CMC Limited

Your IT Partner

A TATA Enterprise

38th ANNUAL REPORT

2013-14

BOARD OF DIRECTORS

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

MANAGEMENT TEAM

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

Letter from CEO

Dear Shareholders,

I am pleased to report that your Company continued to maintain momentum of growth and profitability during the year 2013-14. During this period your Company's consolidated revenues grew by 16% to ₹ 2256 crore and the net profits grew by 22% to ₹ 280 crore. The earnings per share for the Company increased to ₹ 92.55. In line with improved financial performance and consistent with our policy of rewarding shareholders with a higher dividend, this year an increased dividend payout of ₹ 22.50 per share has been proposed by the Board of Directors of your Company.

Your Company offers a balanced portfolio of integrated services and solutions in niche areas that 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. As a result, your Company has seen consistent growth with value and over the last 12 months, your Company has added 64 new customers across the world, thus deepening its customer base. Your Company encourages and rewards people for Company's growth and innovation through various mechanisms.

Your Company is striving for overall growth by benefiting not just our customers, shareholders, employees, partners, but also the communities we serve. We strive to achieve this with a pool of committed and talented individuals, embracing innovation and customer centricity while ensuring business excellence and quality in all our services.

The new financial year heralds an opportunity for reimagining and reinforcing the future of the organization. We are today in a globally connected world where the amazing progress of mankind on the technology front is enabling us to envision new digital lifestyles, mobile interactions, social economics, sensor technology based integrations, analytics driven informed decision making and cloud based shared services. These game changing digital interventions in turn are springing up innovative business models, a flurry of entrepreneurial initiatives, breakdown of traditional ways of thinking and behaviours and innovative ways of problem solving and solutioning. The opportunities to contribute are there for every company, and the ones who see it, seize it, internalize it, recognizing change as the only constant, will be the ones to survive and thrive in such a fast changing IT permeating world.

Last year, your Company launched a new initiative called CMC 3.0, which integrates new technologies such as cloud, mobility, big data and enterprise analytics 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 and as a result of this we have seen increasing opportunities in new segments, new industries and new markets.

In addition, we are now formalizing the launch of the following initiatives within the Company to ensure all rounded growth we envision. We will ensure every unit within the Company embraces these in their processes and measure itself with one or more of the following initiatives:

- **Delivery and Innovation Excellence initiatives** – Focus on ensuring that every customer (internal or external customer) will experience consistent and continuously improving Delivery Excellence and innovation from the unit serving it.
- **Revenue Excellence initiatives** – Aim at continuous profitable revenue growth of the company, way above industry standards, and competitive benchmarks at a peer level.
- **People Excellence initiatives** – Ensure world class people environment for people to learn and grow, world class people related processes and systems and constant inspirations to people excellence.
- **Business Excellence initiatives** – The TBEM (Tata Business Excellence Model) has enabled CMC to scale up incredibly over the past several years to new heights of excellence in business processes and also of recognition not just by the market place but also within the TATA group.
- **Corporate Social Responsibility initiative** – Aligned with our vision, mission and values and the TATA group vision, CMC through it C-CARES initiatives, will ensure active focus with measurable results in our Corporate Social Responsibility, Affirmative Actions, women empowerment, Responsibility to Environment through c-GREEN, employee Safety, and e-PRAGATI initiatives.

On behalf of CMC and on my personal behalf, I would like to thank you for your continued support.

With regards,

R Ramanan,
Managing Director & CEO
17 May, 2014

Financial Highlights

Revenues

Up 16% @ ₹ 2,256 crore

Operating Profits

Up 23% @ ₹ 389 crore

Net Profits

Up 22% @ ₹ 280 crore

CMC Limited

Thirty eighth annual report 2013 - 2014

Inside

Annual General Meeting will be held on Monday, 23 June, 2014 at CMC's Auditorium at its Registered Office, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad-500 032 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

Stakeholders Relationship Committee
Mr. Sudhakar Rao
Mr. S Mahalingam
Mr. R Ramanan

Nomination and Remuneration Committee
Ms. Kalpana Morparia
Mr. S Ramadorai
Mr. S Mahalingam
Prof. M S Ananth
Mr. Sudhakar Rao

Corporate Social Responsibility Committee
Mr. Ashok Sinha
Mr. S Mahalingam
Mr. R Ramanan

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

Management Team
Mr. R Ramanan (Managing Director & CEO)
Mr. J K Gupta (CFO)
Mr. Vivek Agarwal (Company Secretary)
Mr. J Sriram (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, LLP

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

Website
www.cmcltd.com

Investor Relations Email ID
investor.relations@cmcltd.com

Corporate Identity Number
L72200AP1975PLC001970

NOTICE

Notice is hereby given that the 38th Annual General Meeting ("AGM") of the Members of CMC Limited will be held on Monday, 23 June, 2014 at 3:00 p.m. at CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad-500 032, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31 March, 2014 including audited Balance Sheet as at 31 March, 2014 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare a dividend on equity shares for the financial year 2013-14.
3. To appoint a Director in place of Mr. Seturaman Mahalingam, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for a term of three years up to the conclusion of the 41st Annual General Meeting to be held in the year 2017 and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Sudhakar Rao (DIN 00267211), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 23 June, 2014 up to 22 June, 2019."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Ms. Kalpana Morparia (DIN 00046081), a non-executive independent director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 23 June, 2014 up to 22 June, 2019."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Prof. Madaboosi Santhanam Ananth (DIN 00482391), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company, with effect from 23 June, 2014 up to 22 June, 2019."

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 the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act")and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Ashok Sinha (DIN 00070477), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 23 June, 2014 up to 22 June, 2019."

By Order of the Board of Directors

Mumbai
17 May, 2014

VIVEK AGARWAL
Company Secretary

Notes:

1. The relative Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the special business set out in Item Nos. 5 to 8 above, is annexed hereto.
2. The relevant details as required under Clause 49 of the Listing Agreement with the stock exchanges, of persons seeking appointment/re-appointment relating to item Nos. 3 and 5 to 8 of the Notice, are also annexed.
3. **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.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.

   The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 16 June, 2014 to Monday, 23 June, 2014 (both days inclusive).
5. The dividend as recommended by the Board of Directors if declared at the Annual General Meeting will be paid on or after 25 June, 2014 but before 23 July, 2014.
6. 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 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.
7. 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 (Karvy).

8. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividend 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**
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
2012-13	26-06-2013	25-06-2020

The Company has uploaded the information of unclaimed/unpaid dividend in respect of the financial years from 2006, on the website of the IEPF viz. www.iepf.gov.in and under "Investors" Section on the Website of the Company viz. www.cmcltd.com

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.

9. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.

10. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants 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.

11. Members may also note that the Annual Report for FY 2013-14 will also be available on the Company's website www.cmcltd.com for their download.

12. **Voting through electronic means:**

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Karvy.

The instructions for e-voting are as under:

i. Use the following URL for e-voting:

Karvy website: http://evoting.karvy.com

ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the record date, i.e. 23 May, 2014 (End of Day) may cast their vote electronically.

iii. Enter the login credentials i.e. User ID and password mentioned in the attensence slip attached with the Annual Report. Please follow the instructions given in the e-voting portal.

iv. After entering the details appropriately, click on LOGIN.

v. You will reach the Password change menu wherein you are required to mandatorily change your password.

The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT, i.e. CMC Limited.

viii. On the voting page, enter the number of shares as on the cut off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

ix. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.

x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm, else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

xii. The Portal will be open for voting from 9 A.M. on 17 June, 2014 to 6 P.M. on 19 June, 2014.

xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact Karvy Computershare Pvt Ltd at Tel No. 1800 345 4001 (toll free).

II. The Company has appointed Dr. S Chandrasekaran, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

III. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IV. The results shall be declared on or after the AGM of the Company. The results alongwith the Scrutinizer's Report shall be placed on the Company's website www.cmcltd.com and on the website of Karvy.

13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors

Mumbai
17 May, 2014

VIVEK AGARWAL
Company Secretary

Registered Office:
CMC Centre
Old Mumbai Highway, Gachibowli
Hyderabad-500 032
CIN:L72200AP1975PLC001970
Tel:+91(11)2373 6151 Fax: 91(11)2373 6159
E-mail:investor.relations@cmcltd.com Website:www.cmcltd.com

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Sudhakar Rao is a retired IAS Officer of 1973 batch. He joined the Board of Directors of the Company on 11 July, 2011. He is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement.

He holds a Masters Degree in Economics from the Delhi School of Economics and a Masters Degree in Public Administration from the Kennedy School of Government, Harvard University. Mr. Rao has held several key positions in the State Government of Karnataka including CMD of the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC), Principal Secretary- Finance; Principal Secretary- Home; Principal Secretary to the Chief Minister of Karnataka and Chief Secretary to the Govt. of Karnataka. He has also worked in the Union Government at many posts including, the Director in the Prime Minister's Office, Joint Secretary in the Ministry of Power and Minister (Economic) in the Embassy of India in Washington. He also served as a Member of the Public Enterprises Selection Board. Mr. Rao is on the Boards of various prominent companies, viz., Indian Oil Corporation Limited, BSE Limited, BSE Institute Limited, L&T Infrastructure Development Projects Limited, Binani Industries Limited, United Spirits Limited and Nitesh Estates Limited. He is also Group Advisor to the Manipal Education and Medical Group. He is closely involved with several non-profit organisations and is the Chairman of the Advisory Committee for the National Gallery of Modern Arts, Bangalore.

Mr. Sudhakar Rao was conferred the Kannada Rajyotsava Award for public service by the Government of Karnataka in 2010.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Sudhakar Rao has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Sudhakar Rao as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director from 23 June, 2014 up to 22 June, 2019.

In the opinion of the Board, Mr. Sudhakar Rao fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sudhakar Rao as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. Sudhakar Rao would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. Sudhakar Rao, is concerned or interested in the Resolution at Item No. 5 of the Notice. Mr. Sudhakar Rao and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 5.

Item No. 6

Ms. Kalpana Morparia joined the Board of Directors of the Company on 11 March, 2008. She is a non-executive independent director of the Company and is considered as Independent Director under Clause 49 of the Listing Agreement.

Ms. Kalpana Morparia is Chief Executive Officer of J.P. Morgan, India. She leads each of the firm's lines of business – Corporate and Investment Banking, Asset Management and Principal Investment Management. She also has responsibility for Service Groups operating in India, including Global Research, Finance, Technology and Operations. Internationally, Ms. Kalpana Morparia is a member of J.P. Morgan Asia Pacific Executive Committee.

Ms. Kalpana Morparia serves as an Independent Director on the Boards of Dr. Reddy's Laboratories Limited, Bennett, Coleman & Company Limited, Philip Morris International Inc. Prior to joining J.P. Morgan India, Ms. Kalpana Morparia served as Vice Chair on the Boards of ICICI Group Companies. She was a Joint Managing Director of ICICI Group from 2001 to 2007. Ms. Kalpana Morparia had been with the ICICI Group since 1975.

A graduate in law from Bombay University, Ms. Kalpana Morparia has served on several committees constituted by the Government of India. She has also been recognized by several International and National media for her role as one of the leading women professionals.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Ms. Kalpana Morparia has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Ms. Kalpana Morparia as Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as an Independent Director from 23 June, 2014 up to 22 June, 2019.

In the opinion of the Board, Ms. Kalpana Morparia fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management.

In compliance with the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, the appointment of Ms. Kalpana Morparia as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Ms. Kalpana Morparia would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Ms. Kalpana Morparia, is concerned or interested in the Resolution at Item No. 6 of the Notice. Ms. Kalpana Morparia and her relatives are interested or concerned in the Resolution concerning her appointment proposed at agenda Item No. 6

Item No. 7

Prof. Madaboosi Santhanam Ananth joined the Board of Directors of the Company on 27 June, 2012. He is a non-executive Independent Director of the Company and is considered as Independent Director under Clause 49 of the Listing Agreement.

Prof. Ananth is a Gold Medalist in B.Tech from the University of Madras and also completed M.E/Ph. D from University of Florida, USA. He was Director, IIT- Madras for about 10 years till July 2011. 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. He is on the Board of UCAL Fuel Systems Limited.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Prof. Ananth has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Prof. Ananth as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director from 23 June, 2014 up to 22 June, 2019.

In the opinion of the Board, Prof. Ananth fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, the appointment of Prof. Ananth as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Prof. Ananth would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Prof. Ananth, is concerned or interested in the Resolution at Item No. 7 of the Notice. Prof. Ananth and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 7.

Item No. 8

Mr. Ashok Sinha joined the Board of Directors of the Company on 11 July, 2012. He is a non-executive independent director of the Company and is considered as Independent Director under Clause 49 of the Listing Agreement.

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 is on the Board of Petronet LNG Limited and Axis Asset Management Company Limited, Cipla Limited etc.

He was recipient of the CIO – 100 Award (USA) in 1999, Indian CFO Award and CIO India Award in the year 2001.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Ashok Sinha has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Ashok Sinha as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director from 23 June, 2014 up to 22 June, 2019.

In the opinion of the Board, Mr. Ashok Sinha fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ashok Sinha as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. Ashok Sinha would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. Ashok Sinha, is concerned or interested in the Resolution at Item No. 8 of the Notice. Mr. Ashok Sinha and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 8.

By Order of the Board of Directors

Mumbai
17 May, 2014

VIVEK AGARWAL
Company Secretary

Registered Office:
CMC Centre
Old Mumbai Highway, Gachibowli
Hyderabad-500 032
CIN:L72200AP1975PLC001970
Tel:+91(11)23736151 Fax: 91(11)23736159
E-mail:investor.relations@cmcltd.com Website:www.cmcltd.com

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

(Pursuant to Clause 49 of the Listing Agreement)

Particulars	**Mr. Seturaman Mahalingam**	**Mr. Sudhakar Rao**	**Ms. Kalpana Morparia**	**Prof. Madaboosi Santhanam Ananth**	**Mr. Ashok Sinha**
Date of Birth	10.02.1948	03.09.1949	30.05.1949	15.11.1945	15.02.1952
Date of Appointment	14.01.2010	11.07.2011	11.03.2008	27.06.2012	11.07.2012
Qualifications	Chartered Accountant	Masters in Economics, I.A.S. Officer (Retd.)	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	Finance & Business Management	Business and Finance, Public administraton & Governance	Banking, Finance and Legal	Science & Technology, Research & Development	Finance and Business Management
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 25 Companies)	Tata Realty and Infrastructure Limited City Union Bank Limited	Indian Oil Corporation Limited BSE Limited BSE Institute Limited L&T Infrastructure Development Projects Limited Binani Industries Limited United Spirits Limited Nitesh Estates Limited	Dr Reddy's Laboratories Limited Bennett Coleman & Company Limited	UCAL Fuel Systems Limited	Petronet LNG Limited Axis Asset Management Company Limited Cipla Limited
Chairmanships/ Memberships of Committees of other Public Companies (includes only Audit Committee; and	**Audit Committee** Tata Realty and Infrastructure Limited*	**Audit Committee** L&T Infrastructure Development Projects Limited * BSE Institute Limited BSE Limited Indian Oil Corporation Limited United Spirits Limited	**Audit Committee** Dr. Reddy's Laboratories Limited Bennett Coleman & Co. Limited**	**Audit Committee** UCAL Fuel Systems Limited	**Audit Committee** Petronet LNG Limited* Axis Asset Management Co. Limited Cipla Limited*
Shareholders/ Investors Grievance Committee)	-	-	-	-	-
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 38th Annual Report and the Audited Statement of Accounts for the year ended 31 March, 2014.

1. FINANCIAL RESULTS

(₹ in crore)

Particulars	Standalone		Consolidated	
	2013-14	2012-13	**2013-14**	2012-13
Income from Sales and Services	**1189.79**	1123.13	**2230.93**	1926.09
Other Income	**141.11**	40.75	**25.01**	13.16
Total Income	**1330.90**	1163.88	**2255.94**	1939.25
Operating Expenses	**918.53**	903.44	**1841.59**	1609.28
Profit before Depreciation, Interest and Tax	**412.37**	260.44	**414.35**	329.97
Depreciation and amortization	**26.56**	22.55	**26.98**	23.20
Interest	**-**	0.16	**0.08**	0.18
Profit before Tax	**385.81**	237.73	**387.29**	306.59
Provision for Taxation (incl. deferred Income Tax)	**62.20**	39.35	**106.87**	76.36
Profit After Tax	**323.61**	198.38	**280.42**	230.23
Add: Profit brought forward from previous year	**726.55**	610.05	**823.87**	675.52
Amount available for appropriations	**1050.16**	808.43	**1104.29**	905.75
Appropriations				
Proposed Dividend	**68.18**	53.03	**68.18**	53.03
Tax on Proposed Dividend	**11.58**	9.01	**11.58**	9.01
Transfer to General Reserve	**32.36**	19.84	**32.36**	19.84
Balance carried to Balance Sheet	**938.04**	726.55	**992.17**	823.87
	1050.16	808.43	**1104.29**	905.75

2. DIVIDEND

Your Directors are pleased to recommend for approval of the Members a dividend of ₹22.50 per equity share of ₹10/- each of the Company for the financial year 2013-14.

3. TRANSFER TO RESERVES

The Company proposes to transfer ₹32.36 crore to the General Reserve out of amount available for appropriation, and an amount of ₹938.04 crore is proposed to be retained in the Statement of Profit and Loss on Standalone basis.

4. OPERATING RESULTS AND BUSINESS OPERATIONS

Your Company has continued its growth story during fiscal 2014 and achieved 16% growth in revenue, crossing ₹ 2000 crore revenue on consolidated basis for the first time. During fiscal 2014, the consolidated income from sales and services grew by 16% to ₹2230.93 crore compared to ₹1926.09 crore in fiscal 2013. While the domestic revenue grew at moderate 4%, the Company has been able to maintain momentum of growth in international markets including emerging geographies like Middle East and Africa, which grew by 23%. The domestic market faced slowdown due to various challenges posed by various political and economic uncertainties. The wholly owned subsidiary CMC Americas, Inc., contributed with 9% revenue growth in dollar terms. The income from sales and services on standalone basis grew by 6% to ₹1189.79 crore in fiscal 2014 compared to ₹1123.13 crore in fiscal 2013.

The Systems Integration (SI) segment was the main contributor to the revenue growth during the year, with 25% revenue growth during the year followed by 7% revenue growth from IT enabled Services (ITeS). The revenue in Customer Services (CS) and Education and Training (E&T) segment remained relatively flat due to various challenges posed by political and economic uncertainties in the country and general industry wide slowdown.

The Operating Profit (earnings before interest, tax and depreciation) increased by 23% on a consolidated basis to ₹ 389.34 crore in fiscal 2014 compared to ₹ 316.81 crore in fiscal 2013.

Your Company continued to seek long term relationship with the clients and focused on customer centric approach that has enhanced their value while addressing their IT requirement. This has also helped the Company in focusing on areas aligned with the vision of the Company of being a leading Systems Engineering and Integration Company.

5. CAPACITY EXPANSION

Your Company has developed IT and ITeS sector specific Special Economic Zone (SEZ), named Synergy Park, at its Campus at Gachibowli, Hyderabad. The project is being developed in 3 phases at a total estimated cost of ₹445 crore with total seating capacity of around 12685 seats when completed.

The phase I of the project which consists of Offshore Development Center (ODC) 1, 2 and 3 with seating capacity of 3040 seats was completed in 2008-09 and phase II which consists of ODC 5 and 6 with seating capacity of 5973 completed in 2011-12 is now fully operational. Phase III consists of Multi Level Car Parking and ODC 4 with seating capacity of around 3672 which is in final stages of completion and has started partial occupation effective from January 2014. The project is likely to be completed by June 2014. Your Company has spent ₹386.64 crore on this project till 31 March, 2014.

The Company had also set up another SEZ Unit in Kolkata to cater the demand of international clients and provide them business continuity solutions.

The Company has also started construction of a new building in Kolkata with a built up area of 2.08 lakh sq. ft. at an estimated cost of ₹73 crore. The project is targeted to be completed by April 2015. The facility will have seating capacity of around 1600 seats on completion, apart from training capacity of over 500 seats. Your Company has spent ₹ 10.43 crore on this project till 31 March, 2014.

6. CREDIT RATING

Your Directors have pleasure to inform that ICRA Limited has reaffirmed [ICRA] AA+ rating of your Company for long term exposure (both fund based as well as non fund based) for a total amount of ₹350 crore. ICRA has also reaffirmed A1+ rating for commercial papers (CP) and short term debt instruments (STD) of the Company up to ₹50 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 subsidiary companies viz., CMC Americas, Inc. (Direct subsidiary) and CMC eBiz, Inc. (Step down subsidiary) in USA. A statement containing brief financial details of the Subsidiary Companies for the year ended 31 March, 2014 is included in the notes of the consolidated financial statement. As required under the Companies Act, 1956 and the 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 which 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 BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. There are no arrears on account of payment of listing fees to the Stock Exchanges.

10. DIRECTORS

Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on 17 May, 2014 recommended appointment of Mr. Sudhakar Rao, Ms. Kalpana Morparia, Prof. M. S. Ananth and Mr. Ashok Sinha as Independent Directors of the Company, not liable to retire by rotation for a period of five years from the date of its 38th Annual General Meeting subject to approval of the Members of the Company. These Directors have given the declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

The Board recommends the resolutions for your approval for the above appointments.

