**-**	120.97
	Infiniti Retail Limited	**4.96**	-
c.	**Sale of goods**		
	Tata Housing Development Company Limited	-	85.33
	Tata AIG General Insurance Company Limited	**800.16**	**-**
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**37.81**	137.13
d.	**Service income**		
	Tata AIG General Insurance Company Limited	**104.26**	**-**
	Tata Consultancy Services, Asia Pacific Pte Limited	**245.93**	164.06
	Tata Housing Development Company Limited	**52.96**	69.73
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**282.80**	237.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes:

Disclosures in respect of transactions in excess of 10% of the total related party transactions of the same nature (Contd.)

Notes Ref.	Particulars	Year ended / As at 31 March, 2013	Year ended / As at 31 March, 2012
		₹ / lacs	₹ / lacs
e.	**Reimbursement of expenses to the Company**		
	Tata AIG General Insurance Company Limited	**23.16**	-
f.	**Trade receivables**		
	Tata AIG General Insurance Company Limited	**566.68**	-
	Tata Housing Development Company Limited	**48.91**	-
	Tata Consultancy Services, Asia Pacific Pte Limited	**-**	47.85
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**67.37**	171.38
g.	**Unbilled revenue**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**80.07**	45.96
	Tata AIG General Insurance Company Limited	**145.37**	-
	Tata Housing Development Company Limited	**4.93**	60.92
	Tata Business Support Services Limited	**26.00**	-
h.	**Trade payables / advances received from customers**		
	Tata Teleservices (Maharashtra) Limited	**13.17**	11.45
	TCS Deutshland Gmbh	**9.30**	-
	Tata Teleservices Limited	**6.16**	-

29.4 Lease Commitments

i. Obligations Towards Operating Leases (As lessee)

Rent expenses of ₹ 928.11 lacs (Previous year ₹ 511.75 lacs) in respect of obligation under non-cancellable operating leases have been recognised in the Statement of profit and loss. Further a sum of ₹1,543.90 lacs (Previous year ₹ 1,324.67 lacs) has been charged to the Statement of profit and loss in respect of cancellable operating leases.

The total of future minimum lease payments under non-cancellable operating leases for the following periods:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹ / lacs	₹ / lacs
a. Not later than one year	**1,014.27**	532.06
b. Later than one year but not later than five years	**2,314.86**	738.97
c. Later than five years	**269.07**	153.34

ii. Finance Lease (As lessor)

The Company has purchased and given on lease computer equipment, peripherals and system software. The details are as follows:

a. **Total gross investment**	**95.56**	233.97
• Not later than one year	**95.56**	138.41
• Later than one year but not later than five years	**-**	95.56
• Later than five years	**-**	-
b. **Present value of minimum lease payments receivable**	**91.85**	216.19
• Not later than one year	**91.85**	124.34
• Later than one year but not later than five years	**-**	91.85
• Later than five years	**-**	-
c. **Unearned finance income**	**3.71**	17.78

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29.5 Earnings per share

Particulars	Units	**Year ended 31 March, 2013**	Year ended 31 March, 2012
Net profit attributable to shareholders	₹/ lacs	**19,837.89**	14,333.16
Weighted average number of equity shares in issue	Nos./lacs	**303.00**	303.00
Basic and diluted earnings per share of ₹ 10 each	₹	**65.47**	47.30
Face Value per share	₹	**10.00**	10.00

The Company does not have any outstanding dilutive potential equity shares.

29.6 Research and Development Expenses

Expenditure includes "Research and Development" expenditure aggregating to ₹ 1,117.75 lacs (Previous year ₹ 986.15 lacs). Amounts aggregating to ₹ 88.13 lacs (Previous year ₹ 60.90 lacs) have been capitalised.

30. As per the Transfer Pricing Rules of the Income Tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2013 is currently in progress and hence adjustments if any which may arise there from will be effective in the financial statements for the year ended 31 March, 2014. However in the opinion of the Company's management, adjustments, if any, are not expected to be material.

31. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

S. Ramadorai
Chairman

R. Ramanan
Managing Director & CEO

J. K. Gupta
Chief Financial Officer

Vivek Agarwal
Company Secretary

New Delhi
15 April, 2013

CMC Limited

CMC Limited

Registered Office: CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad - 500 032 (A.P.)

ATTENDANCE SLIP

Folio No.	DP ID
Name	Client ID

I certify that I am a registered Shareholder/Proxy for registered Shareholder of the Company.

I hereby record my presence at the 37th Annual General Meeting of the Company at CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad - 500 032, A.P., on Wednesday, June 26, 2013 at 3 p.m.