Mr. S Mahalingam, Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

11. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

Your Company continues to be guided by the philosophy of business excellence to achieve sustainable growth using the Tata Business Excellence Model (TBEM). In the annual TBEM assessment, your Company moved into the 500-550 score band, receiving recognition for active promotion of the TBEM. Innovation in products, services and business models is a key agenda of the Management along with a customer-focused culture towards building long-term customer relationships.

Continuing along the principles of Total Quality Management, scope of ISO 9001:2008 certification was extended to all business units for services delivered globally. Research & Development and product development and support functions were also included. Your Company also maintained compliance to Data Protection Act through information security practices and ISO 27001 certification.

12. CORPORATE SOCIAL RESPONSIBILITY

12.1 Formation of Committee

Pursuant to Section 135 of the Companies Act, 2013 the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors. The terms of reference of the CSR Committee are as per the provisions of the Companies Act, 2013.

12.2 ENVIRONMENT

Your Company has a work environment policy covering health, safety and workplace environment. CMC subscribes to protecting the environment and to minimizing impact of its solutions and services on the environment. CMC is working towards a leadership role in green technology propagation in partnership with leading professional bodies like Computer Society of India, The Energy and Resource Institute, and others; on a global agenda. Your Company has adopted a value-based approach to corporate sustainability management by incorporating environmental and social aspects into mainstream management. There is a clear focus to improve CMC carbon footprint, waste segregation and responsible e-waste disposal.

12.3 SOCIETY

Corporate Social Responsibility efforts of your Company are focused around sustainable livelihood with key beneficiaries being the aged, women and children. Activities undertaken during the year include cataract operations for the aged, teachers training, skill development programs for underprivileged children. Over 3000 students benefitted from skill development and other educational activities. Your company also contributed towards Uttarakhand flood relief through staff contribution. Community volunteering among staff was actively promoted during Tata Volunteering Week to commemorate the 175th birth anniversary of group founder Sir Jamsetji Tata.

Your Company continues to partner with Give India NGO, to enable every staff member to make a difference individually to society through an NGO of their choice.

12.4 AFFIRMATIVE ACTION

Your Company has committed itself to the Tata Affirmative Action Program (TAAP) for historically disadvantaged (SC/ST) communities through several programs, namely, positive discrimination in recruitment and supplier empanelment, focused SC/ST registrations under CMC C-Jet and Vocational courses, scholarships for deserving SC/ST, BE/BTech students, and the adoption of schools in tribal areas. Your Company is now actively associated with seven such schools across western and southern India. Over 2400 persons have been trained by the E&T SBU under various education programmes under this initiative, thus making them employable in the IT and ITeS industry. Nearly 1268 people belonging to the AA Community have got meaningful employment, direct as well as indirect, as a result of this initiative.

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 part of the Annual Report. During the year, Secretarial Audits and Secretarial Standards Audit were carried out and the detailed Reports as obtained from Secretarial Auditors are published elsewhere in the Annual Report.

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate times for meeting stakeholders' expectations while continuing to comply with the mandatory provisions of corporate governance.

The Corporate Governance practices of Your Company are benchmarked with the best in class. Your Company has consistently been recognised by the Institute of Company Secretaries of India (ICSI) as one of the top 7 companies in India for making consistent efforts for adopting excellent corporate governance practices.

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, 2014 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. INCREASE IN THE SHAREHOLDING LIMIT OF FOREIGN INSTITUTIONAL INVESTORS (FIIs)

The Company sought the approval of its members, through postal ballot process for enhancement of the FIIs shareholding limits from 24% to 35% of the paid up share capital. The result was announced on 24 April, 2014 and the said special resolution was passed by the members with the requisite majority.

17. AUDITORS

M/s Deloitte Haskins & Sells (DHS), the Statutory Auditors of the Company, hold office until the ensuing Annual General Meeting (AGM). The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 41st AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

18. 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.

19. 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

Mumbai
17 May, 2014

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 31 March, 2014

A. CONSERVATION OF ENERGY

a. The operations of the Company, being IT related, require normal consumption of electricity. 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 (R&D)

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 solutions
- Biometrics Technology
- Mining Solutions
- Big Data and Data Mining technologies
- Technology & Solutions for Shipping & Ports
- Improving assets in the e-Governance Space
- Mobile computing
- Cloud Business technologies
- Visualization Technologies

Last year, significant investment was made across the Company in

- Algorithmic improvements in product lines
- Technology Refreshes in Existing Product Lines
- 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. eGovernance Products – Your Company has seen new wins in District Government Applications and Treasury management system and Government to Citizen Services in India and abroad.
2. FACTS – Your Company's flagship Biometric AFIS product is seeing increased uptake in State Police in India based on customer benchmarks. Biometrics deployment at Police station level has been ordered from Gujarat and we see this as a possible trend for replication in other states.

3. 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 Company saw first deployment of the technically revamped product in production in London and interest from several terminals that are looking for Terminal operating system replacement. Your Company has also won significant new deployment opportunities in cargo space in large cargo terminal in Middle East.
4. Insurance sector – Your Company continues to enjoy leadership in Domestic General Insurance sector and dominate the competition. It sees growth not only in India but also in Africa and Middle East now.
5. Our GPS based telematics solution has seen replication with new orders from various states.
6. Our Big Data powered Healthcare analytics platform has seen major interest from US based healthcare research firms. The Company did several new projects on using Big data technologies for homeland security and industrial automation usage.
7. 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

d. Expenditure on R&D

(₹ / crore)

	Particulars	2013-14	2012-13
A.	Capital	**0.67**	0.88
B.	Recurring	**11.73**	10.30
C.	Total	**12.40**	11.18
D.	Total R&D Expenditure as a percentage of Turnover	**1.04**	1.00

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

IV. 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.

V. 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 value adding solution provider for complex projects in the market.

III. Ability to attract best talent to work with us on these products and technologies.

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

V. Investing in specific emerging technology spaces such as Platform as a service, Internet of Things, Wearable computing, Cloud, SaaS, Mobility, Analytics and Big Data allows your Company relevance and superior positioning for tomorrow's needs

c. Information regarding Imported Technology

The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNING AND OUTGO

1. Activities Relating to Exports, Initiatives taken 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 Systems Services and software solutions in key industry verticals and e-governance space.

2. Total Foreign Exchange Earned & Used

The foreign exchange earned and used during the year were as follows:

(₹ / crore)

Particulars	**Year ended 31 March, 2014**	Year ended 31 March, 2013
Revenue:		
Foreign Exchange Earned	**477.16**	361.05
Foreign Exchange Used	**81.40**	65.91
Net Foreign Exchange Earnings (NFE)	**395.76**	295.14
NFE / earnings (%)	**82.94**	81.74

On behalf of the Board of Directors

Mumbai
17 May, 2014

S RAMADORAI
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The year gone by has been characterized by an improvement in global economic climate and a rise in technology spends which has brought in optimism to the Indian IT industry. The global IT spending is projected to grow faster in 2014 – IT by 3.9 percent and BPM by 5.9 percent. A gradual revival in consumer confidence is leading to return of discretionary spending as seen in Europe and US. While US continues to be the largest geographical market for India accounting for 62% share, the revival in Europe is expected to be significant and the demand is estimated to grow by 14% in FY 2013-14.

IT Exports from India are estimated to have grown by around 13% in dollar terms to around USD 86 billion while the Indian domestic sector is estimated to have grown by 9.7% to approx. USD 32 billion in FY 2013-14. NASSCOM has projected increased growth rate of 13-15% in exports and around 9-12% in domestic sector in FY 2014-15.

Rapid technology transformation is leading to altered and dynamic client engagement, which in turn is fueling business transfiguration, speeding up delivery services, and driving innovation capabilities across practices and operations. The shift in business models from traditional labour based onsite-offshore models to cloud based and off premise solutions is here to stay. This has resulted in rapid evolution, expansion of verticals and geographic markets and offerings which offer a wider spectrum of solutions. The key verticals driving growth would be – BFSI, Telecom, Transportation, Healthcare, social entrepreneurship and the Government sector.

Innovation and new business models with global and seamless delivery models would be key drivers to sustain growth.

B. OPPORTUNITIES & THREATS

Opportunities

CMC has identified opportunities based on the trends noticed in past couple of years, which continues to be the focus of our growth strategies during 2014-15, the key ones of which are as follows:

(1) In India, the changing landscape of the industry has transformed several emerging locations into potential business destinations to broad-base its growth. Dispersal of IT export led growth to centers other than the Metros is characterized by emergence of Tier II/III locations. Last few years have seen emergence of new delivery locations with relatively faster growth in exports like Kerala, Punjab followed by other emerging regions like Chandigarh, Bihar, Gujarat, Goa, Chhattisgarh, etc. CMC Ltd with its Pan India presence is well poised to take advantage of this trend.

(2) The adoption of Social media, Mobile, Analytics and Cloud (SMAC) technologies is expected to drive growth in all the segments. Cloud and client maturity are the major drivers for this, especially in IT. CMC is adapting this technology for upgrading its existing solutions as part of its offerings.

(3) Emerging trends around redefined operating models along with customer-specific delivery mechanism are changing the dynamism of the industry. Specific capabilities demanded by customers will result in 'country/ location specific' CoEs which will be leveraged for a strong hub – and-multiple spoke-global delivery model.

(4) Global IT-BPM spending – Driven by Emerging geographies and verticals – Emerging Geographies like MEA / APAC and emerging verticals – Healthcare, energy and retails are the key areas where CMC will tap opportunities with its core competency of asset based solution.

Threats

(1) **Attrition:** Since the IT sector is exposed to high attrition rate due to more opportunities available in market for the employee, retaining existing talent pool and attracting new talented manpower is a major risk to the Company. The Company has initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, and CMC connect to maintain employee-friendly culture in the organization.

(2) **Protectionism:** Since the Company's business requires deputation of technical staff on overseas projects, which require appropriate visa to work in those countries. Legislation in certain countries where the Company operates may impose necessary legislative restriction which may have adverse impact on the business of the Company.

(3) **Technological Changes:** The Company operates in high end technology domain which is subject to continuous innovations based on the customer requirement. To mitigate the risk of technological changes, the Company has its own R&D center to track technological innovations which are relevant to the business of the Company.

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. 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 and to E&T, and is an integral part of 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.

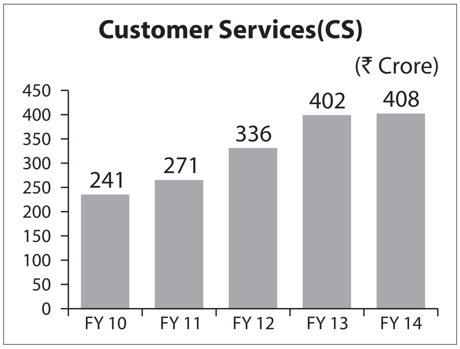
2. Business Segments of the Company:

The Company generates its revenue from 5 segments:

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

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 to 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:

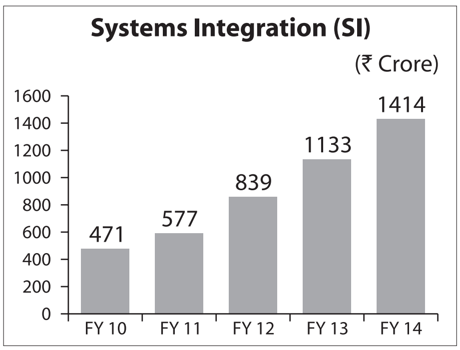


Revenue (Consolidated)

The CS SBU earned revenue of ₹408.46 crore during the year on a consolidated basis compared to ₹401.56 crore during the previous year, registering an increase of 2 % on yearly basis. The share of CS SBU in total revenue from operations decreased to 18% in FY 2013-14 from 21% in FY 2012-13. The growth in CS SBU remained almost flat due to countrywide domestic slowdown due to economic and political uncertainties during the year.

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 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. We also continue to focus on emerging areas related to big data and analytics, mobility management and integration and cloud related services.

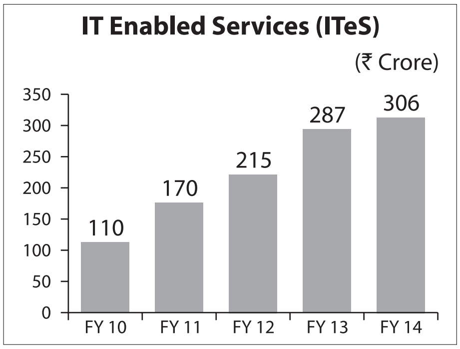


Revenue (Consolidated)

The SI SBU earned revenue of ₹1,413.51 crore during the year compared to ₹ 1132.52 crore earned in the previous year, registering an increase of 25% over the previous financial year. The share of SI SBU in total revenue from operations increased to 63% in FY 2013-14 from 59% in FY 2012-13. The major growth driver during the year has come from the International geography. The domestic component of the business has been affected by lack of new investments by large IT users in the Enterprise segment and the Government sector.

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.



Revenue (Consolidated)

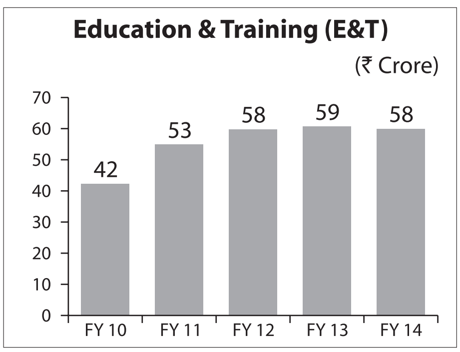
The ITeS SBU earned revenue of ₹306.14 crore during the year on consolidated basis compared to ₹286.73 crore in the previous year, registering an increase of 7% on yearly basis. The share of ITeS SBU in total revenue from operations decreased to 14% in FY 2013-14 as compared to 15% in FY 2012-13.

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 mainly include:

- IT and Non IT Vocational programs.
- Integrated career development plans
- Soft skill trainings
- Integrated learning solutions for corporate houses.
- Job enabled training program

The E&T SBU 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.

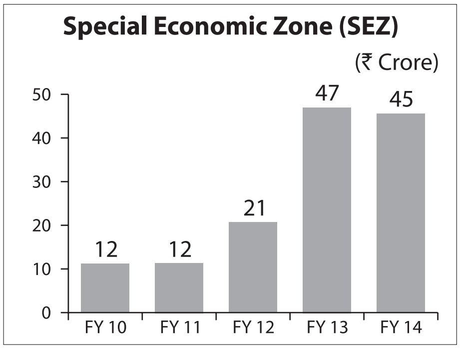


Revenue (Consolidated)

The E&T SBU earned revenue of ₹57.92 crore during FY 2013-14 compared to ₹58.52 crore during FY 2012-13. The share of E&T SBU in total revenue from operations remained flat at 3% in FY 2013-14 as it was in FY 2012-13. During the year E&T SBU faced industrywide general slowdown which resulted in flat revenue during the year.

2.5 Special economic zone (SEZ)

The Company has developed an SEZ facility spread over about 46.33 acres at its campus at Gachibowli, Hyderabad. The Company reports SEZ as a separate segment in compliance 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:



Revenue (Consolidated)

The Company has earned a rental income of ₹44.90 crore in FY 2013-14 compared to ₹46.77 crore during FY 2012-13. The rentals in FY 2012-13 included rentals received at increased rates with retrospective effect.

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, 2014**		Year ended 31 March, 2013		**Variation**
	(₹ /Crs.)	**%**	(₹/Crs.)	%	**%**
Income:					
Income from sales and services	**2,230.93**	**100.00**	1926.09	99.91	15.83
Expenditure*:					
Material	**224.00**	**10.04**	212.85	11.05	5.24
Manpower	**554.68**	**24.86**	521.64	27.08	6.33
Sub - Contracting Costs	**887.89**	**39.80**	679.73	35.29	30.62
Others	**175.02**	**7.85**	195.06	10.13	(10.27)
Total Expenditure	**1,841.59**	**82.55**	1,609.28	83.55	14.44
Operating Profit	**389.34**	**17.45**	316.81	16.45	22.89
Other Income	**25.01**	**1.12**	13.16	0.68	90.05
Profit before Interest, Tax and Depreciation	**414.35**	**18.57**	329.97	17.13	25.57
Depreciation	**26.98**	**1.21**	23.20	1.20	16.29
Interest	**0.08**	**0.00**	0.18	0.01	(61.11)
Profit Before Tax	**387.29**	**17.36**	306.59	15.92	26.32
Provision for Taxes	**106.87**	**4.79**	76.36	3.96	39.96
Profit after Taxes	**280.42**	**12.57**	230.23	11.95	21.80

** % 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 ₹2,230.93 crore as compared to ₹1926.09 crore during the previous year. Income from sales and services during the year grew by 16% over the previous financial year.

In domestic markets the Company earned a revenue of ₹729.64 crore in FY 2013-14 compared to ₹702.86 crore during the previous year. The Company's international revenue grew by 23%, mainly on account of SI SBU. The share of international business in total operating revenue increased to 67% as compared to 64% over the previous year.

The Company's wholly owned subsidiary CMC Americas, Inc., earned revenue of $209.06 mn in FY 2013-14 compared to $191.66 mn in FY 2012-13 in dollar terms registering a growth of 9% over the previous financial year.

Income Category	**Year ended 31 March, 2014**		Year ended 31 March, 2013		**Variation**
	(₹/Cr.)	**%**	(₹/Cr.)	%	**%**
Equipment	**228.49**	**10.24**	199.93	10.38	14.28
Services	**2,002.44**	**89.76**	1,726.16	89.62	16.01
Total Income from sales and services	**2,230.93**	**100.00**	1,926.09	100.00	15.83
Domestic	**729.64**	**32.71**	702.86	36.49	3.81
International	**1,501.29**	**67.29**	1,223.23	63.51	22.73
Total Income from sales and services	**2,230.93**	**100.00**	1,926.09	100.00	15.83

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.

Particulars	**Unit**	**Year ended 31 March, 2014**	Year ended 31 March, 2013	**Variation**
		(₹/Cr.)	(₹/Cr.)	**%**
Equipment Resale:				
- Sale of purchased equipment	(₹/Cr.)	**228.49**	199.93	14.28
- Cost of equipment purchased for resale	(₹/Cr.)	**201.97**	186.79	8.13
- Cost of equipment as a % of equipment revenue	%	**88.39**	93.43	(5.39)
Maintenance Services:				
- Revenue from maintenance services	(₹/Cr.)	**52.63**	51.41	2.37
- Cost of spares consumptions	(₹/Cr.)	**22.02**	26.06	(15.50)
- Spares consumption as a % of maintenance revenue	%	**41.84**	50.69	(17.46)

- During the Financial year 2013-14 the margin from equipment business increased to 12% from 7% in FY 2012-13.
- The sale of purchased equipment and cost of equipment include ₹18.97 crore and ₹5.83 crore respectively resulting from a favorable decision in a legal case against a customer leading to increase in margin in equipment business during the year. The margin from equipment business excluding the effect of this, was 6.38% in FY 2013-14 compared to 6.57% in FY 2012-13.
- The Company has been able to achieve optimization in spares consumption during the year resulting in significant reduction in spares cost.

2.2 Employee benefits expenses:

The Company has registered significant growth in revenue from services during 2013-14. The employee costs for the year increased to ₹554.68 crore compared to ₹521.64 crore during the previous year in line with the increased service business.

Particulars	Unit	**Year ended 31 March, 2014**	Year ended 31 March, 2013	Variation
		(₹/Cr.)	(₹/Cr.)	**%**
Employee benefit Expenses	(₹/Cr.)	**554.68**	521.64	6.33
Revenue from Services	(₹/Cr.)	**2,002.44**	1,726.16	16.00
Manpower Costs as % of Revenue from Services	%	**27.70**	30.22	

The manpower cost as a % of revenue from services decreased to 28% in FY 2013-14 from 30% during FY 2012-13 on account of increased utilization of vendor employees to achieve cost efficiencies and necessary variability in costs.

2.3 Sub - Contracting and outsourced cost:

Particulars	Unit	**Year ended 31 March, 2014**	Year ended 31 March, 2013	Variation
		(₹/Cr.)	(₹/Cr.)	**%**
Sub contract and outsourced services	(₹/Cr.)	**887.89**	679.73	30.62
Revenue from Services	(₹/Cr.)	**2,002.44**	1,726.16	16.00
Sub-contracted Costs as % of Revenue from Services	%	**44.34**	39.38	

The sub - contracting costs as a percentage of services revenue has increased to 44% in FY 2013-14 from 39% in FY 2012-13. This is partly due to increase in share of onsite business in CMC Americas, Inc. from 75.6% in FY 2012-13 to 78.6% in FY 2013-14.

The Company has been using services of various vendors in order to achieve cost efficiencies and necessary variability in costs which plays important role in the cost management of the Company.

2.4 Other Expenses:

The other expenses on an overall basis have decreased 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, 2014**	Year ended 31 March, 2013	Variation
	(₹/Cr.)	(₹/Cr.)	**%**
Rent and Hire Charges	**25.51**	28.32	(9.92)
Electricity	**28.59**	27.18	5.19
Repair and maintenance	**14.68**	13.31	10.29
Travel and conveyance	**30.19**	28.88	4.54
Communication and postage	**11.43**	10.88	5.06
Printing and Stationery	**8.20**	6.87	19.36
Legal and Professional fees	**14.26**	14.14	0.85
Payment to Franchisees and other E&T expenses	**18.76**	24.12	(22.22)
Living expenses on overseas projects	**15.86**	13.10	21.07
Bad Debts / Provision for doubtful debts	**(4.35)**	5.69	(176.44)
Net Loss on forex fluctuations	**(12.88)**	(1.73)	644.51
Others	**24.77**	24.30	1.93
Total	**175.02**	195.06	(11.08)
As a % of income from sales and services	**7.85%**	10.13%	

Bad Debt/Provision for doubtful debts in FY 2013-14 is net of reversal of bad debts amounting to ₹ 15.27 crore arising out of favorable judgment in a case against a customer. Similarly, net gain in forex fluctuations is inclusive of gain of ₹ 3.29 crore arising from the same judgment. In case we remove the impact of these onetime items, the overall expenses as a % of income from sales and services decreased to 8.68% in FY 2013-14 compared to 10.13% in FY 2012-13.

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

- Rent and hire charges decreased mainly due consolidation of leased premises to owned premises during the year.
- Electricity expenses increased by 5.19% mainly due to hike in electricity tariffs in various states and surcharge levied by electricity department with retrospective effect in Hyderabad facility.
- Repair and maintenance increased by 10.29% due to refurbishment of R&D Centre and cafeteria in Hyderabad, renovation work performed in owned facility for execution of project in Kolkata.
- Travel and conveyance increased in line with increase in business.
- Printing and stationery increased by 19.36% mainly towards execution of new project during the year.
- The Payment to franchisees and other E&T expenses decreased due to increased execution of projects through CMC owned centers during the year.
- Living allowances increased due to increase in exchange rates and increase in international service revenue.
- The decrease in bad debts / provisions for doubtful debts is on account of bad debts recovered ₹ 15.27 crore in a favorable decision in legal case against a customer during the year.
- The net gains on forex fluctuations increased due to increase in exchange rates during the year, apart from gains of ₹ 3.29 crore from a favorable decision in legal case against a customer. The USD exchange rate as at 31 March, 2014 increased 10% to ₹60.06 compared to ₹54.33 as at 31 March, 2013.

3. Other Income:

The other income has increased by 90.05% to ₹25.01 crore compared to ₹13.16 crore during the previous financial year. The breakup of other income is as follows:

Particulars	**Year ended 31 March, 2014**	Year ended 31 March, 2013	**Variation**
	(₹/Cr.)	(₹/Cr.)	**%**
Interest Income	**6.19**	0.16	6.03
Dividend / profits from mutual funds	**9.65**	11.67	(2.02)
Profits on sale of Fixed assets	**4.36**	0.02	4.34
Miscellaneous	**4.81**	1.31	3.50
Total	**25.01**	13.16	11.85

- The Interest income in FY 2013-14 includes ₹ 5.94 crore receivable as a result of a favorable decision in a legal case against a customer.
- The profits on sale of fixed assets includes ₹4.25 crore profit on sale of residential property.
- The miscellaneous income increased due following reasons:
  - Interest received on tax refunds from authorities ₹1.06 crore;
  - Refund of property tax ₹0.74 crore;
  - Old Provision/liabilities for expenses not required and written back ₹1.27 crore.
  - Increase in other miscellaneous income 0.43 crore.

4. Depreciation:

Depreciation increased to ₹26.98 crore during FY 2013-14 compared to ₹23.20 crore during the FY 2012-13, due to the following reasons:

- Depreciation on SEZ facility has increased by ₹ 1.65 crore due to depreciation charge on fresh assets capitalized during FY 2013-14.
- The Company has recognized amortization of ₹1.77 crore on computer softwares recognized as intangible assets.
- The depreciation charge on other fixed assets increased by ₹ 0.39 crore during the FY 2013-14 primarily on account of fresh capitalization during the year.

The depreciation as a percentage of revenue from operations has remained flat at 1.21% during FY 2013-14 compared to 1.20% during FY 2012-13.

5. Interest:

Interest expenses decreased to ₹0.08 crore in FY 2013-14 compared to ₹ 0.18 crore in FY 2012-13. The interest expenses in FY 2012-13 included interest provided on the vendor obligation under back to back arrangement for project execution. The Company has remained debt free during the FY 2013-14.

6. Provision for tax:

The tax expenses of the Company increased to ₹106.87 crore compared to ₹76.36 crore during the previous financial year. The effective tax rate increased to 28% compared to 25% during the previous financial year. The increase in tax expenses is mainly due to following reasons:

- The Company has received dividend from wholly owned subsidiary CMC Americas., Inc. ₹117.47 crore in FY 2013-14 compared to ₹27.60 crore in FY 2012-13. The increase in dividend received has resulted increase in tax expenses by ₹15.49 crore.
- The Company has received a favorable decision in a legal case against customer, which has resulted increase in profit before tax by ₹37.66 crore and consequent tax expenses by ₹12.80 crore.
- The dividend on mutual fund exempt from tax increased to ₹7.64 crore in FY 2013-14 compared to ₹4.57 crore in FY 2012-13 resulted in decrease in tax expenses by ₹1.04 crore.
- The tax expenses decreased by ₹4.40 crore due to increased operations in SEZ units.
- The tax expenses pertaining to CMC Americas, Inc. increased to ₹44.67 crore compared to ₹37.01 crore resulting in increase in tax expenses by ₹7.66 crore. The increase in tax expenses is in line with increase in the profits of the company.

E. FINANCIAL POSITION (CONSOLIDATED):

Capital Structure

1. Share Capital:

The share capital of the Company stood at ₹30.30 crore at the same level as it was as at 31 March, 2013. There is no change in share capital.

2. Reserve and Surplus:

The general reserve as at 31 March, 2014 increased to ₹108.27crore compared to ₹75.91crore as at 31 March, 2013 due to the following:

- The Company has transferred ₹32.36 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 ₹25.23 crore as at 31 March, 2014 compared to ₹16.17 crore as at 31 March 2013 due to the foreign currency translation gain of ₹9.06 crore on net investments and current year profits of foreign subsidiary.

Net worth of the Company as at 31 March, 2014 increased to ₹1,155.97 crore compared to ₹946.26 crore at the beginning of the year resulting in an increase of 22.16 % 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, 2014 was ₹11.59 crore as compared to ₹15.01 crore as at 31 March, 2013. The decrease in liability is mainly due to reduction in pending warranty obligations during the year.

4. Long term provisions:

The long term provisions decreased to ₹23.59 crore as at 31 March, 2014 compared to ₹ 26.64 crore as at 31 March, 2013 mainly due to increase in plan assets for employee gratuity resulted in decrease in provision for gratuity.

The reconciliation of Provision for Gratuity is as follows:

Particulars	**FY 2013-14**	FY 2012-13	**Variation**
	(₹/Cr.)	(₹/Cr.)	**(%)**
Gross Provisions for Gratuity	**29.52**	29.41	0.37
Plan Assets	**9.84**	6.72	46.00
Net Liability	**19.68**	22.69	(13.27)

- Reduction in post-retirement medical benefits to ₹3.91 crore as at 31.03.2014 from ₹3.96 crore as at 31.03.2013 due to change in general employee profiles.

The latest valuations done for employee benefits were as at 31 March, 2014.

5. Trade Payables:

The trade payable as at 31 March, 2014 was ₹ 367.77crore compared to ₹ 291.47 crore as at 31 March, 2013. Consequently the Days Payable Outstanding (DPO) increased to 79 days in FY 2013-14 compared to 73 days in FY 2012-13. The Company has negotiated better credit terms with the vendors which resulted in increased level of trade payables.

6. Other current liabilities:

Other current liabilities as at 31 March, 2014 was ₹ 66.50 crore compared to ₹61.94 crore as at 31 March, 2013. The other current liabilities mainly increased due to:

(₹ / crore)

Particulars	**Amount**
Increase in payable for purchase of fixed assets mainly for SEZ related procurement	8.45
Increase in Statutory due	2.02
Increase in security deposits	0.32
Decrease in advance for supplies and others payables	(3.59)
Decrease in income received in advance	(2.64)
Net Increase in other current liabilities	**4.56**

7. Short term provisions:

The short term provisions as at 31 March, 2014 was ₹115.89 crore as compared to ₹101.33 crore as at 31 March, 2013. The short term provision during the year increased mainly due to:

- Increase in dividend on equity shares (including corporate dividend tax) by ₹17.73 crore.
- Increase in provision for compensated absences by ₹3.00 crore due to salary revision and increase in employee count and accumulated leave balances during the year.
- Decrease in provision for taxes by ₹6.17 crore.

8. Tangible assets:

The gross block of tangible assets as at 31st March, 2014 was ₹578.21 crore (including capital WIP) compared to ₹484.14 crore as at the beginning of the year, resulting in an increase of 19.43 % during the year mainly on account of SEZ related capital expenditure of ₹77.01 crore.

9. Intangible assets:

The Company recognizes perpetual software licenses purchased for internal uses as intangible assets. The Company amortizes such software over a period of 4 years. The Company has recognized intangible assets of ₹6.44 crore during the year. The total gross block of intangible assets as at 31 March, 2014 stood at ₹8.33 crore.

10. Deferred tax assets (net):

The deferred tax assets decreased to ₹4.81 crore as at 31 March, 2014 as compared to ₹7.07 crore as at 31 March, 2013. The deferred tax assets mainly decreased due to:

(₹ / crore)

Particulars	Amount
Increase in deferred tax assets related to provision for doubtful debts	4.57
Increase in deferred tax liabilities on fixed assets	(5.85)
Decrease in deferred tax assets on employee related benefits	(0.10)
Decrease in deferred tax assets on other items	(0.88)
Net decrease in deferred tax assets	**(2.26)**

11. Long term loans and advances:

Long term loans and advances as at 31 March, 2014 was ₹127.33 crore compared to ₹129.94 crore as at 31 March, 2013. The decrease in long term loans and advances are mainly on account of:

(₹ / crore)

Particulars	Amount
Decrease in capital advances during the year	(10.16)
Decrease in advance tax mainly on account of set off on completion of assessments	(15.73)
Increase in MAT Credit entitlement	22.71
Increase in other long term advances	0.57
Net decrease in long term loans and advances	**(2.61)**

12. Other non-current assets:

The other non-current 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 increased to ₹ 200.85 crore as at 31st March, 2014 from ₹85.33 crore as at 31 March, 2013. The Company invests its surplus funds generated from operations in low risk debt funds that optimized the return and protected invested principle, details of which are given in note 14.

14. Inventory:

Inventory mainly consists of equipment purchased for resale to customers. The inventory as at 31 March, 2014 decreased to ₹ 6.25 crore compared to ₹14.31 crore as at 31 March, 2013. The decrease in inventory is mainly due to inventory billed amounting to ₹ 5.82 crore to a customer consequent upon favorable decision in a legal case against the customer.

15. Trade Receivables

The Trade receivables as at 31 March, 2014 were ₹467.83 crore as compared to ₹416.28 crore as at 31 March, 2013. The Days Sales Outstanding (DSO) decreased to 77 days as compared to 79 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 31 March, 2014:

(₹ / crore)

Ageing	**As at 31 March, 2014**	As at 31 March, 2013
Not due	**86.13**	152.73
Due < 30 days	**180.69***	110.34
Due 30 - 60 days	**48.69**	46.63
Due 60 - 90 days	**34.20**	14.17
Due 90 days - 120 days	**16.88**	14.30
Due 120 days - 180 days	**14.78**	14.07
Due > 180 days	**86.46**	64.04
Total	**467.83**	416.28

Note:

*Includes ₹52.24 crore receivable from a customer as a result of a favorable judgment in a legal case against the customer. The Days sales outstanding (DSO) excluding these receivables during FY 2013-14 decreased to 68 days compared to 79 days in FY 2012-13.

16. Short term loans and advances:

The short term loans and advances stood at ₹48.72 crore as at 31 March, 2014 compared to ₹50.10 crore as at 31 March, 2013. The details of movement in short term loans and advances are as follows:

(₹ / crore)

Particulars	**Amount**
Decrease in short term advances for supplies	(9.86)
Decrease in prepaid expenses	(1.04)
Increase in other short term advances	5.38
Increase in indirect tax credits available for set off	2.10
Increase in Security deposits	1.48
Increase in employee loans	0.56
Net decrease in short term loans and advances	**(1.38)**

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 March 31, 2014 was ₹278.14 crore compared to ₹209.41crore as at March 31, 2013. The level of current unbilled revenue has increased to 46 days in FY 2013-14 compared to 40 days in FY 2012-13.

Future Outlook

Driven by an improvement in the global economic climate and rise in the technology spend, FY 2013-14 brought optimism for the Indian IT-BPM industry. A gradual revival in consumer confidence leading to return of discretionary spending, and increased demand from US and Europe is expected to help drive exports in FY 2014-15. While US continues to be the largest geographic market for India, accounting for 62% share, it is widely expected that the revival in demand from Europe, will be the highlight of FY 2014-15. The future looks positive as the IT-BPM industry is evolving dramatically in terms of scale and complexity. The sector is expected to leverage collaboration, innovation, technology shifts and build a transformational agenda for India. It will create a market not only in India but globally that will serve as technology differentiator for customers shifting from cost to innovation. On home front, it is widely expected that post general elections in April-May, 2014, the growth will return as uncertainty gets reduced.

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 & CEO 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 2-3 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:

Your Company continues to innovatively manage Human Resources ramp-up in a timely manner to meet the business growth in a continuously challenging environment. The people centric culture in CMC with appropriate measures and initiative to recruit, integrate and retain talent was the focus during the current year.

CMC continues to focus and invest in workforce 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. The R&D talent was beefed up during the year by visiting all the leading IITs and IIITs to hire top notch technical talent to be part of the teams. Fresh talent was also infused into the company by visiting reputed campuses and institutes to recruit engineers and computer programmers.

Over the last few years, your Company embarked on a competency management and development programme based on People Capability Maturity Model (PCMM) framework and has achieved Level 5 in the assessment done in this financial year.

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 total staff strength including employees on direct contract rolls of the Company as on 31 March 2014 stood at 11109 as compared to 10663 as on 31 March, 2013.

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 2014**	FY 2013	FY 2012	FY 2011	FY 2010
Income from sales and services	**2,230.93**	1,926.09	1,466.96	1,080.53	870.73
International Revenue	**1,501.29**	1,223.23	884.14	597.71	435.32
Domestic Revenue	**729.64**	702.86	582.82	482.82	435.41
Income from sales and services by Geographic Segment					
India	**842.62**	790.44	664.62	555.40	496.26
USA	**1,273.85**	1,044.51	733.54	468.23	329.23
UK	**41.92**	42.57	30.43	24.54	18.16
Others	**72.54**	50.34	38.37	32.36	27.08
Cost					
Employee Cost	**554.68**	521.64	440.22	345.13	276.16
Other Operating Cost	**1,286.91**	1,087.64	802.41	524.69	427.41
Total Cost(excluding interest & depreciation)	**1,841.59**	1,609.28	1,242.63	869.82	703.57
Profitability					
EBIDTA(before other income)	**389.34**	316.81	224.33	210.71	167.16
Profit before tax	**387.29**	306.59	220.40	211.83	167.45
Profit after tax	**280.42**	230.23	151.81	179.41	143.23
Capital Accounts					
Share Capital	**30.30**	30.30	30.30	15.15	15.15
Reserves And Surplus	**1,125.67**	915.96	741.89	638.87	495.53
Gross Block	**578.21**	402.72	354.27	172.91	171.42
Current Investments	**200.85**	85.33	151.58	226.17	195.32
Earnings per share in ₹					
EPS – as reported*	**92.55**	75.98	50.10	59.21	47.27

Notes:

Previous year figures have been regrouped/reclassified where necessary.
*EPS for all previous years has been adjusted for bonus issue of 1:1 in FY 2011-12.

RATIO ANALYSIS CONSOLIDATED

Particulars	Unit	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Financial Performance:						
International Revenue/ Income from sales and services	%	**67.29**	63.51	60.27	55.32	49.99
Domestic Revenue/ Income from sales and services	%	**32.71**	36.49	39.73	44.68	50.01
Equipment Revenue/ Income from sales and services	%	**10.24**	10.38	10.51	9.51	11.83
Services Revenue/ Income from sales and services	%	**89.76**	89.62	89.49	90.49	88.17
Employee Cost / Income from sales and services	%	**24.86**	27.08	30.01	31.94	31.72
Other Operating Cost / Income from sales and services	%	**57.68**	56.47	54.70	48.56	49.08
Total Cost/ Income from sales and services	%	**82.55**	83.55	84.71	80.50	80.80
EBIDTA(before other income)/ Income from sales and services	%	**17.45**	16.44	15.29	19.50	19.20
Profit before tax/ Income from sales and services	%	**17.36**	15.92	15.02	19.60	19.23
Tax/ Income from sales and services	%	**4.79**	3.96	4.68	3.00	2.78
Effective Tax Rate-Tax/PBT	%	**27.59**	24.91	31.12	15.30	14.47
Profit after tax/ Income from sales and services	%	**12.57**	11.95	10.35	16.60	16.45
Growth Rates:						
International Sales and services	%	**22.73**	38.59	47.92	37.30	14.63
Total Income from sales and services	%	**15.83**	31.30	35.76	24.10	(7.35)
EBIDTA(before other Income)	%	**22.89**	41.22	6.46	27.89	27.65
Profits after tax	%	**21.80**	51.66	(15.38)	25.26	23.31
Balance Sheet Ratios:						
Debt - Equity Ratio	**Nos.**	**0.00**	0.00	0.00	0.00	0.03
DSO Days - Debtors	**Days**	**77**	79	95	85	86
DSO Days - Accrued Debtors	**Days**	**50**	44	37	42	44
Capital turnover	%	**1.93**	2.04	1.90	1.65	1.71
Per share information:						
Earnings Per Share*		**92.55**	75.98	50.10	59.21	47.27
Price Earnings Ratio, end of year	**Nos.**	**15**	18	20	18	15
Dividend Per Share	₹	**22.50****	17.50**	12.50**	20.00	20.00
Dividend Payout(including CDT)/PAT	%	**28.45**	26.95	29.00	19.63	24.75
Market Capitalization as at 31 March	**Crs.**	**4,198**	4,066	3,014	3,151	2,030

Notes:

* EPS for all previous years has been adjusted for bonus issue of 1:1 in FY 2011-12.
** On enhanced share capital after bonus issue in the ratio of 1:1 issued during FY 2011-12.

CORPORATE GOVERNANCE REPORT

1. Company's practice on Corporate Governance

CMC firmly believes that Corporate Governance is a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the public trust. At CMC it is not just a compliance with laws and ethical standards instead it is important business investment which is not only necessary to preserve your Company's reputation but also crucial for obtaining and retaining the business.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all.

The Company has always strived to promote Good Governance practices which ensure that:

- A competent management team at the helm of affairs and employees have a stable environment and
- Board is strong enough with good combination of Executive and Non-Executive Directors, including Independent Directors, who represent the interest of all stakeholders;

Your Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. The Corporate Governance guidelines is in compliance with the requirements of clause 49 of the Listing Agreements with the stock exchanges. In its pursuit of excellence towards 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 consistently recognized with coveted Certificate of Recognition for three consecutive years from the Institute of Company Secretaries of India (ICSI) as one of the top 7 companies in the country for its consistent promotion of excellent Corporate Governance Practices across the organization.

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.

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 formed **Corporate Social Responsibility Committee** as per requirement of Section 135 of the Companies Act, 2013. Mr. Ashok Sinha, Independent Director is the Chairman of the Committee. Other members are Mr. S Mahalingam, Non-Executive Director and Mr. R Ramanan, MD & CEO of the Company. Mr. Vivek Agarwal, Company Secretary is the Secretary of the Committee.

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 for effective decision making at the meetings. All the Directors of the Company have access to the services of the Company Secretary. The Company Secretary ensures that all the decisions and observations of the Board are covered and implemented through Action Taken Report (ATR) and Board is apprised of the actions taken.

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 now known as Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of the 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 the 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.

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 Meetings. 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). The 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.

1.12 Shareholders Satisfaction Survey

The Company carries out Shareholders Satisfaction Survey on periodical basis to receive feedback from Shareholders on the services rendered by Company and its Registrar & Transfer Agents to enhance our service levels to further improve the satisfaction level of the shareholders.

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 Whistleblower Policy

Your Company has established a mechanism called 'Whistleblower 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 `Whistleblower 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, LLP 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 and Key Managerial Personnel (KMPs).
- The Company undergoes internal audit conducted by M/s. Ernst & Young, LLP.
- The Company also undergoes Secretarial Audit on quarterly basis conducted by an independent firm of Practising Company Secretary placing the Report before the Board for its review. Annual Secretarial Audit Report and Secretarial Standards Reports are 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. The Company also celebrated Ethics Week during the year to create awareness amongst the employees.
- The Company in line with Sections 101 and 173 of the Companies Act, 2013, sends communication to its Shareholders/Directors using electronic mode. Video Conferencing facilities are made available to the Directors to ensure maximum attendance and effective discussions in the meeting.
- Company carries out Customer, Vendor, Shareholders and Employees Satisfaction Survey to assess the satisfaction level of our stakeholders to take corrective measures.
- To ensure maximum participation of our Directors in the Board/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, Affirmative Action Policy and Diversity & Inclusion Policy to ensure equal treatment to the employees.
- The Company has a C-Green policy to ensure preservation and conservation of environment by measuring and reducing carbon emissions, employee engagement programme and association with e-governing bodies viz NASSCOM TERI, World Resources Institute etc.
- The Company has also Safety Policy in place to take care of employee(s) safety. Company clelbrated Safely Week to create awareness on traffic rules, work environment, emergency readiness etc.
- Under non-mandatory requirements of Clause 49 of the Listing Agreement, your Company has constituted Governance Committee, regular training to Directors and implementation of Whistleblower Policy.