____

Signature

Note:
Please sign this attendance slip and hand it over at the attendance counter at the ENTRANCE OF THE MEETING HALL.

CMC Limited

Registered Office: CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad - 500 032 (A.P.)

PROXY FORM

I/We...

of...

(Write full address)

....being a Member(s) of CMC LIMITED, hereby appoint

.... of ....(Write full address)

....

or failing him/her...of..

.... as my/our proxy to attend and vote for me/us and on my/our behalf at the 37th Annual General Meeting to be held on Wednesday, June 26, 2013 at 3 p.m. and at any adjournment thereof.

AS WITNESS under my/our hands this ____________ day of __________________ , 2013.

Folio No. .... DPID No. .... Client ID No. ....

Signature .... Affix Revenue Stamp ....

NOTES :
1. The Proxy need NOT be a Member.
2. The Proxy Form must be deposited at the Registered Office not less than 48 hours before the scheduled time for holding the meeting.

Corporate Sustainability

We encourage all CMCites to:

Demonstrate responsibility and sensitivity to biodiversity and the environment in which they operate by being proactive to conserve, restore and enrich it systematically and continuously

Comply with regulations relating to environment, constantly upgrade technology and apply state-of-the-art processes and practices with institutional arrangements that will comprehensively address larger issues and goals on climate change and global warming

Continually illustrate performance in preventing pollution, ensure the optimum use of resources and minimise harmful impacts of products and production processes, materials movement and its delivery throughout its supply chain

Create sustainable livelihoods and build community through social outreach programmes in Health, Education, Empowerment of Women & Youth, Employee Volunteering; that can be measured in terms of their having more lasting benefits, serving a larger national or regional purpose, and also making it more meaningful to all involved in the endeavour

Find ways to enhance human, social, natural capital as complementing financial growth of the enterprise with explicit goals and processes to sustain the effort

For this purpose CMC shall adhere to our core values, deploy appropriate approaches; demonstrate leadership, train, position key professionals; and, create consciousness among employees, suppliers, contractors, customers and the community at large through a process of continuous dialogue, initiatives and collaboration

Awards and Recognitions

- Certificate of Recognition for Excellence in Corporate Governance for the third consecutive year by Institute of Company Secretaries of India.
- Intelligent Transport System designed and implemented by CMC for Karnataka State Road Transport Corporation won CSI award for Excellence in IT – 2012.
- Mr JK Gupta, CFO recognised in CFO India's 3rd Annual CFO100 Conference.
- Assessed at level 5 of the SEI's Capability Maturity Model Integration (CMMi) for Software Development and Services.
- Recognized with two awards - CSR Excellence and Leadership Awards under categories Community Development and Carbon Footprint Accounting and Management presented by ETNOW on World CSR Day.
- Golden Peacock HR Excellence Award by Institute of Directors.
- Best of Breed HR Practices Award 2012.
- Best Business Process Excellence Program Award at the Global Awards for Excellence in Quality Management and Leadership.
- eMaharashtra Award 2012 for Generation Control Room Project for Mahagenco.
- eWorld 2012 Award for best ICT enabled Urban Governance Initiative of the Year for Intelligent Transport System designed for Karnataka State Road Transport Corporation.
- eWorld 2012 Award for best use of ICT for Public Sector Units for Fuel Pilferage Prevention System for IOCL.
- Ms. Nita Sarang, Head-Business Excellence wins Women at Work Leadership Award.
- 'Special Commendation' for the Golden peacock Innovation Management Award-2012 by Institute of Directors.

CMC WINS CERTIFICATE OF RECOGNITION FOR EXCELLENCE IN CORPORATE GOVERNANCE FROM ICSI FOR THIRD CONSECUTIVE YEAR

Mr Vivek Agarwal, Company Secretary receiving Certificate of Recognition from Hon'ble Mr Justice M N Venkatachaliah, former Chief Justice of India

CMC WINS SERIOUS ADOPTION AWARD IN TBEM ASSESSMENT

Mr R Ramanan, MD & CEO and CMC Team receiving the Serious Adoption Award at the TATA Business Excellence Convention

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FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	CMC Limited
2	Annual Financial Statements for the year ended	31 March, 2013
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable as the Report is unqualified
5	To be signed by	
	R. Ramanan Managing Director and CEO	
	J. K. Gupta Chief Financial Officer	
	Auditor of the Company	Refer our Audit Report dated 15April, 2013 on the Financial Statements of the Company For **Deloitte Haskins & Sells** Chartered Accountants (ICAI Registration No. 015125N) **Alka Chadha** Partner (Membership No. 93474) New Delhi, 15April, 2013
	Sudhakar Rao Audit Committee Chairman	