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. The Board is given presentations covering Finance, Sales, marketing, major segments and operations of the Company, overview of the business operations of major subsidiary companies, global business environment, all business areas of the Company including business opportunities, business strategy and risk management practices before taking on record the quarterly/annual financial results of the Company. 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 well in advance and confirmed at the subsequent meetings.

(A) Composition of Board

The Board consists of one Executive Director and six Non-Executive Directors. The Company has an appropriate size of the Board for real strategic discussion 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 2013-14.

(C) Other provisions as to Board and Committees

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 Executive Director. Ms. Kalpana Morparia, Mr. Sudhakar Rao, Prof. M S Ananth and Mr. Ashok Sinha are Independent Directors.

During the year 2013-14, 06 meetings of the Board of Directors were held on 15 April, 15 July, 14 October, 5 December in 2013 and on 13 January, 6 March in 2014. The maximum time gap between any two consecutive meetings did not exceed 120 days.

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 31 March, 2014 have been made by the Directors.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 26 June, 2013, with particulars of their Directorships and Chairman/Membership of Board Committees of the companies showing the position as on 31 March, 2014 are given below:

Name	Category	Attendance		No. of Directorships	No. of Committees and Positions held in Companies	
		Board Meetings	Last AGM		Member	Chairman
Mr. S Ramadorai (Chairman)	Non-Independent	6	Yes	14	6	2
Mr. R Ramanan (MD & CEO)	Executive	6	Yes	02	01	-
Ms. Kalpana Morparia	Independent	6	Yes	03	01	01
Mr. S Mahalingam	Non-Independent	6	Yes	03	02	01
Mr. Sudhakar Rao	Independent	5	Yes	08	04	03
Prof. M S Ananth	Independent	4	Yes	02	01	-
Mr. Ashok Sinha	Independent	6	Yes	04	02	02

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.

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 31 March, 2014. 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 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 26 June, 2013.

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

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

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

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

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

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

x) Disclosure of Contingent liabilities.

xi) Review the independence of Auditors.

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

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

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

The 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, 8 Audit Committee meetings were held on 15 April, 26 June, 15 July, 21 August, 14 October, 5 December in 2013 and on 13 January, 6 March in 2014.

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 FY 2014	Meetings attended
Mr. Sudhakar Rao	Independent	8	7
Mr. S Mahalingam	Non-Independent	8	8
Mr. Ashok Sinha	Independent	8	8

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.

*Governance Committee was reconstituted to Nomination and Remuneration Committee w.e.f. 14 April, 2014 with terms of reference as per the provisions of the Companies Act, 2013.

(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, one meeting of Governance Committee was held on 15 April, 2013.

The 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 FY 2014	Number of meetings attended
Ms. Kalpana Morparia	Independent	1	1
Mr. S Ramadorai	Non-Independent	1	1
Mr. S Mahalingam	Non-Independent	1	1
Prof. M S Ananth	Independent	1	-
Mr. Sudhakar Rao	Independent	1	1

(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 performance linked incentive recommended by the Governance Committee within the salary scale approved by the Members and is effective on April 01 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 (CEO) of the Company. The salary, benefits and perquisites paid to Mr. R Ramanan, Managing Director & CEO during the year 2013-14 were ₹ 180.27 Lacs.

Details of Remuneration to MD & CEO	Amount (₹ / Lacs)
Salary	147.34
Allowances and Perquisites	23.12
Contribution to Retiral funds	9.81
Stock options	NIL
Number of Shares held	NIL
Service Contracts	01.05.2013 - 30.4.2016
Notice period	6 Months

(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 and Independent Directors 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 31 March, 2014 are as under:

Name of Director	Sitting Fee (₹/Lakh)	Commission (₹/Lakh)
Mr. S. Ramadorai	1.60	26.00
Ms. Kalpana Morparia	1.70	12.00
Mr. S Mahalingam	3.60	20.00
Mr. Sudhakar Rao	3.00	15.00
Prof. M S Ananth	1.10	12.00
Mr. Ashok Sinha	3.00	15.00

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 other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.3 Shareholders/Investors Grievance Committee

Shareholders/Investors Grievance Committee was reconstituted to Stakeholders Relationship Committee w.e.f. 14 April, 2014 with terms of reference as per provisions of the Companies Act, 2013.

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

Shareholders/Investors Grievance Committee comprise of Mr. Sudhakar Rao as Chairman with Mr. R Ramanan and Mr. S Mahalingam as members of the Committee.

The Committee is set up to monitor the process of share transfer, issue of fresh Share Certificates as well as review of redressal of investors/shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of Investor services.

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 22 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 15 April, 15July and 14 October in 2013 and on 13 January in 2014.

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 FY 2014	Number of meetings attended
Mr. Sudhakar Rao	Independent	4	3
Mr. S Mahalingam	Non-Independent	4	4
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: investor.relations@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 Company in line with the requirement of Listing Agreement with the Stock Exchanges.

(C) Number of complaints received and redressed during the year 2013-14

Opening Balance	Received during the year 2013-14	Resolved during the year 2013-14	Closing Balance
0	1	1	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 01.04.2013	Opening Balance of Shares in Suspense Account As on 01.04.2013	Requests received during the year	Shares transferred during the year	No. of Shareholders as on 31.03.2014	Closing Balance of Shares in Suspense Account as on 31.03.2014
27	1138	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 205C of the Companies Act, 1956 an amount of ₹ 2,41,140 was transferred to Investors Education and Protection Fund (IEPF) during the year.

(F) Unclaimed Dividend

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.

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 FY 2006-07.

(G) C-Green initiative

The Company sends Annual Reports, dividend intimations, notice and postal ballot forms through electronic mode to those Shareholders who have registered their email Ids. Physical intimations are 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 Independent Directors Meeting

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr. Sudhakar Rao, Ms. Kalpana Morparia, Prof. M S Ananth and Mr. Ashok Sinha met on 5 December, 2013 without any Senior Management Personnel.

3.5 Executive Committee

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

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;

During the year, 2 Executive Committee meetings were held on 5 December, 2013 and 6 March, 2014.

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

Name of member	Category	Meetings held FY 2014	Number of meetings attended
Mr. S Ramadorai	Non-Independent	2	2
Mr. R Ramanan	Executive	2	2
Ms. Kalpana Morparia	Independent	2	2
Mr. S Mahalingam	Non-Independent	2	2
Prof. M S Ananth	Independent	2	2

3.6 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

The Ethics & Compliance Committee presently comprise of 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, 01 meeting of the Ethics & Compliance Committee was held on 13 January, 2014.

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. Ashok Sinha	Independent	1	1
Mr. R Ramanan	Executive	1	1
Mr. Vivek Agarwal	Company Secretary	1	1

(D) Ethics & Compliance Committee has been dissolved with effect from 17 May, 2014.

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

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 Sec 211(3C) of the Companies Act, 1956(" the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the Companies Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956/2013 Act, as applicable. 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.

(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 the audit for compliance of Secretarial Standards 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. S Mahalingam is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Non-Executive Director.

(iv) Mr. Sudhakar Rao, Ms. Kalpana Morparia, Prof. Madaboosi Santhanam Ananth and Mr. Ashok Sinha are being appointed as Independent Directors not liable to retire by rotation for a term of 5 years.

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 41 and 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
2011	27.06.2011	CMC Centre, Gachibowli, Hyderabad – 500 032	3:00 p.m.	No
2012	27.06.2012	- do -	3:00 p.m.	Yes
2013	26.06.2013	- do -	3:00 p.m.	No

(B) Passing of Resolution by Postal Ballot

The Company sought the approval of its members through postal ballot for enhancement of the FIIs shareholding limits from 24% to 35% of the paid up share capital. Dr S Chandrasekaran, Senior Partner, Chandrasekaran Associates, Company Secretary in whole time practice, was appointed by the Board of Directors as the Scrutinizer of the voting process. The Company announced the results of the Postal Ballot on 24 April, 2014 :

Brief description of the matter put to vote	In favour	% of votes cast with assent	Against	% of votes cast with dissent
Special Resolution for enhancement of FIIs investment limits from 24% to 35% of the the paid up share capital of the Company.	23636553	99.995	1132	0.005

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 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 : Monday, 23 June, 2014 at 3:00 p.m.
CMC's Auditorium, CMC Limited
CMC Centre, Gachibowli, Hyderabad – 500 032

(ii) Financial Year : 1 April, 2014 to 31 March, 2015

(iii) Date of Book Closure : Monday, 16 June, 2014 to Monday, 23 June, 2014 (both days inclusive)

(iv) Dividend : ₹ 22.50 per equity share of face value of ₹ 10 each.

(v) Dividend Payment Date : Dividend will be paid on or after 25 June, 2014 but before 23 July, 2014.

(vi) Tentative Calendar for financial year ending 31 March, 2015:

Quarterly Financial Results	Date of Board Meeting
First Quarterly Results	14 July, 2014
Second Quarterly Results	14 October, 2014
Third Quarterly Results	12 January, 2015
Fourth Quarterly Results	14 April, 2015

(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	:	INE314A01017

(ix) Market price information

a. The reported high and low closing prices during the year ended 31 March, 2014 on the National Stock Exchange and the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	**NSE**		**BSE**		**BSE SENSEX**	
2013-14	**High (₹)**	**Low (₹)**	**High (₹)**	**Low (₹)**	**High**	**Low**
April	1509.95	1301.60	1523.00	1307.25	19622.68	18144.22
May	1375.00	1230.00	1373.30	1225.00	20443.62	19451.26
June	1335.95	1192.60	1330.00	1200.00	19860.19	18467.16
July	1415.00	1192.50	1408.00	1194.00	20351.06	19126.82
August	1329.90	1091.20	1329.00	1106.80	19569.20	17448.71
September	1330.00	1221.10	1325.00	1229.10	20739.69	18166.17
October	1480.00	1248.60	1474.00	1250.00	21205.44	19264.72
November	1395.00	1280.00	1390.00	1259.55	21321.53	20137.67
December	1662.50	1292.00	1663.90	1287.00	21483.74	20568.70
January	1782.00	1370.00	1780.00	1373.00	21409.66	20343.78
February	1514.95	1374.95	1514.00	1372.95	21140.51	19963.12
March	1582.00	1334.00	1582.00	1338.00	22467.21	20920.98

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, 2013	**31 March, 2014**	**% CHANGE**
Company Share Price (closing)	1376.60	1385.55	0.65
SENSEX (closing)	18864.75	22386.27	18.67

(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, 2014

(a) Distribution of shareholding as on 31 March, 2014

No. of shares	No. of of shareholders	% of shareholders	Total no. of shares	% of holding
1-500	30283	97.41	1086852	3.59
501-1000	461	1.48	359705	1.19
1001-2000	155	0.50	232156	0.77
2001-3000	43	0.14	108617	0.36
3001-4000	25	0.08	89052	0.29
4001-5000	13	0.04	61061	0.20
5001-10000	27	0.09	191182	0.63
10001 & above	80	0.26	28171375	92.97
Total	**31087**	**100**	**30300000**	**100**
Physical Mode	54	0.05	15283	0.05
Electronic Mode	31033	99.95	30284717	99.95

(b) Shareholding pattern as on 31 March, 2014

Category	No. of shares Held	% of issued share capital
Promoter-Tata Consultancy Services Limited	15489922	51.12
Mutual Funds and UTI	3814838	12.59
Financial Institutions / Insurance Companies	1366552	4.51
FIIs	6615981	21.83
NRIs/Foreign Nationals	206292	0.68
Corporate Bodies	713825	2.36
Indian Public & Others	2092590	6.91
Total	**30300000**	**100**

(c) Capital of the Company

The authorized and paid-up capital of your Company is ₹ 35 crore and ₹ 30.30 crore respectively.

(d) Top ten Shareholders as on 31 March, 2014

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	2053220	6.78
FII	Aberdeen Global Indian Equity (Mauritius) Limited	1920000	6.34
Mutual Fund	HDFC Trustee Company Limited – HDFC Equity Fund	1691392	5.58
IFI	General Insurance Corporation of India	700000	2.31
FII	Government Pension Fund Global	688883	2.27
FII	Aberdeen Asian Smaller Companies Investment Trust Plc	444000	1.47
Mutual Fund	HDFC Trustee Company Limited – HDFC Prudence Fund	438460	1.45
IFI	The Scottish Oriental Smaller Companies Trust Plc.	402646	1.33
Mutual Fund	DSP Blackrock Equity Fund	389110	1.28

(xii) Dematerialisation of shares and liquidity

99.95% of the equity shares have been dematerialised by about 99.83% of the total shareholders as on 31 March, 2014. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an 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.

(xii) 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.

(xiii) 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.

(xiv) Address for correspondence

The Company Secretary
CMC Limited, PTI Building, 5th Floor
4, Sansad Marg, New Delhi-110001
Tel. : 91 11 2373 6151-58
Fax : 91 11 2373 6159
Email : vivek.agarwal@cmcltd.com

(xv) 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. Preventing Conflict of Interest

The Board is responsible for ensuring that there is no conflict of interest by the Board members. The Board has adopted the Tata Code Code of Conduct for the members of the Board and the members of the Senior Management team and employees of the Company. The code provided that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the Directors are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as a Director of the Company, except what is duly authorized under the Tata Code of Conduct on Gifts Policy.

The members of the Board and the Management Committee annually confirm the compliance of the Tata Code of Conduct to the Board. A copy of the Code is available at the website of the Company www.cmcltd.com . In addition the members of the Board also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board.

12. 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, 2014, as stipulated in clause 49 of the Listing Agreements 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 of 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 Agreements.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
Partner
(Membership No. 93474)

MUMBAI ,17 May, 2014

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, 2014.

Mumbai
14 April, 2014

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 2014 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 entered into by the Company with Stock Exchanges having nation-wide trading terminals.

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 thereat.
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 pursuing of its normal business.

For **Chandrasekaran Associates**
Company Secretaries

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

New Delhi
11 April, 2014

SECRETARIAL STANDARDS REPORT

THE BOARD OF DIRECTORS OF
CMC LIMITED

CMC Centre,
Old Mumbai Highway,
Gachibowli,
Hyderabad - 500 032

We have examined the relevant registers, records and documents maintained by CMC Ltd. ("the Company") for the financial year ended March 31, 2014 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) as applicable during the Financial Year 2013-14.

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 and documents/papers furnished 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
11 April, 2014

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
CMC LIMITED

Report on the Consolidated Financial Statements

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, 2014, 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

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 control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 misstatement.

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 judgment, 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 control relevant to the Company'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.

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 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, 2014;

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
(Firm's Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 14 April, 2014

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	**3,030.00**	3,030.00
(b) Reserves and surplus	4	**112,567.13**	91,595.99
		115,597.13	94,625.99
2. Non-current liabilities			
(a) Other long-term liabilities	5	**1,159.42**	1,500.94
(b) Long-term provisions	6	**2,359.26**	2,664.42
		3,518.68	4,165.36
3. Current liabilities			
(a) Trade payables	7	**36,776.83**	29,146.69
(b) Other current liabilities	8	**6,650.29**	6,194.45
(c) Short-term provisions	9	**11,588.70**	10,132.75
		55,015.82	45,473.89
TOTAL		**174,131.63**	144,265.24
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	**39,269.17**	28,466.23
(ii) Intangible assets	10.B	**636.19**	169.33
(iii) Capital work-in-progress		**5,071.11**	8,330.68
		44,976.47	36,966.24
(b) Goodwill on consolidation		**34.12**	34.12
(c) Deferred tax assets (net)	11	**481.45**	707.34
(d) Long-term loans and advances	12	**12,733.17**	12,993.69
(e) Other non current assets	13	**2,954.98**	2,278.75
		61,180.19	52,980.14
2. Current assets			
(a) Current investments	14	**20,084.52**	8,533.49
(b) Inventories	15	**624.67**	1,431.03
(c) Trade receivables	16	**46,783.00**	41,627.51
(d) Cash and bank balances	17	**12,773.32**	13,741.81
(e) Short-term loans and advances	18	**4,872.16**	5,010.30
(f) Other current assets	19	**27,813.77**	20,940.96
		112,951.44	91,285.10
TOTAL		**174,131.63**	144,265.24
See accompanying notes forming part of the consolidated financial statements	1 to 31		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
14 April, 2014

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

Mumbai
14 April, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

	Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
			₹/lacs	₹/lacs
1.	**Revenue**			
	(a) Revenue from operations	20	**223,092.50**	192,609.41
	(b) Other income	21	**2,500.98**	1,316.03
2.	**Total revenue**		**225,593.48**	193,925.44
3.	**Expenses**			
	(a) Purchases of stock-in-trade	22	**19,405.54**	18,857.55
	(b) Changes in inventories of work-in-progress and stock-in-trade	23	**792.25**	(178.69)
	(c) Employee benefits expense	24	**55,467.51**	52,164.00
	(d) Finance costs	25	**7.30**	17.96
	(e) Depreciation and amortisation expense	10	**2,698.32**	2,320.22
	(f) Other expenses	26	**108,493.81**	90,085.04
4.	**Total expenses**		**186,864.73**	163,266.08
5.	**Profit before tax (2 - 4)**		**38,728.75**	30,659.36
6.	**Tax expense**			
	(a) Current tax expense for current year		**12,709.63**	8,276.99
	(b) (Less): MAT credit		**(2,271.44)**	(1,042.53)
	(c) Net current tax expense		**10,438.19**	7,234.46
	(d) Deferred tax		**249.05**	401.89
			10,687.24	7,636.35
7.	**Profit for the year (5-6)**		**28,041.51**	23,023.01
8.	**Earnings per share (of ₹ 10 each)**	28.5		
	- Basic and diluted		**92.55**	75.98
See accompanying notes forming part of the consolidated financial statements		1 to 31		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
14 April, 2014

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

Mumbai
14 April, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
			₹/lacs	₹/lacs
A.	**Cash flow from operating activities**			
	Profit before tax		**38,728.75**	30,659.36
	Adjustments for:			
	Depreciation and amortisation		**2,698.32**	2,320.22
	Profit on sale of fixed assets (net)		**(436.02)**	(2.26)
	Finance costs		**7.30**	17.96
	Interest income		**(618.79)**	(16.04)
	Dividend income		**(764.89)**	(456.75)
	Net gain on sale of mutual funds		**(199.70)**	(710.26)
	Bad trade and other receivables, loans and advances written off		**(1,779.13)**	(131.10)
	Provision for doubtful trade and other receivables, loans and advances		**1,344.41**	700.18
	Fixed assets written off		**22.88**	15.84
	Exchange difference on translation of foreign currency cash and cash equivalent		**(1.49)**	(5.35)
	Net unrealised exchange (gain) / loss		**35.79**	(118.30)
	Operating profit before working capital changes		**39,037.43**	32,273.50
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Inventories		**806.36**	(90.35)
	Trade receivables		**(4,755.39)**	(3,825.97)
	Short-term loans and advances		**129.29**	(1,148.08)
	Long-term loans and advances		**1,516.04**	227.57
	Other current assets		**(6,867.22)**	(5,896.53)
	Other non-current assets		**(676.23)**	(2,278.75)
			(9,847.15)	(13,012.11)
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables		**7,622.77**	2,563.06
	Non Current Liabilities		**(341.52)**	286.08
	Other current liabilities		**(391.52)**	(378.80)
	Short-term provisions		**278.08**	285.69
	Long-term provisions		**(305.16)**	(81.31)
			6,862.65	2,674.72
	Cash generated from operations		**36,052.93**	21,936.10
	Net income tax (paid)		**(13,326.75)**	(9,604.42)
	Net cash flow from operating activities	**(A)**	**22,726.18**	12,331.68
B.	**Cash flow from investing activities**			
	Capital expenditure on fixed assets, including capital advances		**(8,875.71)**	(8,473.86)
	Proceeds from sale of fixed assets		**441.20**	2.41
	Bank balances not considered as Cash and cash equivalents		**(2.11)**	516.71
	Foreign exchange translation reserve		**905.76**	587.69
	Current investments in mutual funds not considered as Cash and cash equivalents			
	- Purchased		**(84,239.23)**	(66,616.08)
	- Proceeds from sale		**72,887.89**	73,950.67
	Interest received - others		**627.64**	18.28
	Dividend received from Mutual Funds		**764.89**	456.75
	Net cash flow from / (used in) investing activities	**(B)**	**(17,489.67)**	442.57

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
			₹/lacs	₹/lacs
C.	**Cash flow from financing activities**			
	Finance cost		**(7.04)**	(4.72)
	Dividend paid		**(5,300.39)**	(3,784.36)
	Tax on dividend		**(901.16)**	(614.45)
	Net cash flow used in financing activities	**(C)**	**(6,208.59)**	(4,403.53)
	Net increase / (decrease) in Cash and cash equivalents	**(A+B+C)**	**(972.08)**	8,370.72
	Cash and cash equivalents at the beginning of the year		**13,695.54**	5,319.47
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		**1.49**	5.35
	Cash and cash equivalents at the end of the year*	**17**	**12,724.95**	13,695.54
	* Comprises:			
	(a) Cash on hand		**118.42**	56.56
	(b) Cheques, drafts on hand		**146.90**	63.21
	(c) Balances with banks			
	(i) In current accounts		**11,947.82**	13,160.03
	(ii) In EEFC accounts		**511.81**	415.74
	Total		**12,724.95**	13,695.54
	See accompanying notes forming part of the consolidated financial statements	**1 to 31**		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
14 April, 2014

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

Mumbai
14 April, 2014

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') renders Information Technology and IT enabled Services in throughout 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 (together 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 Sec 211(3C) of the Companies Act, 1956(" the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act ,2013 ("the Companies Act") in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956/2013 Act, as applicable. 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, 2014.

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 where 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. 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, 2014	As at 31 March, 2013
Subsidiaries (held directly)			
CMC Americas, Inc.	USA	100%	100%
Subsidiaries (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 consolidated 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 consolidated 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 for resale/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

Sale of Product

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.

i. Other income

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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. 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 are 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 determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

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 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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. Contingent assets are not recognised in the financial statements.

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 Group 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.

y. Segment Information

The Group has identified business segments as its primary segment and geographic segment as its secondary segment.

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, through franchisees and for corporate.

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.

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Note 3 Share capital

	Particulars	As at 31 March, 2014		As at 31 March, 2013	
		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 holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	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	**2,053,220**	**6.78**	2,017,734	6.66
HDFC Trustees Company Limited - HDFC Equity Fund	**1,691,392**	**5.58**	1,916,132	6.32
Total	**21,154,534**	**69.82**	21,343,788	70.44

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

Particulars	Opening Balance	Shares issued	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2014			
- Number of shares	**30,300,000**	**-**	**30,300,000**
- Amount (₹/lacs)	**3,030.00**	**-**	**3,030.00**
Year ended 31 March, 2013			
- Number of shares	30,300,000	-	30,300,000
- Amount (₹/lacs)	3,030.00	-	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, 2014	As at 31 March, 2013
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, 2014	As at 31 March, 2013
Equity shares with voting rights		
Fully paid up by way of bonus shares	**15,150,000**	15,150,000

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Note 4 Reserves and surplus

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**General reserve**		
	Opening balance	7,591.02	5,607.23
	Add: Transferred from surplus in Statement of Profit and Loss	3,236.07	1,983.79
	Closing balance	10,827.09	7,591.02
(b)	**Surplus in Consolidated Statement of Profit and Loss**		
	Opening balance	82,387.41	67,551.85
	Add: Profit for the year	28,041.51	23,023.01
	Less: Dividends proposed to be distributed to equity shareholders ₹ 22.50 per share (Previous year ₹ 17.50 per share)	(6,817.50)	(5,302.50)
	Tax on dividend	(1,158.63)	(901.16)
	Transferred to general reserve	(3,236.07)	(1,983.79)
	Closing balance	99,216.72	82,387.41
(c)	**Foreign currency translation reserve**		
	Opening balance	1,617.56	1,029.87
	Additions during the year (net)	905.76	587.69
	Closing balance	2,523.32	1,617.56
	Total	112,567.13	91,595.99

Note 5 Other long-term liabilities

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Trade payables	56.68	-
(b)	Income received in advance	763.95	1,142.87
(c)	Advances from customers	89.04	89.04
(d)	Others	249.75	269.03
	Total	1,159.42	1,500.94

Note 6 Long-term provisions

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
Provision for employee benefits			
(a)	Provision for gratuity (net) (Refer Note 28.1)	1,968.25	2,268.84
(b)	Provision for post-employment medical benefits(Refer Note 28.1)	391.01	395.58
	Total	2,359.26	2,664.42

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Note 7 Trade payables

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
	Trade payables		
	Other than acceptances	**36,776.83**	29,146.69
	Total	**36,776.83**	29,146.69

Note 8 Other current liabilities

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Income received in advance	**1,388.20**	1,651.55
(b)	Unclaimed dividends	**33.09**	30.98
(c)	Other payables		
	(i) Statutory dues	**1,037.37**	834.94
	(Contributions to PF and ESIC, VAT, Service Tax, Withholding Taxes etc.)		
	(ii) Payables for purchase of fixed assets	**2,776.52**	1,931.52
	(iii) Interest accrued on trade payables	**14.33**	14.07
	(iv) Interest accrued on others	**0.24**	0.24
	(v) Security deposits received	**338.71**	307.31
	(vi) Advances from customers	**955.86**	912.11
	(vii) Others	**105.97**	511.73
	Total	**6,650.29**	6,194.45

Note 9 Short-term provisions

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**Provision for employee benefits**		
	Provision for compensated absences	**3,322.08**	3,021.85
		3,322.08	3,021.85
(b)	**Provision - Others**		
	(i) Provision for tax	**290.49**	907.24
	[net of advance tax ₹ 20,714.70 lacs (Previous year ₹ 7,388.32 lacs)]		
	(ii) Provision for proposed equity dividend	**6,817.50**	5,302.50
	(iii) Provision for tax on proposed dividend	**1,158.63**	901.16
		8,266.62	7,110.90
	Total	**11,588.70**	10,132.75

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10 Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April, 2013	Additions	Deletions / adjustments	As at 31 March, 2014	As at 1 April, 2013	Depreciation and amortisation expense for the year	Deletions/ adjustments	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
	₹/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	144.35	10.04	-	154.39	629.26	639.30
	(783.65)	(-)	(-)	(783.65)	(134.31)	(10.04)	(-)	(144.35)	(639.30)	(649.34)
(b) Buildings										
Own use	4,619.50	525.91	11.55	5,133.86	1,416.64	169.13	106.22	1,479.55	3,654.31	3,202.86
	(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)
Given under operating lease	17,367.36	9,219.83	-1.88	26,589.07	513.47	320.17	-101.99	935.63	25,653.44	16,853.89
	(15,394.89)	(1,972.47)	(-)	(17,367.36)	(341.85)	(171.62)	(-)	(513.47)	(16,853.89)	(15,053.04)
(c) Plant and Equipment										
Own use	10,656.84	985.81	625.14	11,017.51	7,029.34	1,104.26	581.28	7,552.32	3,465.19	3,627.50
	(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)
Given under operating lease	3,377.84	2,453.09	-	5,830.93	1,079.42	666.30	-0.01	1,745.73	4,085.20	2,298.42
	(3,192.97)	(184.87)	(-)	(3,377.84)	(526.83)	(552.59)	(-)	(1,079.42)	(2,298.42)	(2,666.14)
Taken under finance lease	26.25	-	-9.11	35.36	26.25	-	-9.11	35.36	-	-
	(26.25)	(-)	(-)	(26.25)	(17.39)	(8.86)	(-)	(26.25)	(-)	(8.86)
(d) Furniture and Fixtures										
Own use	1,489.40	49.85	-39.51	1,578.76	917.04	99.81	-8.58	1,025.43	553.33	572.36
	(1,379.48)	(148.54)	(38.62)	(1,489.40)	(870.70)	(83.03)	(36.69)	(917.04)	(572.36)	(508.78)
Given under operating lease	660.99	59.19	-	720.18	71.54	42.17	-	113.71	606.47	589.45
	(607.92)	(53.07)	(-)	(660.99)	(31.86)	(39.68)	(-)	(71.54)	(589.45)	(576.06)
(e) Vehicles - Own use	85.09	-	-	85.09	42.53	5.54	-	48.07	37.02	42.56
	(90.76)	(-)	(5.67)	(85.09)	(39.67)	(7.01)	(4.15)	(42.53)	(42.56)	(51.09)
(f) Office equipment										
Own use	565.93	58.92	99.16	525.69	279.47	25.00	89.48	214.99	310.70	286.46
	(518.39)	(56.95)	(9.41)	(565.93)	(262.54)	(21.66)	(4.73)	(279.47)	(286.46)	(255.85)
Given under operating lease	108.08	-	-	108.08	5.31	5.14	-	10.45	97.63	102.77
	(108.08)	(-)	(-)	(108.08)	(0.18)	(5.13)	(-)	(5.31)	(102.77)	(107.90)
(g) Leasehold improvements	336.08	-	-	336.08	91.47	74.04	-	165.51	170.57	244.61
	(-)	(336.08)	(-)	(336.08)	(-)	(91.47)	(-)	(91.47)	(244.61)	(-)
Total (A)	**40,083.06**	**13,352.60**	**685.35**	**52,750.31**	**11,616.83**	**2,521.60**	**657.29**	**13,481.14**	**39,269.17**	**28,466.23**
Previous year (C)	(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)
B INTANGIBLE ASSETS										
Computer Software	188.99	643.58	-	832.57	19.66	176.72	-	196.38	636.19	169.33
	(-)	(188.99)	(-)	(188.99)	(-)	(19.66)	(-)	(19.66)	(169.33)	(-)
Total (A)	**188.99**	**643.58**	**-**	**832.57**	**19.66**	**176.72**	**-**	**196.38**	**636.19**	**169.33**
Previous year (D)	(-)	(188.99)	(-)	(188.99)	(-)	(19.66)	(-)	(19.66)	(169.33)	(-)
Total (A+B)	**40,272.05**	**13,996.18**	**685.35**	**53,582.88**	**11,636.49**	**2,698.32**	**657.29**	**13,677.52**	**39,905.36**	**28,635.56**
Previous year (C+D)	(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)

Amounts in brackets represent previous year's figures.

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Note 11 Deferred tax assets (net)

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**Tax effect of items constituting deferred tax liability**		
	(i) On difference between book balance and tax balance of fixed assets	**(2,498.64)**	(1,937.81)
	(ii) Others	**(24.03)**	-
		(2,522.67)	(1,937.81)
(b)	**Tax effect of items constituting deferred tax asset**		
	(i) Provision for doubtful receivables	**665.30**	208.33
	(ii) Provision for employee benefits	**1,848.40**	1,857.91
	(iii) Others	**490.42**	578.91
		3,004.12	2,645.15
	Total	**481.45**	707.34

Note 12 Long-term loans and advances

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Capital advances - Unsecured, considered good	**498.49**	1,514.41
(b)	Security deposits - Unsecured, considered good	**1,166.17**	1,155.08
(c)	Loans and advances to employees		
	(i) Secured, considered good (Refer note below)	**23.60**	12.96
	(ii) Unsecured, considered good	**2.13**	9.54
(d)	Prepaid expenses - Unsecured, considered good	**171.41**	146.10
(e)	Advance income tax - Unsecured, considered good	**6,526.98**	8,099.50
	[net of provisions ₹ 30,765.05 lacs (Previous year ₹ 17,438.67 lacs)]		
(f)	Other loans and advances - Unsecured, considered good	**16.85**	-
(g)	MAT credit entitlement - Unsecured, considered good	**4,327.54**	2,056.10
	Total	**12,733.17**	12,993.69

Note: Long-term loans and advances to employees include amounts due from:		
Managing Director and CEO	**5.41**	7.09

Note 13 Other non current assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹/lacs	₹/lacs
Unbilled revenue	**2,954.98**	2,278.75
Total	**2,954.98**	2,278.75

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Note 14 Current investments

	Particulars	As at 31 March, 2014		As at 31 March, 2013	
		No of Units	₹/lacs	No of Units	₹/lacs
Investment in mutual and other funds (unquoted)					
(a)	**Fixed maturity plan (FMP)**				
	Kotak FMP Series 84 Growth	-	-	10,000,000	1,000.00
	Kotak FMP Series 86-Growth	-	-	10,000,000	1,000.00
	ICICI Prudential - FMP Series 73-366 D Plan A	**20,000,000**	**2,000.00**	-	-
	Total (A)		**2,000.00**		2,000.00
(b)	**Liquid / Liquid plus**				
	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	**5,511,905**	**5,530.03**	1,949,061	1,952.86
	Birla Sun Life Floating Rate Fund -STP-DD Reinvestment	**854,177**	**855.64**	-	-
	ICICI Prudential Liquid - Regular Plan - Daily Dividend	**1,171,925**	**1,172.70**	699,842	700.00
	ICICI Prudential Flexible Income - Regular Plan	**473,674**	**500.84**	-	-
	ICICI Prudential Bank and PSU Fund	**24,869,079**	**2,503.79**		
	IDFC Ultra Short Term Fund - Regular Plan - Daily Dividend	-	-	10,017,749	1,003.03
	Kotak Floater Short Term Daily Dividend	**163,269**	**1,651.66**	155,289	1,570.93
	Kotak Banking and PSU Debt Fund - Daily Dividend	**51,956,482**	**5,213.05**	-	-
	HDFC Cash Management Fund	**1,420,085**	**151.05**	-	-
	Tata Liquid Fund Plan A - Daily Dividend	**45,379**	**505.76**	-	-
	Total (B)		**18,084.52**		6,533.49
	Total (A+B)		**20,084.52**		8,533.49
	Note:				
	Aggregate amount of current unquoted investments		**20,084.52**		8,533.49

Note 15 Inventories

(At lower of cost and net realisable value)

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Finished goods		
	Education and training material	**31.33**	77.14
	Others	**4.05**	9.19
		35.38	86.33
(b)	Stock-in-trade	**339.14**	1,203.13
	Goods-in-transit	**71.74**	-
		410.88	1,203.13
(c)	Stores and spares	**178.41**	141.57
	Total	**624.67**	1,431.03

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Note 16 Trade receivables

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	(i) Unsecured, considered good	**8,645.63**	6,404.15
	(ii) Doubtful	**1,957.34**	612.93
		10,602.97	7,017.08
	Less: Provision for doubtful trade receivables	**(1,957.34)**	(612.93)
		8,645.63	6,404.15
(b)	Other trade receivables		
	Unsecured, considered good	**38,137.37**	35,223.36
	Total	**46,783.00**	41,627.51

Note 17 Cash and bank balances

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
A	**Cash and cash equivalents**		
	(a) Cash on hand	**118.42**	56.56
	(b) Cheques, drafts on hand	**146.90**	63.21
	(c) Balances with banks		
	(i) In current accounts	**11,947.82**	13,160.03
	(ii) In EEFC accounts	**511.80**	415.74
	Total - Cash and cash equivalents (A)	**12,724.94**	13,695.54
B	**Other bank balances**		
	(i) In other deposit accounts	**11.79**	11.79
	- original maturity more than 3 months		
	(ii) In earmarked accounts		
	- Unclaimed dividend accounts	**33.09**	30.98
	- Balances held as margin money against guarantees	**3.50**	3.50
	Total - Other bank balances (B)	**48.38**	46.27
	Total Cash and bank balances (A+B)	**12,773.32**	13,741.81

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18 Short-term loans and advances

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**Security deposits**		
	(i) Secured, considered good	**131.99**	89.18
	(ii) Unsecured, considered good	**742.58**	637.87
	(iii) Doubtful	**137.00**	137.00
		1,011.57	864.05
	Less: Provision for doubtful security deposits	**(137.00)**	(137.00)
		874.57	727.05
(b)	**Loans and advances to employees**		
	(i) Secured, considered good (Refer note below)	**45.21**	53.63
	(ii) Unsecured, considered good	**176.68**	111.61
	(iii) Doubtful	**113.46**	113.46
		335.35	278.70
	Less: Provision for doubtful loans and advances to employees	**(113.46)**	(113.46)
		221.89	165.24
(c)	**Prepaid expenses - Unsecured, considered good**	**506.42**	610.27
(d)	**Advance to suppliers**		
	(i) Unsecured, considered good	**588.36**	1,574.60
	(ii) Doubtful	**181.14**	181.14
		769.50	1,755.74
	Less: Provision for doubtful advances to suppliers	**(181.14)**	(181.14)
		588.36	1,574.60
(e)	**Balances with government authorities - Unsecured, considered good**		
	(i) VAT credit receivable	**426.09**	459.06
	(ii) Service Tax credit receivable	**828.63**	585.90
		1,254.72	1,044.96
(f)	**Others**		
	(i) Unsecured, considered good	**1,426.20**	888.18
	(ii) Doubtful	**128.20**	128.20
		1,554.40	1,016.38
	Less: Provision for other doubtful loans and advances	**(128.20)**	(128.20)
		1,426.20	888.18
	Total	**4,872.16**	5,010.30

Note: Short-term loans and advances to employee include amounts due from:

	As at 31 March, 2014	As at 31 March, 2013
Managing Director and CEO	**1.68**	1.68

Note 19 Other current assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹/lacs	₹/lacs
Unbilled revenue	**27,813.77**	20,940.96
Total	**27,813.77**	20,940.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20 Revenue from operations

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Sale of products - purchased equipment	**22,849.44**	19,992.53
(b)	Sale of services (Refer note below)	**195,753.01**	167,939.99
(c)	Rentals from special economic zone	**4,490.05**	4,676.89
	Total	**223,092.50**	192,609.41

Note:

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(i)	Sale of services comprises :		
	(a) Software services	**140,383.11**	111,925.39
	(b) Maintenance services	**5,263.17**	5,141.08
	(c) Facility management services	**20,311.98**	20,899.17
	(d) Education and training	**5,313.32**	5,650.37
	(e) Other services	**24,481.43**	24,323.98
	Total	**195,753.01**	167,939.99

Note 21 Other income

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Interest income		
	(i) Interest from banks on deposits	**0.98**	10.04
	(ii) Interest on loans and advances	**1.85**	1.71
	(iii) Other interest	**615.96**	4.29
		618.79	16.04
(b)	Dividend income from current investments in mutual funds	**764.89**	456.75
(c)	Net gain on sale of current investments in mutual funds	**199.70**	710.26
(d)	Profit on sale of fixed assets (net)	**436.02**	2.26
(e)	Miscellaneous income	**481.58**	130.72
	Total	**2,500.98**	1,316.03

Note 22 Purchases of stock- in- trade

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹/lacs	₹/lacs
Purchase of equipment for resale	**19,405.54**	18,857.55
Total	**19,405.54**	18,857.55

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Inventories at the end of the year		
	Stock-in-trade	410.88	1,203.13
		410.88	1,203.13
(b)	Inventories at the beginning of the year		
	Work-in-progress	-	5.26
	Stock-in-trade	1,203.13	1,019.18
		1,203.13	1,024.44
	Net (increase)/decrease	**792.25**	(178.69)

Note 24 Employee benefits expense

(Refer note 28.1)

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Salaries and wages	50,566.73	47,343.72
(b)	Contributions to provident and other funds	1,889.93	1,770.24
(c)	Staff welfare expenses	3,010.85	3,050.04
	Total	**55,467.51**	52,164.00

Note 25 Finance Cost

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹/lacs	₹/lacs
Interest expenses - others	7.30	17.96
Total	**7.30**	17.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26 Other expenses

	Particulars	**For the year ended 31 March, 2014**	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Consumption of stores and spare parts	**2,202.22**	2,605.95
(b)	Purchased software	**288.13**	172.38
(c)	Subcontracting and outsourcing cost	**88,789.34**	67,973.38
(d)	Electricity charges	**2,858.66**	2,717.95
(e)	Rent including lease rentals (Refer note 28.4)	**2,551.17**	2,831.58
(f)	Repairs and maintenance - Buildings	**1,029.88**	874.40
(g)	Repairs and maintenance - Plant and equipment	**387.44**	407.68
(h)	Repairs and maintenance - Others	**50.61**	48.88
(i)	Insurance	**185.73**	175.77
(j)	Rates and taxes	**306.80**	405.64
(k)	Communication and postage	**1,142.83**	1,088.04
(l)	Travelling and conveyance	**3,019.48**	2,888.23
(m)	Printing and stationery	**820.19**	687.38
(n)	Freight and forwarding	**283.83**	318.95
(o)	Business promotion, advertisement and publicity	**263.58**	144.04
(p)	Legal and professional	**1,426.27**	1,413.62
(q)	Education and training		
	(i) Payment to franchisees	**1,485.67**	2,082.86
	(ii) Other expenses	**390.29**	329.37
(r)	Living expenses - overseas contracts	**1,586.20**	1,310.18
(s)	Directors sitting fees	**14.00**	14.50
(t)	Commission to non-executive directors	**100.00**	75.00
(u)	Payments to auditors (Refer note 27.3)	**172.79**	142.43
(v)	Bad trade and other receivables, loans and advances written off/(written back)	**(1,779.13)**	(131.10)
(w)	Net loss on foreign currency transactions and translation	**(1,288.19)**	(172.95)
(x)	Fixed assets written off	**22.88**	15.84
(y)	Provision for doubtful trade and other receivables, loans and advances	**1,344.41**	700.18
(z)	Miscellaneous expenses	**838.73**	964.86
	Total	**108,493.81**	90,085.04

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, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
a.	Claims against the Group not acknowledged as debts*		
	• Under litigation	**1,976.22**	2,290.32
	• Demand from income tax authorities	**586.34**	1,347.42
	• Disputed demands raised by sales tax authorities	**417.11**	448.57
	• Demands raised by service tax authorities	**6,173.03**	6,591.03
	• Disputed demand towards land use conversion fee.	**2,025.00**	2,025.00
	• Others	**572.04**	643.01
b.	Unexpired Letters of Credit	**709.74**	573.32
c.	Estimated amount of contracts remaining to be executed on tangible assets (net of advances) and not provided for	**5,143.11**	6,461.34

* No provision is considered necessary since the Group expects favorable decisions. The advance paid against the above is ₹ 141.81 lacs (Previous year ₹ 87.40 lacs).

27.2 Unexpired foreign exchange forward contracts

The following are outstanding Foreign Exchange Forward contracts as at 31 March, 2014.

Foreign Currency	No. of Contracts	Notional amount of Forward contracts in foreign currency (USD)	Rupee Equivalent ₹/Lacs
USD	**6**	**18,000,000.00**	**10,811.38**
	(3)	(9,000,000.00)	(4,889.68)

As of the balance sheet date, the Group has no foreign currency exposure that is not hedged by a derivative instrument or otherwise (Previous year ₹ 4,296.14 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, 2014	Year ended 31 March, 2013
	₹/lacs	₹/lacs
Audit fee (including limited reviews)	**83.97**	69.52
Tax audit	**9.50**	8.00
Certification work	**4.75**	8.80
Reimbursement of out-of-pocket expenses	**15.09**	14.26
Total	**113.31**	100.58

* Exclusive of service tax

The remuneration disclosed above excludes fees of ₹ 59.48 lacs (Previous year ₹ 41.85 lacs) including ₹ 20.75 lacs (Previous year ₹ 20.85 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 and its subsidiaries makes contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for eligible employees. Under the schemes, the Company and its subsidiaries are required to contribute a specified percentage of the payroll costs to fund the benefits. The 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 ₹ 1,570.71 lacs (Previous year ₹ 1,507.43 lacs) for provident fund contributions and ₹ 8.99 lacs (Previous year ₹ 8.73 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 have contributed ₹ 46.04 lacs (Previous year ₹ 44.45 lacs) towards other foreign defined contribution plans.

b. Defined Benefit plan

i. Gratuity plan

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible 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 eligible 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, 2014. 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, 2014.

(All amounts in ₹/lacs)

	Year ended 31 March, 2014		Year ended 31 March, 2013	
Particulars	**Gratuity**	**Medical Benefit Plan (Unfunded)**	Gratuity	Medical Benefit Plan (Unfunded)
i. Components of employer expense				
Current service cost	**213.46**	**47.03**	212.89	7.14
Interest cost	**235.31**	**31.65**	239.13	34.07
Expected return on plan assets	**(58.51)**	**-**	(50.92)	-
Actuarial losses / (gains)	**(216.30)**	**(45.52)**	(191.47)	(11.78)
Total expense recognised in Statement of profit and loss	**173.96**	**33.16**	209.63	29.43

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹/lacs)

	Particulars	Year ended 31 March, 2014 Gratuity	Year ended 31 March, 2014 Medical Benefit Plan (Unfunded)	Year ended 31 March, 2013 Gratuity	Year ended 31 March, 2013 Medical Benefit Plan (Unfunded)
ii.	**Actual contribution and benefit payments for year**				
	Actual benefit payments	**254.14**	**37.73**	223.75	46.79
	Actual contributions	**474.55**	**-**	273.58	-
iii.	**Net asset/ (liability) recognised in the Balance Sheet**				
	Present value of defined benefit obligation	**(2,952.26)**	**(391.01)**	(2,941.35)	(395.58)
	Fair value of plan assets	**984.01**	**-**	672.51	-
	Funded status [Surplus/ (Deficit)]	**(1,968.25)**	**(391.01)**	(2,268.84)	(395.58)
	Net asset / (liability) recognised in the Balance Sheet	**(1,968.25)**	**(391.01)**	(2,268.84)	(395.58)
iv.	**Change in defined benefit obligations (DBO) during the year**				
	Present value of DBO at the beginning of the year	**2,941.35**	**395.58**	2,898.52	412.94
	Current service cost	**213.46**	**47.03**	212.89	7.14
	Interest cost	**235.31**	**31.65**	239.13	34.07
	Actuarial (gain)/losses	**(183.72)**	**(45.52)**	(185.44)	(11.78)
	Benefits paid	**(254.14)**	**(37.73)**	(223.75)	(46.79)
	Present value of DBO at the end of the year	**2,952.26**	**391.01**	2,941.35	395.58
v.	**Change in fair value of assets during the year:**				
	Plan assets at the beginning of the year	**672.51**	**-**	565.73	-
	Expected return on plan assets	**58.51**	**-**	50.92	-
	Actual Company contributions	**474.55**	**-**	273.58	-
	Actuarial gain/(loss)	**32.58**	**-**	6.03	-
	Benefits paid	**(254.14)**	**-**	(223.75)	-
	Plan assets at the end of the year	**984.01**	**-**	672.51	-
	Actual return on plan assets	**91.09**	**-**	56.95	-
vi.	**Actuarial assumptions:**				
	Discount rate	**9.00%**	**9.00%**	8.00%	8.00%
	Expected return on plan assets	**9.00%**	**-**	8.70%	-
	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 contribution in the immediate next year**	**710.43**	**-**	714.33	-

	Experience adjustments	2014	2013	2012	2011	2010
(a)	**Gratuity**					
	On Plan liability	**(97.96)**	(258.97)	(14.74)	72.05	181.05
	On Plan asset	**32.58**	6.03	(11.27)	178.34	10.31
(b)	**Post Retirement Medical Benefits**					
	On Plan liability	**(48.92)**	(21.67)	29.47	(0.79)	26.10

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹/lacs)

Particulars	2014	2013	2012	2011	2010
Gratuity					
Present value of DBO	**2,952.26**	2,941.35	2,898.52	2,643.27	2,057.66
Fair value of plan assets	**984.01**	672.51	565.73	514.12	133.99
Funded status - (Deficit)	**(1,968.25)**	(2,268.84)	(2,332.79)	(2,129.15)	(1,923.67)
Experience gain / (loss) adjustments on plan liabilities	**97.96**	(258.97)	(129.20)	72.05	181.05
Experience gain / (loss) adjustments on plan assets	**32.58**	6.03	(11.27)	178.34	10.31
Post Retirement Medical Benefits					
Present value of DBO	**391.01**	395.58	412.94	382.61	466.51
Fair value of plan asset*	**-**	-	-	-	-
Funded status - (Deficit)	**(391.01)**	(395.58)	(412.94)	(382.61)	(466.51)
Experience gain / (loss) adjustments on plan liabilities	**48.92**	(21.67)	29.47	(0.79)	26.10
Experience gain / (loss) adjustments on plan assets*	**-**	-	-	-	-

* Plan is unfunded

Notes:

i. The planned assets of the Group 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**	**40,845.87**	**141,350.63**	**30,613.69**	**5,792.26**	**4,490.05**	**223,092.50**
	(40,156.01)	(113,251.58)	(28,672.93)	(5,852.00)	(4,676.89)	(192,609.41)
ii. **Segment result**	**2,968.59**	**31,352.91**	**9,077.09**	**631.39**	**3,343.85**	**47,373.83**
	(3,458.48)	(23,821.92)	(7,992.80)	(681.49)	(3,674.15)	(39,628.84)
iii. **Unallocable expenses**						**11,146.06**
						(10,285.51)
iv. **Operating income**						**36,227.77**
						(29,343.33)
v. **Other income**						**2,500.98**
						(1,316.03)
vi. **Profit before tax**						**38,728.75**
						(30,659.36)
vii. **Tax expense**						**10,687.24**
						(7,636.35)
viii. **Net profit for the year**						**28,041.51**
						(23,023.01)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹/ lacs)

Particulars	CS	SI	ITeS	E &T	SEZ	Total
ix. **Segment assets**	**25,330.00**	**46,033.68**	**11,869.27**	**4,040.85**	**37,981.02**	**125,254.82**
	(23,875.46)	(34,823.93)	(11,702.18)	(3,581.57)	(31,341.26)	(105,324.40)
x. **Unallocable assets**						**48,876.81**
						(38,940.84)
xi. **Total assets**						**174,131.63**
						(144,265.24)
xii. **Segment liabilities**	**12,001.11**	**24,096.81**	**5,225.76**	**3,280.79**	**2,508.21**	**47,112.68**
	(11,944.63)	(17,337.33)	(4,156.87)	(3,066.11)	(2,805.31)	(39,310.25)
xiii. **Unallocable liabilities**						**11,421.82**
						(10,329.00)
xiv. **Total liabilities**						**58,534.50**
						(49,639.25)
xv. **Other information**						
Capital expenditure (allocable)	**7.87**	**682.17**	**61.48**	**29.98**	**7,700.92**	**8,482.42**
	(47.31)	(375.84)	(37.42)	(63.14)	(7,193.31)	(7,717.02)
Capital expenditure (unallocable)						**2,254.19**
						(2,428.01)
Depreciation and amortisation (allocable)	**65.06**	**326.58**	**86.89**	**109.55**	**1,033.77**	**1,621.85**
	(68.97)	(248.18)	(101.46)	(122.43)	(868.29)	(1,409.33)
Depreciation and amortisation (unallocable)						**1,076.47**
						(910.89)
Other significant non-cash expense (allocable)	**396.05**	**717.50**	**66.98**	**181.83**	**-**	**1,362.36**
	(427.96)	(111.57)	(52.17)	(157.53)	(-)	(749.23)

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 amount in ₹/ lacs)

Particulars	India	United States of America	United Kingdom	Others	Total
Segment Revenue					
- Revenue from operations	**84,262.12**	**127,384.90**	**4,190.66**	**7,254.82**	**223,092.50**
	(78,866.83)	(104,450.66)	(4,257.34)	(5,034.58)	(192,609.41)
- Other Income	**1,763.36**	**140.22**	**1.30**	**596.10**	**2,500.98**
	(1,300.77)	(10.37)	(2.06)	(2.83)	(1,316.03)
Total Assets	**128,929.51**	**34,311.92**	**1,315.92**	**9,574.28**	**174,131.63**
	(104,118.81)	(33,008.16)	(2,031.81)	(5,106.46)	(144,265.24)
Total Liabilities	**38,214.76**	**19,601.20**	**298.22**	**420.32**	**58,534.50**
	(35,381.35)	(13,701.59)	(263.67)	(292.64)	(49,639.25)

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 (upto 25.03.2013)
- Tata Consultancy Services, Netherlands BV
- Tata Consultancy Services Sverige AB
- Tata Teleservices Limited (upto 25.03.2013)
- 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.
- Tata Value Homes Limited
- Smart Value Homes (Boisar) Private Limited
- Smart Value Homes (New Project) Private Limited
- Smart Value Homes(Kenya Project) Private Limited
- Tata Consultancy Services Deutschland Gmbh

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	**25.02**	**2,605.60**	**82.61 (note a)**	**-**	**2,713.23**
	(26.61)	(3,353.43)	(288.39)	(-)	(3,668.43)
Purchase of fixed assets	**-**	**-**	**0.49 (note b)**	**-**	**0.49**
	(-)	(-)	(4.96)	(-)	(4.96)
Sale of goods	**1.34**	**1,787.30**	**292.21 (note c)**	**-**	**2,080.85**
	(-)	(7,665.19)	(849.73)	(-)	(8,514.92)
Service income	**39.26**	**118,218.94**	**5,937.03 (note d)**	**-**	**124,195.23**
	(-)	(99,629.96)	(685.95)	(-)	(100,315.91)
Managerial Remuneration	**-**	**-**	**-**	**180.27**	**180.27**
	(-)	(-)	(-)	(126.65)	(126.65)
Brand equity Contribution	**168.00**	**-**	**-**	**-**	**168.00**
	(139.14)	(-)	(-)	(-)	(139.14)
Dividend paid	**-**	**2,710.74**	**-**	**-**	**2,710.74**
	(-)	(1,936.24)	(-)	(-)	(1,936.24)
Other transactions	**2.66**	**2,515.69**	**-**	**-**	**2,518.35**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ /lacs)

Transactions/ Outstanding Balances	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
			(note e)		
	(-)	(1,419.05)	(45.00)	(-)	(1,465.05)
Balance Outstanding at the year end					
Trade receivables	**49.61**	**12,976.26**	**1,241.87**	**-**	**14,267.74**
			(note f)		
	(-)	(19,237.60)	(714.83)	(-)	(19,952.43)
Unbilled revenues	**-**	**13,745.85**	**1,500.36**	**-**	**15,246.21**
			(note g)		
	(-)	(10,061.48)	(256.37)	(-)	(10,317.85)
Income received in Advance	**8.64**	**168.43**	**7.14**	**-**	**184.21**
			(note h)		
	(-)	(234.74)	(-)	(-)	(234.74)
Trade payables / Advances received	**152.62**	**757.62**	**-**	**-**	**910.24**
			(note i)		
	(139.62)	(1,088.78)	(50.98)	(-)	(1,279.38)
Loans and advances	**-**	**-**	**-**	**7.09**	**7.09**
	(-)	(-)	(-)	(8.77)	(8.77)

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 type.

Notes Ref.	Particulars	Year ended/As at 31 March, 2014 (₹ /lacs)	Year ended/As at 31 March, 2013 (₹ /lacs)
a.	**Purchase of goods / services**		
	Tata Teleservices Limited*	**-**	136.32
	Tata Teleservices (Maharashtra) Limited*	**-**	89.28
	Tata Consultancy Services Deutschland Gmbh	**64.99**	33.54
	Tata Consultancy Services Argentina S.A.	**-**	28.94
b.	**Purchase of fixed assets**		
	Infinity Retail Limited	**0.49**	4.96
c.	**Sale of goods**		
	Tata Housing Development Company Limited	**31.89**	-
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**204.43**	37.81
	Tata AIG General Insurance Company Limited	**55.89**	800.16
d.	**Service income**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**118.30**	245.93
	Tata Housing Development Company Limited	**136.23**	52.96
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**258.27**	282.80
	Tata AIG General Insurance Company Limited	**219.69**	104.26
	Tata America International Corporation	**5,167.44**	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes Ref.	Particulars	**Year ended/As at 31 March, 2014**	Year ended/As at 31 March, 2013
		(₹ /lacs)	(₹ /lacs)
e.	**Other Transactions**		
	Tata America International Corporation	**-**	21.84
	Tata AIG General Insurance Company Limited	**-**	23.16
f.	**Trade receivables**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**29.36**	-
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**31.21**	67.37
	Tata Teleservices Limited*	**-**	15.94
	Tata AIG General Insurance Company Limited	**187.08**	566.68
	Tata Housing Development Company Limited	**105.95**	48.91
	Tata America International Corporation	**876.99**	-
g.	**Unbilled revenue**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**41.64**	80.07
	Tata Housing Development Company Limited	**13.71**	4.93
	Tata Business Support Services Limited	**23.28**	26.00
	Tata AIG General Insurance Company Limited	**102.22**	145.37
	Tata America International Corporation	**1,319.52**	-
h.	**Income received in Advance**		
	Tata AIG General Insurance Company Limited	**4.45**	-
	Tata Housing Development Company Limited	**2.69**	-
i.	**Trade payables / Advances received**		
	Tata Teleservices (Maharashtra) Limited*	**19.36**	13.17
	Tata Consultancy Services Deutschland Gmbh	**-**	9.30
	Tata Teleservices Limited*	**9.82**	6.16
	Tata America International Corporation	**-**	21.95

*Current year figures are not included since ceased to be a fellow subsidiary as on 25.03.2013

28.4 Lease Commitments

i. Obligations towards operating leases (As lessee)

The Group has entered into operating lease arrangements for certain facilities and office premises. Rent expenses of ₹ 1,470.00 lacs (Previous year ₹ 1,262.25 lacs) in respect of obligation under non-cancellable operating leases have been recognised in the Statement of profit and loss. Further a sum of ₹ 1,081.17 lacs (Previous year ₹ 1,569.33 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, 2014**	As at 31 March, 2013
		(₹ /lacs)	(₹ /lacs)
a.	Not later than one year	**1,392.15**	1,386.26
b.	Later than one year but not later than five years	**2,804.35**	2,628.22
c.	Later than five years	**185.39**	269.07

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ii. Finance Lease (As lessor)

The Group has entered into finance lease arrangements for computer equipment, peripherals and system software. The details are as follows:-

Particulars	As at 31 March, 2014	As at 31 March, 2013
	(₹ /lacs)	(₹ /lacs)
a. Total gross investment	-	95.56
• Not later than one year	-	95.56
• Later than one year but not later than five years	-	-
• Later than five years	-	-
b. Present value of minimum lease payments receivable	-	91.85
• Not later than one year	-	91.85
• Later than one year but not later than e five years	-	-
• Later than five years	-	-
c. Unearned finance income	-	3.71

28.5 Earnings per share

Particulars	Units	Year ended 31 March, 2014	Year ended 31 March, 2013
		(₹ /lacs)	(₹ /lacs)
Net profit attributable to shareholders	**₹ /lacs**	**28,041.51**	23,023.01
Weighted average number of equity shares in issue	**Nos. /lacs**	**303.00**	303.00
Earnings per share basic and diluted	₹	**92.55**	75.98
Face value per Equity share	₹	**10.00**	10.00

28.6 Taxes

The provision for taxes is as follows:

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
	(₹ /lacs)	(₹ /lacs)
a. Current taxes		
i. Domestic taxes*	**5,957.66**	3,524.09
ii. Foreign taxes	**4,480.53**	3,710.37
b. Deferred taxes		
i. Domestic taxes	**262.33**	411.24
ii. Foreign taxes	**(13.28)**	(9.35)

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

28.7 Research and development expenses

Expenditure includes "Research and Development" expenditure aggregating to ₹ 1,239.91 lacs (Previous year ₹ 1,117.75 lacs). Amounts aggregating to ₹ 67.05 lacs (Previous year ₹ 88.13 lacs) have been capitalised.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

29. During the current year the Company received a favourable decision in a legal case against a customer which has resulted in increase in profit before tax by ₹ 3,766.15 lacs for the year ended 31 March, 2014. The increase is on account of increase in income from operations and other income by ₹ 1,897.77 lacs and ₹ 594.19 lacs respectively, increase in purchase of stock in trade by ₹ 582.81 lacs and reduction in other expenses by ₹ 1,857.00 lacs.

30. 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, 2014		CMC eBiz Inc., USA As at 31 March, 2014	
		US $/lacs	₹/lacs	US $/lacs	₹/lacs
a.	Share Capital	16.00	961.01	-	-
b.	Reserves	97.71	5,868.78	31.47	1,890.19
c.	Total assets	541.86	32,545.85	46.69	2,804.35
d.	Total liabilities	428.15	25,716.06	15.22	914.16
e.	Investments	-	-	-	-
f.	Turnover	2,026.83	121,737.90	63.82	3,833.23
g.	Profit before tax	180.40	10,835.40	14.92	896.14
h.	Provision for tax	68.27	4,100.51	5.20	312.33
i.	Profit after tax	112.13	6,734.89	9.72	583.81
j.	Proposed dividend	200.00	12,012.64	-	-

Note: US $ have been converted to INR at the exchange rate prevailing on 31.03.2014 (1 US $ = ₹ 60.0632)

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

Mumbai
14 April, 2014

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, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 internal control 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, 2014;

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 notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs).

   e. On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 14 April, 2014

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 ₹ 337.53 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, 2014 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, 2014 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)
Income Tax Act, 1961	i. Tax deducted at lower rate.	Commissioner of Income Tax	2007-08	0.98
	ii. Tax liability on unearned income and on disallowance of certain deductions.	Commissioner of Income Tax (Appeals)	2009-10	585.36
				586.34
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. Enhancement of gross turnover, imposition of VAT on franchisee collections.	West Bengal Commercial Taxes Appellate and Revision Board	2006-07	14.92
				39.09
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 and 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

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ / lacs)
	iv. Tax demand and penalty imposed on enhancement of turnover and disallowance of credit for TDS.	Deputy Commissioner, Commercial Tax	2009-10	1.19
				8.18
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 and 1998-99	0.49
	iv. Tax demand raised by the Assessing Officer towards tax on notional gross profit.	Commercial Tax Officer	1994-95 and 1998-99	3.13
	v. Tax demand on re-opening completed assessment.	Appellate Assistant/Deputy Commissioner	2004-05	15.19
	vi. Tax demand on gross amount including sales tax.	Appellate Assistant Commissioner	1996-97 and 1997-98	13.55
	vii. Tax demand on exceeded turnover.	Appellate Assistant Commissioner, Commercial Tax	2005-06	14.53
				57.74
Andhra Pradesh Value Added Tax Act, 2005	i. Tax demand on sales assessed as works contract.	Appellate Tribunal	2001-02	56.74
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
	iii. Tax demand on non-submission of Form C.	Deputy Commissioner Appeals	2004-05	1.85
				6.15
Kerala Value Added Tax Act,2003	Tax demand on goods assessed at higher rate of tax.	Assistant/Deputy Commissioner	1996-97 and 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
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	90.56
	v. Demand of service tax on advertisement cost reimbursed by franchisees.	Joint Commissioner, Service Tax	2009-10 to 2011-12	4.86
	vi. Demand of service tax on course fee shared with franchisees.	Commissioner of Service Tax (Appeals)	2003-04	25.77
	vii. 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
	viii.Excess utilisation of CENVAT credit.	Custom, Excise and Service Tax Appellate Tribunal	2005-06 to 2009-10	797.29

Statute		Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ / lacs)
	ix.	Demand of service tax on election photo identification cards.	Assistant Commissioner of Service Tax	2009-10 and 2010-11	10.33
	x.	Demand of service tax on installation and commissioning of equipment.	Commissioner of Service Tax (Appeals)	2010-11	23.07
	xi.	Demand of service tax for irregular availment of input service tax credit.	Custom, Excise and Service Tax Appellate Tribunal	2008-09 and 2010-11	1.63
	xii.	Demand of service tax on course fee shared with franchisees.	Custom, Excise and Service tax Appellate Tribunal	2003-04	2.14
	xiii.	Demand of service tax on facility management services.	Custom, Excise and Service Tax Appellate Tribunal	2003-04 to 2006-07	655.52
	xiv.	Demand of service tax on facility management and other services.	Custom, Excise and Service Tax Appellate Tribunal	2004-05 to 2009-10	744.89
	xv.	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
	xvi.	Demand of service tax on facility management and other services.	Commissioner of Central Excise and Service Tax (Appeals)	2010-11	25.47
	xvii.	Demand of service tax on facility management and other services.	Commissioner of Service Tax	2011-12 to June 2012	77.74
	xviii.	Demand of service tax on preparation of electoral rolls.	Additional Commissioner of Service Tax	2004-2005 to 2006-2007	36.25
	xix.	Incorrect utilization of service tax input credit.	Additional Commissioner, Service Tax (Appeals)	2004-05 to 2009-2010	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 2011 to March 2012	10.27
	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 related to installation and commissioning services.	Assistant Commissioner of Service Tax	2011-12	21.27
	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 and 2011-12	175.34
	xxvi.	Incorrect utilisation of service tax input credit.	Additional Commissioner of Service Tax	2011-12	5.55
	xxvii.	Demand of service tax on recovery of expenses from customers.	Commissioner of Service Tax (Appeals)	2008-09 to 2011-12	48.05
	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
	xxx.	Demand of service tax not paid on full amount of import of services.	Joint Commissioner, Service Tax	2008-09 to 2012-13	12.63
	xxxi.	Demand for incorrect utilisation of service tax input credit.	Commissioner of Service Tax	2008-09 to 2010-11	13.34
	xxxii.	Demand for incorrect utilisation of service tax input credit.	Commissioner of Central Excise and Service Tax (Appeals)	2011-12 to 2012-13	28.55
					6,173.03
			Grand Total		**7,034.67**

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
(Firm's Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 14 April, 2014

BALANCE SHEET AS AT 31 MARCH, 2014

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	**3,030.00**	3,030.00
(b) Reserves and surplus	4	**104,630.77**	80,246.21
		107,660.77	83,276.21
2. Non-current liabilities			
(a) Other long-term liabilities	5	**1,159.42**	1,500.94
(b) Long-term provisions	6	**2,359.26**	2,664.42
		3,518.68	4,165.36
3. Current liabilities			
(a) Trade payables	7	**18,763.76**	18,034.84
(b) Other current liabilities	8	**6,098.39**	5,206.78
(c) Short-term provisions	9	**10,674.51**	8,997.53
		35,536.66	32,239.15
TOTAL		**146,716.11**	119,680.72
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	**39,262.98**	28,425.67
(ii) Intangible assets	10.B	**636.19**	169.33
(ii) Capital work-in-progress		**5,071.11**	8,330.68
		44,970.28	36,925.68
(b) Non-current investments	11	**818.01**	818.01
(c) Deferred tax assets (net)	12	**236.39**	498.72
(d) Long-term loans and advances	13	**12,733.17**	12,963.88
(e) Other non current assets	14	**2,954.98**	2,278.75
		61,712.83	53,485.04
2. Current assets			
(a) Current investments	15	**20,084.52**	8,533.49
(b) Inventories	16	**624.67**	1,431.03
(c) Trade receivables	17	**38,321.01**	33,503.49
(d) Cash and bank balances	18	**2,712.63**	2,987.30
(e) Short-term loans and advances	19	**4,724.03**	4,434.58
(f) Other current assets	20	**18,536.42**	15,305.79
		85,003.28	66,195.68
TOTAL		**146,716.11**	119,680.72
See accompanying notes forming part of the financial statements	1 to 32		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
14 April, 2014

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

Mumbai
14 April, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

	Particulars	Note No.	**For the year ended 31 March, 2014**	For the year ended 31 March, 2013
			₹/lacs	₹/lacs
1.	**Revenue**			
	(a) Revenue from operations	21	**118,979.15**	112,312.65
	(b) Other income	22	**14,110.82**	4,075.26
2.	**Total revenue**		**133,089.97**	116,387.91
3.	**Expenses**			
	(a) Purchases of stock-in-trade	23	**19,405.54**	18,857.55
	(b) Changes in inventories of work-in-progress and stock-in-trade	24	**792.25**	(178.69)
	(c) Employee benefits expense	25	**40,260.84**	38,724.33
	(d) Finance costs	26	**0.69**	15.62
	(e) Depreciation and amortisation expense	10	**2,655.92**	2,254.81
	(f) Other expenses	27	**31,394.05**	32,941.07
4.	**Total expense**		**94,509.29**	92,614.69
5.	**Profit before tax (2 - 4)**		**38,580.68**	23,773.22
6.	**Tax expense**			
	(a) Current tax expense for current year		**8,229.10**	4,566.62
	(b) (Less): MAT credit		**(2,271.44)**	(1,042.53)
	(c) Net current tax expense		**5,957.66**	3,524.09
	(d) Deferred tax		**262.33**	411.24
			6,219.99	3,935.33
7.	**Profit for the year (5-6)**		**32,360.69**	19,837.89
8.	**Earnings per share (of ₹ 10 each)**	29.5		
	- Basic and diluted		**106.80**	65.47
See accompanying notes forming part of the financial statements		1 to 32		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
14 April, 2014

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

Mumbai
14 April, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	Particulars	Note No.	**For the year ended 31 March, 2014**	For the year ended 31 March, 2013
			₹/lacs	₹/lacs
A.	**Cash flow from operating activities**			
	Profit before tax		**38,580.68**	23,773.22
	Adjustments for:			
	Depreciation and amortisation expense		**2,655.92**	2,254.81
	Profit on sale of assets (net)		**(436.02)**	(2.26)
	Finance costs		**0.69**	15.62
	Interest income		**(614.25)**	(15.27)
	Dividend income		**(12,511.54)**	(3,216.75)
	Provision for doubtful trade and other receivables, loans and advances		**1,344.41**	700.18
	Bad trade and other receivables, loans and advances written off		**(1,779.13)**	(131.27)
	Fixed assets written off		**22.88**	15.84
	Net gain on sale of mutual funds		**(199.70)**	(710.26)
	Exchange difference on translation of foreign currency cash and cash equivalent		**(1.49)**	(5.35)
	Net unrealised exchange (gain) / loss		**35.79**	(118.30)
	Operating profit before working capital changes		**27,098.24**	22,560.21
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Inventories		**806.36**	(90.35)
	Trade receivables		**(4,417.54)**	(7,317.24)
	Short-term loans and advances		**(298.30)**	(760.16)
	Long-term loans and advances		**1,486.24**	247.18
	Other current assets		**(3,236.06)**	(2,364.82)
	Other non current assets		**(676.23)**	(2,278.75)
			(6,335.53)	(12,564.14)
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables		**736.29**	143.93
	Non current liabilities		**(341.52)**	286.08
	Other current liabilities		**44.24**	(1,069.69)
	Short-term provisions		**194.72**	285.69
	Long-term provisions		**(305.16)**	(81.31)
			328.57	(435.30)
	Cash generated from operations		**21,091.28**	9,560.77
	Net income tax paid		**(8,519.31)**	(6,520.42)
	Net cash flow from operating activities	**(A)**	**12,571.97**	3,040.35

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
			₹/lacs	₹/lacs
B.	**Cash flow from investing activities**			
	Capital expenditure on fixed assets, including capital advances		**(8,871.80)**	(8,445.84)
	Proceeds from sale of fixed assets		**445.33**	2.41
	Bank balances not considered as Cash and cash equivalents		**(2.11)**	7.31
	Current investments in mutual funds not considered as cash and cash equivalents			
	- Purchased		**(84,239.23)**	(66,616.08)
	- Proceeds from sale		**72,887.89**	73,950.67
	Interest received - others		**623.10**	17.50
	Dividend received			
	- Subsidiary		**11,746.65**	2,760.00
	- Others		**764.89**	456.75
	Net cash flow from / (used in) investing activities	**(B)**	**(6,645.28)**	2,132.72
C.	**Cash flow from financing activities**			
	Finance cost		**(0.43)**	(2.38)
	Dividend paid		**(5,300.39)**	(3,784.36)
	Tax on dividend		**(901.16)**	(614.45)
	Net cash flow used in financing activities	**(C)**	**(6,201.98)**	(4,401.19)
	Net Increase / (decrease) in Cash and cash equivalents	**(A+B+C)**	**(275.29)**	771.88
	Cash and cash equivalents at the beginning of the year		**2,941.03**	2,163.80
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		**(1.49)**	5.35
	Cash and cash equivalents at the end of the year*	**18**	**2,664.25**	2,941.03
	* Comprises:			
	(a) Cash on hand		**118.42**	56.56
	(b) Cheques, drafts on hand		**146.90**	63.21
	(c) Balances with banks			
	(i) In current accounts		**1,887.13**	2,405.52
	(ii) In EEFC accounts		**511.80**	415.74
	Total		**2,664.25**	2,941.03
	See accompanying notes forming part of the financial statements	1 to 32		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Alka Chadha
Partner

Mumbai
14 April, 2014

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

Mumbai
14 April, 2014

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 Sec 211(3C) of the Companies Act, 1956(" the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act ,2013 ("the Companies Act") in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 1956/2013 Act, as applicable. 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 for resale/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:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 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.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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. 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

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 are 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. 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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

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 note 2(f).

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

The Company has identified business segments as its primary segment and geographic segment as its secondary segment.

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, through franchisees and for corporate.

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, 2014		As at 31 March, 2013	
		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 holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	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	**2,053,220**	**6.78**	2,017,734	6.66
HDFC Trustees Company Limited - HDFC Equity Fund	**1,691,392**	**5.58**	1,916,132	6.32
Total	**21,154,534**	**69.82**	21,343,788	70.44

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

Particulars	Opening Balance	Shares issued	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2014			
- Number of shares	**30,300,000**	**-**	**30,300,000**
- Amount (₹/lacs)	**3,030.00**	**-**	**3,030.00**
Year ended 31 March, 2013			
- Number of shares	30,300,000	-	30,300,000
- Amount (₹/lacs)	3,030.00	-	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, 2014	As at 31 March, 2013
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, 2014	As at 31 March, 2013
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, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**General reserve**		
	Opening balance	**7,591.02**	5,607.23
	Add: Transferred from surplus in Statement of profit and loss	**3,236.07**	1,983.79
	Closing balance	**10,827.09**	7,591.02
(b)	**Surplus in Statement of Profit and Loss**		
	Opening balance	**72,655.19**	61,004.75
	Add: Profit for the year	**32,360.69**	19,837.89
	Less: Dividends proposed to be distributed to equity shareholders ₹ 22.50 per share (Previous year ₹ 17.50 per share)	**(6,817.50)**	(5,302.50)
	Tax on dividend	**(1,158.63)**	(901.16)
	Transferred to general reserve	**(3,236.07)**	(1,983.79)
	Closing balance	**93,803.68**	72,655.19
	Total	**104,630.77**	80,246.21

Note 5 Other long-term liabilities

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Trade payables	**56.68**	-
(b)	Income received in advance	**763.95**	1,142.87
(c)	Advances from customers	**89.04**	89.04
(d)	Others	**249.75**	269.03
	Total	**1,159.42**	1,500.94

Note 6 Long-term provisions

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
	Provision for employee benefits		
(a)	Provision for gratuity (net) (Refer Note 29.1)	**1,968.25**	2,268.84
(b)	Provision for post-employment medical benefits (Refer Note 29.1)	**391.01**	395.58
	Total	**2,359.26**	2,664.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7 Trade payables

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹/lacs	₹/lacs
Trade payables		
Other than acceptances (Refer note 28.2)	**18,763.76**	18,034.84
Total	**18,763.76**	18,034.84

Note 8 Other current liabilities

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Income received in advance	**1,388.20**	1,340.56
(b)	Unclaimed dividends	**33.09**	30.98
(c)	Other payables		
	(i) Statutory dues	**1,037.37**	834.94
	(Contributions to PF and ESIC, VAT, Service Tax, Withholding Taxes etc.)		
	(ii) Payables for purchase of fixed assets	**2,776.52**	1,931.52
	(iii) Interest accrued on trade payables	**14.33**	14.07
	(iv) Interest accrued on others	**0.24**	0.24
	(v) Security deposits received	**338.71**	307.31
	(vi) Advances from customers	**403.96**	637.10
	(vii) Others	**105.97**	110.06
	Total	**6,098.39**	5,206.78

Note 9 Short-term provisions

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**Provision for employee benefits**		
	Provision for compensated absences	**2,673.37**	2,479.02
		2,673.37	2,479.02
(b)	**Provision - Others**		
	(i) Provision for tax	**25.01**	314.85
	(net of advance tax ₹ 12,795.71 lacs (Previous year ₹ 4,276.77 lacs))		
	(ii) Provision for proposed equity dividend	**6,817.50**	5,302.50
	(iii) Provision for tax on proposed dividend	**1,158.63**	901.16
		8,001.14	6,518.51
	Total	**10,674.51**	8,997.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 10 Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April, 2013	Additions	Deletions / adjustments	As at 31 March, 2014	As at 1 April, 2013	Depreciation and amortisation expense for the year	Deletions/ adjustments	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
	₹/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	144.35	10.04	-	154.39	629.26	639.30
	(783.65)	(-)	(-)	(783.65)	(134.31)	(10.04)	(-)	(144.35)	(639.30)	(649.34)
(b) Buildings										
Own use	4,619.50	525.91	8.40	5,137.01	1,416.64	67.86	4.96	1,479.54	3,657.47	3,202.86
	(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)
Given under operating lease	17,367.36	9,219.83	-	26,587.19	513.47	421.44	-	934.91	25,652.28	16,853.89
	(15,394.89)	(1,972.47)	(-)	(17,367.36)	(341.85)	(171.62)	(-)	(513.47)	(16,853.89)	(15,053.04)
(c) Plant and Equipment										
Own use	10,473.63	984.60	633.86	10,824.37	6,886.69	1,094.73	617.59	7,363.83	3,460.54	3,586.94
	(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)
Given under operating lease	3,377.84	2,453.09	-	5,830.93	1,079.42	666.30	-	1,745.72	4,085.21	2,298.42
	(3,192.97)	(184.87)	(-)	(3,377.84)	(526.83)	(552.59)	(-)	(1,079.42)	(2,298.42)	(2,666.14)
(d) Furniture and Fixtures										
Own use	1,489.40	47.16	67.74	1,468.82	917.04	66.94	64.94	919.04	549.78	572.36
	(1,379.48)	(148.54)	(38.62)	(1,489.40)	(870.70)	(83.03)	(36.69)	(917.04)	(572.36)	(508.78)
Given under operating lease	660.99	59.19	-	720.18	71.54	42.17	-	113.71	606.47	589.45
	(607.92)	(53.07)	(-)	(660.99)	(31.86)	(39.68)	(-)	(71.54)	(589.45)	(576.06)
(e) Vehicles - Own use	85.09	-	-	85.09	42.53	5.54	-	48.07	37.02	42.56
	(90.76)	(-)	(5.67)	(85.09)	(39.67)	(7.01)	(4.15)	(42.53)	(42.56)	(51.09)
(f) Office equipment										
Own use	520.74	58.92	53.97	525.69	234.28	25.01	44.29	215.00	310.69	286.46
	(473.20)	(56.95)	(9.41)	(520.74)	(217.35)	(21.66)	(4.73)	(234.28)	(286.46)	(255.85)
Given under operating lease	108.08	-	-	108.08	5.31	5.13	-	10.44	97.64	102.77
	(108.08)	(-)	(-)	(108.08)	(0.18)	(5.13)	(-)	(5.31)	(102.77)	(107.90)
(g) Leasehold improvements	336.08	-	-	336.08	91.47	74.04	-	165.51	170.57	244.61
	(-)	(336.08)	(-)	(336.08)	(-)	(91.47)	(-)	(91.47)	(244.61)	(-)
Total (A)	**39,828.41**	**13,348.70**	**763.97**	**52,413.14**	**11,402.74**	**2,479.20**	**731.78**	**13,150.16**	**39,262.98**	**28,425.67**
Previous year (C)	(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)
B INTANGIBLE ASSETS										
Computer Software	188.99	643.58	-	832.57	19.66	176.72	-	196.38	636.19	169.33
	(-)	(188.99)	(-)	(188.99)	(-)	(19.66)	(-)	(19.66)	(169.33)	(-)
Total (B)	**188.99**	**643.58**	**-**	**832.57**	**19.66**	**176.72**	**-**	**196.38**	**636.19**	**169.33**
Previous year (D)	(-)	(188.99)	(-)	(188.99)	(-)	(19.66)	(-)	(19.66)	(169.33)	(-)
Total (A+B)	**40,017.40**	**13,992.28**	**763.97**	**53,245.71**	**11,422.40**	**2,655.92**	**731.78**	**13,346.54**	**39,899.17**	**28,595.00**
Previous year (C+D)	(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)

Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11 Non-current investments

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Unquoted	**Total**	Unquoted	Total
	Nos.	**₹/Lacs**	Nos.	₹/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, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**Tax effect of items constituting deferred tax liability**		
	(i) On difference between book balance and tax balance of fixed assets	**(2,507.39)**	(1,933.35)
		(2,507.39)	(1,933.35)
(b)	**Tax effect of items constituting deferred tax asset**		
	(i) Provision for doubtful receivables	**665.30**	208.33
	(ii) Provision for employee benefits	**1,588.06**	1,644.83
	(iii) Others	**490.42**	578.91
		2,743.78	2,432.07
	Total	**236.39**	498.72

Note 13 Long-term loans and advances

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Capital advances - Unsecured, considered good	**498.49**	1,514.41
(b)	Security deposits - Unsecured, considered good	**1,166.17**	1,125.27
(c)	Loans and advances to employees		
	(i) Secured, considered good (Refer note below)	**23.60**	12.96
	(ii) Unsecured, considered good	**2.13**	9.54
(d)	Prepaid expenses - Unsecured, considered good	**171.41**	146.10
(e)	Advance income tax - Unsecured, considered good [net of provisions ₹ 25,957.61 lacs (Previous year ₹ 17,438.67 lacs)]	**6,526.98**	8,099.50
(f)	Other loans and advances - Unsecured, considered good	**16.85**	-
(g)	MAT credit entitlement - Unsecured, considered good	**4,327.54**	2,056.10
	Total	**12,733.17**	12,963.88

Note: Long-term loans and advances to employees include amounts due from:		
Managing Director and CEO	**5.41**	7.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 14 Other non current assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹/lacs	₹/lacs
Unbilled revenue	**2,954.98**	2,278.75
Total	**2,954.98**	2,278.75

Note 15 Current investments

	Particulars	As at 31 March, 2014		As at 31 March, 2013	
		No of Units	**₹/lacs**	No of Units	₹/lacs
Investment in mutual funds and other funds (unquoted)					
(a)	**Fixed maturity plan (FMP)**				
	Kotak FMP Series 84 Growth	-	-	10,000,000	1,000.00
	Kotak FMP Series 86-Growth	-	-	10,000,000	1,000.00
	ICICI Prudential - FMP Series 73-366 D Plan A	**20,000,000**	**2,000.00**	-	-
	Total (A)		**2,000.00**		2,000.00
(b)	**Liquid / Liquid plus**				
	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	**5,511,905**	**5,530.03**	1,949,061	1,952.86
	Birla Sun Life Floating Rate Fund -STP-DD Reinvestment	**854,177**	**855.64**	-	-
	ICICI Prudential Liquid - Regular Plan - Daily Dividend	**1,171,925**	**1,172.70**	699,842	700.00
	ICICI Prudential Flexible Income - Regular Plan	**473,674**	**500.84**	-	-
	ICICI Prudential Bank and PSU Fund	**24,869,079**	**2,503.79**	-	-
	IDFC Ultra Short Term Fund - Regular Plan - Daily Dividend	-	-	10,017,749	1,003.03
	Kotak Floater Short Term Daily Dividend	**163,269**	**1,651.66**	155,289	1,570.93
	Kotak Banking and PSU Debt Fund - Daily Dividend	**51,956,482**	**5,213.05**	-	-
	HDFC Cash Management Fund	**1,420,085**	**151.05**	-	-
	Tata Liquid Fund Plan A - Daily Dividend	**45,379**	**505.76**	-	-
	Total (B)		**18,084.52**		6,533.49
	Total (A+B)		**20,084.52**		8,533.49
	Note:				
	Aggregate amount of current unquoted investments		**20,084.52**		8,533.49

Note 16 Inventories

(At lower of cost and net realisable value)

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Finished goods		
	Education and training material	**31.33**	77.14
	Others	**4.05**	9.19
		35.38	86.33
(b)	Stock-in-trade	**339.14**	1,203.13
	Goods-in-transit	**71.74**	-
		410.88	1,203.13
(c)	Stores and spares	**178.41**	141.57
	Total	**624.67**	1,431.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 Trade receivables

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
	(i) Unsecured, considered good	**8,645.63**	6,404.15
	(ii) Doubtful	**1,957.34**	612.93
		10,602.97	7,017.08
	Less: Provision for doubtful trade receivables	**(1,957.34)**	(612.93)
		8,645.63	6,404.15
(b)	Other trade receivables		
	Unsecured, considered good	**29,675.38**	27,099.34
	Total	**38,321.01**	33,503.49

Note 18 Cash and bank balances

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
A	**Cash and cash equivalents**		
	(a) Cash on hand	**118.42**	56.56
	(b) Cheques, drafts on hand	**146.90**	63.21
	(c) Balances with banks		
	(i) In current accounts	**1,887.13**	2,405.52
	(ii) In EEFC accounts	**511.80**	415.74
	Total - Cash and cash equivalents (A)	**2,664.25**	2,941.03
B	**Other bank balances**		
	(i) In other deposit accounts - original maturity more than 3 months	**11.79**	11.79
	(ii) In earmarked accounts		
	- Unpaid dividend accounts	**33.09**	30.98
	- Balances held as margin money against guarantees	**3.50**	3.50
	Total - Other bank balances (B)	**48.38**	46.27
	Total Cash and bank balances (A+B)	**2,712.63**	2,987.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 19 Short-term loans and advances

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
(a)	**Security deposits**		
	(i) Secured, considered good	**131.99**	89.18
	(ii) Unsecured, considered good	**709.62**	625.49
	(iii) Doubtful	**137.00**	137.00
		978.61	851.67
	Less: Provision for doubtful security deposits	**(137.00)**	(137.00)
		841.61	714.67
(b)	**Loans and advances to employees**		
	(i) Secured, considered good (Refer note below)	**24.91**	30.90
	(ii) Unsecured, considered good	**154.32**	87.08
	(iii) Doubtful	**113.46**	113.46
		292.69	231.44
	Less: Provision for doubtful loans and advances to employees	**(113.46)**	(113.46)
		179.23	117.98
(c)	**Prepaid expenses - Unsecured, considered good**	**437.63**	402.48
(d)	**Advance to suppliers**		
	(i) Unsecured, considered good	**586.94**	1,268.66
	(ii) Doubtful	**181.14**	181.14
		768.08	1,449.80
	Less: Provision for doubtful advances to suppliers	**(181.14)**	(181.14)
		586.94	1,268.66
(e)	**Balances with government authorities - Unsecured, considered good**		
	(i) VAT credit receivable	**426.09**	459.06
	(ii) Service tax credit receivable	**828.63**	585.90
		1,254.72	1,044.96
(f)	**Others**		
	(i) Unsecured, considered good	**1,423.90**	885.83
	(ii) Doubtful	**128.20**	128.20
		1,552.10	1,014.03
	Less: Provision for other doubtful loans and advances	**(128.20)**	(128.20)
		1,423.90	885.83
	Total	**4,724.03**	4,434.58

Note: Short-term loans and advances to employees include amounts due from:		
Managing Director and CEO	**1.68**	1.68

Note 20 Other current assets

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹/lacs	₹/lacs
Unbilled revenue	**18,536.42**	15,305.79
Total	**18,536.42**	15,305.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 21 Revenue from operations

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Sale of products - purchased equipment	**22,849.44**	19,992.53
(b)	Sale of services (Refer note below)	**91,639.66**	87,643.23
(c)	Rentals from special economic zone	**4,490.05**	4,676.89
	Total	**118,979.15**	112,312.65

Note:

(i)	Sale of services comprises :		
	(a) Software services	**44,513.24**	41,052.76
	(b) Maintenance services	**5,263.17**	5,141.08
	(c) Facility management services	**20,311.98**	20,899.17
	(d) Education and training	**5,313.32**	5,650.37
	(e) Other services	**16,237.95**	14,899.85
	Total	**91,639.66**	87,643.23

Note 22 Other income

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Interest income		
	(i) Interest from banks on deposits	**0.98**	9.29
	(ii) Interest on loans and advances	**1.85**	1.71
	(iii) Other interest	**611.42**	4.27
		614.25	15.27
(b)	Dividend income		
	(i) from current investments- mutual funds	**764.89**	456.75
	(ii) from long-term investments - subsidiary	**11,746.65**	2,760.00
(c)	Net gain on sale of current investments in mutual funds	**199.70**	710.26
(d)	Profit on sale of fixed assets (net of loss)	**436.02**	2.26
(e)	Miscellaneous income	**349.31**	130.72
	Total	**14,110.82**	4,075.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 23 Purchase of stock- in- trade

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹/lacs	₹/lacs
Purchase of equipment for resale	**19,405.54**	18,857.55
Total	**19,405.54**	18,857.55

Note 24 Changes in inventories of work-in-progress and stock-in-trade

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Inventories at the end of the year		
	Stock-in-trade	**410.88**	1,203.13
		410.88	1,203.13
(b)	Inventories at the beginning of the year		
	Work-in-progress	**-**	5.26
	Stock-in-trade	**1,203.13**	1,019.18
		1,203.13	1,024.44
	Net (Increase)/Decrease	**792.25**	(178.69)

Note 25 Employee benefits expense

(Refer note 29.1)

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Salaries and wages	**36,836.04**	35,035.68
(b)	Contributions to provident and other funds	**1,753.66**	1,725.79
(c)	Staff welfare expenses	**1,671.14**	1,962.86
	Total	**40,260.84**	38,724.33

Note 26 Finance costs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	₹/lacs	₹/lacs
Interest expenses - others	**0.69**	15.62
Total	**0.69**	15.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27 Other expenses

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹/lacs	₹/lacs
(a)	Consumption of stores and spare parts	**2,202.22**	2,605.95
(b)	Purchased software	**288.13**	170.98
(c)	Subcontracting and outsourcing cost	**13,349.92**	12,177.16
(d)	Electricity charges	**2,839.28**	2,705.73
(e)	Rent including lease rentals (Refer note 29.4)	**2,156.34**	2,472.01
(f)	Repairs and maintenance - Buildings	**1,029.88**	874.40
(g)	Repairs and maintenance - Plant and equipment	**387.44**	407.68
(h)	Repairs and maintenance - Others	**44.56**	41.58
(i)	Insurance	**97.35**	89.12
(j)	Rates and taxes	**297.83**	401.62
(k)	Communication and postage	**1,013.28**	957.66
(l)	Travelling and conveyance	**2,493.26**	2,514.72
(m)	Printing and stationery	**767.59**	647.10
(n)	Freight and forwarding	**263.98**	300.29
(o)	Business promotion, advertisement and publicity	**254.30**	137.66
(p)	Legal and professional	**1,132.35**	1,167.18
(q)	Education and training		
	(i) Payment to franchisees	**1,485.67**	2,082.86
	(ii) Other expenses	**390.29**	329.37
(r)	Living expenses - overseas contracts	**1,585.75**	1,310.18
(s)	Directors sitting fees	**14.00**	14.50
(t)	Commission to non-executive directors	**100.00**	75.00
(u)	Payments to auditors (Refer note 28.7)	**132.97**	112.32
(v)	Bad trade and other receivables, loans and advances written off/(written back)	**(1,779.13)**	(131.27)
(w)	Net loss on foreign currency transactions and translation	**(1,288.19)**	(172.95)
(x)	Fixed assets written off	**22.88**	15.84
(y)	Provision for doubtful trade and other receivables, loans and advances (net)	**1,344.41**	700.18
(z)	Miscellaneous expenses	**767.69**	934.20
	Total	**31,394.05**	32,941.07

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, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
a.	Claims against the Company not acknowledged as debts*		
	• Under litigation	**1,976.22**	2,290.32
	• Demand from income tax authorities	**586.34**	1,347.42
	• Disputed demands raised by sales tax authorities	**417.11**	448.57
	• Demands raised by service tax authorities	**6,173.03**	6,591.03
	• Disputed demand towards land use conversion fee	**2,025.00**	2,025.00
	• Others	**572.04**	643.01
b.	Unexpired Letters of Credit	**709.74**	573.32
c.	Estimated amount of contracts remaining to be executed on tangible assets (net of advances) and not provided for	**5,143.11**	6,461.34

* No provision is considered necessary since the Company expects favorable decisions. The advance paid against the above is ₹ 141.81 lacs (Previous year ₹ 87.40 lacs).

28.2 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹/lacs	₹/lacs
a.	Amounts payable to suppliers under MSMED (suppliers) as on 31 March, 2014		
	- Principal	**3.25**	5.00
	- Interest due thereon	**-**	-
b.	Payments made to suppliers beyond the appointed day during the year		
	- Principal	**-**	627.95
	- Interest due thereon	**-**	-
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	**-**	-
d.	Amount of interest accrued and remaining unpaid as on 31 March, 2014	**14.33**	14.07
e.	Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	**0.26**	13.26

Note:

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, 2014.

Foreign Currency	No. of Contracts	Notional amount of Forward contracts in foreign currency (USD)	Rupee Equivalent ₹/Lacs
USD	**6**	**18,000,000.00**	**10,811.38**
	(3)	(9,000,000.00)	(4,889.68)

As of the balance sheet date, the Company has no foreign currency exposure that is not hedged by a derivative instrument or otherwise (Previous year ₹ 4,296.14 lacs).

Amounts in brackets represent previous year's figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
	₹/lacs	₹/lacs
28.4 Value of imports (calculated on CIF basis)		
(a) Equipment / system software	**4,213.61**	3,576.21
(b) Stores and spares	**-**	2.33
(c) Capital equipment	**460.58**	313.87
28.5 Expenditure in foreign currency (on accrual basis)		
(a) Living expenses - overseas contracts	**1,520.44**	1,240.69
(b) Travelling and conveyance	**69.85**	97.27
(c) Overseas branch expenses and others	**587.98**	367.40
(d) Legal and professional	**818.86**	544.64
(e) Taxes in foreign jurisdiction	**1,996.34**	448.82
(f) Bad debts written off recovered	**(1,527.71)**	-
28.6 Earnings in foreign currency (on accrual basis)		
a. Exports (Services)	**32,900.60**	32,321.95
b. Exports (Equipment Supply)	**2,474.99**	1,022.92
c. Dividend received from subsidiary	**11,746.65**	2,760.00
d. Interest Income – others	**594.19**	-

28.7 Auditors' remuneration*

Payment to Auditors includes Auditors' remuneration as follows:

Audit fee (including limited reviews)	**50.50**	45.00
Tax audit	**9.50**	8.00
Certification work	**4.75**	8.80
Reimbursement of out-of-pocket expenses	**8.74**	8.67
Total	**73.49**	70.47

* Exclusive of service tax

The remuneration disclosed above excludes fees of ₹ 59.48 lacs (Previous year ₹ 41.85 lacs) including ₹ 20.75 lacs (Previous year ₹ 20.85 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 contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for eligible 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company recognised ₹ 1,570.71 lacs (Previous year ₹ 1,507.43 lacs) for provident fund contributions and ₹ 8.99 lacs (Previous year ₹ 8.73 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 contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible 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 eligible 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, 2014. 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, 2014.

(All amounts in ₹/lacs)

Particulars	**Year ended 31 March, 2014**		Year ended 31 March, 2013	
	Gratuity	**Medical Benefit Plan (Unfunded)**	Gratuity	Medical Benefit Plan (Unfunded)
i. Components of employer expense				
Current service cost	**213.46**	**47.03**	212.89	7.14
Interest cost	**235.31**	**31.65**	239.13	34.07
Expected return on plan assets	**(58.51)**	**-**	(50.92)	-
Actuarial losses / (gains)	**(216.30)**	**(45.52)**	(191.47)	(11.78)
Total expense recognised in Statement of profit and loss	**173.96**	**33.16**	209.63	29.43
ii. Actual contribution and benefit payments for year				
Actual benefit payments	**254.14**	**37.73**	223.75	46.79
Actual contributions	**474.55**	**-**	273.58	-
iii. Net asset/ (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	**(2,952.26)**	**(391.01)**	(2,941.35)	(395.58)
Fair value of plan assets	**984.01**	**-**	672.51	-
Funded status [Surplus/ (Deficit)]	**(1,968.25)**	**(391.01)**	(2,268.84)	(395.58)
Net asset / (liability) recognised in the Balance Sheet	**(1,968.25)**	**(391.01)**	(2,268.84)	(395.58)
iv. Change in defined benefit obligations (DBO) during the year				
Present value of DBO at the beginning of the year	**2,941.35**	**395.58**	2,898.52	412.94
Current service cost	**213.46**	**47.03**	212.89	7.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in ₹/lacs)

Particulars	Year ended 31 March, 2014 Gratuity	Year ended 31 March, 2014 Medical Benefit Plan (Unfunded)	Year ended 31 March, 2013 Gratuity	Year ended 31 March, 2013 Medical Benefit Plan (Unfunded)
Interest cost	**235.31**	**31.65**	239.13	34.07
Actuarial (gain)/losses	**(183.72)**	**(45.52)**	(185.44)	(11.78)
Benefits paid	**(254.14)**	**(37.73)**	(223.75)	(46.79)
Present value of DBO at the end of the year	**2,952.26**	**391.01**	2,941.35	395.58
v. Change in fair value of assets during the year:				
Plan assets at the beginning of the year	**672.51**	**-**	565.73	-
Expected return on plan assets	**58.51**	**-**	50.92	-
Actual company contributions	**474.55**	**-**	273.58	-
Actuarial gain/(loss)	**32.58**	**-**	6.03	-
Benefits paid	**(254.14)**	**-**	(223.75)	-
Plan assets at the end of the year	**984.01**	**-**	672.51	-
Actual return on plan assets	**91.09**	**-**	56.95	-
vi. Actuarial assumptions:				
Discount rate	**9.00%**	**9.00%**	8.00%	8.00%
Expected return on plan assets	**9.00%**	**-**	8.70%	-
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 contribution in the immediate next year	**710.43**	**-**	714.33	-

Experience adjustments	**2014**	2013	2012	2011	2010
(a) Gratuity					
On Plan liability	**(97.96)**	(258.97)	(14.74)	72.05	181.05
On Plan asset	**32.58**	6.03	(11.27)	178.34	10.31
(b) Post Retirement Medical Benefits					
On Plan liability	**(48.92)**	(21.67)	29.47	(0.79)	26.10

(All amounts in ₹/lacs)

Particulars	**2014**	2013	2012	2011	2010
Gratuity					
Present value of DBO	**2,952.26**	2,941.35	2,898.52	2,643.27	2,057.66
Fair value of plan assets	**984.01**	672.51	565.73	514.12	133.99
Funded status - (Deficit)	**(1,968.25)**	(2,268.84)	(2,332.79)	(2,129.15)	(1,923.67)
Experience gain / (loss) adjustments on plan liabilities	**97.96**	(258.97)	(129.20)	72.05	181.05
Experience gain / (loss) adjustments on plan assets	**32.58**	6.03	(11.27)	178.34	10.31
Post Retirement Medical Benefits					
Present value of DBO	**391.01**	395.58	412.94	382.61	466.51
Fair value of plan asset*	**-**	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in ₹/lacs)

Particulars	**2014**	2013	2012	2011	2010
Funded status - (Deficit)	**(391.01)**	(395.58)	(412.94)	(382.61)	(466.51)
Experience gain / (loss) adjustments on plan liabilities	**48.92**	21.67	29.47	(0.79)	26.10
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**	**36,902.62**	**45,497.30**	**26,296.92**	**5,792.26**	**4,490.05**	**118,979.15**
		(36,411.87)	(40,962.91)	(24,408.98)	(5,852.00)	(4,676.89)	(112,312.65)
ii.	**Segment result**	**1,848.64**	**19,758.00**	**7,845.00**	**631.39**	**3,343.85**	**33,426.88**
		(2,167.26)	(15,024.01)	(6,769.10)	(681.49)	(3,674.15)	(28,316.01)
iii.	**Unallocable expenses**						**8,957.02**
							(8,618.05)
iv.	**Operating income**						**24,469.86**
							(19,697.96)
v.	**Other income**						**14,110.82**
							(4,075.26)
vi.	**Profit before tax**						**38,580.68**
							(23,773.22)
vii.	**Tax expense**						**6,219.99**
							(3,935.33)
viii.	**Net profit for the year**						**32,360.69**
							(19,837.89)
ix.	**Segment assets**	**24,902.27**	**28,583.58**	**9,700.68**	**4,040.85**	**37,981.02**	**105,208.40**
		(23,466.45)	(21,652.53)	(9,767.40)	(3,581.57)	(31,341.26)	(89,809.21)
x.	**Unallocable Assets**						**41,507.71**
							(29,871.51)
xi.	**Total assets**						**146,716.11**
							(119,680.72)
xii.	**Segment liabilities**	**11,811.53**	**6,741.72**	**3,995.52**	**3,280.79**	**2,508.21**	**28,337.77**
		(11,686.60)	(6,400.75)	(3,439.25)	(3,066.11)	(2,805.31)	(27,398.02)
xiii.	**Unallocable liabilities**						**10,717.57**
							(9,006.49)
xiv.	**Total liabilities**						**39,055.34**
							(36,404.51)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amount in ₹/ lacs)

	Particulars	CS	SI	ITeS	E &T	SEZ	Total
xv.	**Other information**						
	Capital expenditure (allocable)	**7.87**	**682.17**	**57.59**	**29.98**	**7,700.92**	**8,478.53**
		(47.31)	(375.84)	(19.71)	(63.14)	(7,193.31)	(7,699.31)
	Capital expenditure (unallocable)						**2,254.19**
							(2,423.01)
	Depreciation and amortisation expense (allocable)	**65.06**	**326.58**	**47.89**	**109.55**	**1,033.77**	**1,582.85**
		(68.97)	(248.18)	(38.13)	(122.43)	(868.29)	(1,346.00)
	Depreciation and amortization expense (unallocable)						**1073.07**
							(908.81)
	Other significant non-cash expense (allocable)	**396.05**	**717.50**	**66.98**	**181.83**	**-**	**1,362.36**
		(427.96)	(111.57)	(52.17)	(157.53)	(-)	(749.23)

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	**84,262.12**	**23,271.55**	**4,190.66**	**7,254.82**	**118,979.15**
	(78,866.83)	(24,153.90)	(4,257.34)	(5,034.58)	(112,312.65)
- Other income	**13,510.01**	**3.41**	**1.30**	**596.10**	**14,110.82**
	(4,060.77)	(9.60)	(2.06)	(2.83)	(4,075.26)
Total Assets	**129,713.40**	**6,112.51**	**1,315.92**	**9,574.28**	**146,716.11**
	(105,191.04)	(7,351.42)	(2,031.81)	(5,106.45)	(119,680.72)
Total Liabilities	**38,214.76**	**122.04**	**298.22**	**420.32**	**39,055.34**
	(33,369.27)	(540.26)	(250.58)	(2,244.40)	(36,404.51)

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

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 (upto 25.03.2013)
- Tata Consultancy Services, Netherlands BV
- Tata Consultancy Services Sverige AB
- Tata Teleservices Limited (upto 25.03.2013)
- 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
- Tata Consultancy Services Deutschland Gmbh

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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	**25.02**	**754.98**	**6.70**	**82.61 (note a)**	**-**	**869.31**
	(26.61)	(1,063.54)	(8.72)	(259.45)	(-)	(1,358.32)
Purchase of fixed assets	**-**	**-**	**-**	**0.49 (note b)**	**-**	**0.49**
	(-)	(-)	(-)	(4.96)	(-)	(4.96)
Sale of goods	**1.34**	**1,787.30**	**-**	**292.21 (note c)**	**-**	**2,080.85**
	(-)	(7,665.19)	(-)	(849.73)	(-)	(8,514.92)
Service income	**39.26**	**23,456.31**	**23,271.66**	**769.59 (note d)**	**-**	**47,536.82**
	(-)	(22,574.26)	(24,085.21)	(685.95)	(-)	(47,345.42)
Managerial Remuneration	**-**	**-**	**-**	**-**	**180.27**	**180.27**
	(-)	(-)	(-)	(-)	(126.65)	(126.65)
Brand equity contribution	**168.00**	**-**	**-**	**-**	**-**	**168.00**
	(139.13)	(-)	(-)	(-)	(-)	(139.13)
Dividend income	**-**	**-**	**11,746.65**	**-**	**-**	**11,746.65**
	(-)	(-)	(2,760.00)	(-)	(-)	(2,760.00)
Dividend paid	**-**	**2,710.74**	**-**	**-**	**-**	**2,710.74**
	(-)	(1,936.24)	(-)	(-)	(-)	(1,936.24)
Reimbursement of expenses to the Company	**2.66**	**2,256.74**	**-**	**-**	**-**	**2,259.40**
	(-)	(1,419.05)	(-)	(23.16) (note e)	(-)	(1,442.21)
Balance outstanding at the year end						
Trade receivables	**49.61**	**5,062.54**	**6,032.79**	**364.88 (note f)**	**-**	**11,509.82**
	(-)	(9,423.79)	(6,646.29)	(714.83)	(-)	(16,784.91)
Unbilled revenues	**-**	**6,074.81**	**88.97**	**180.84 (note g)**	**-**	**6,344.62**
	(-)	(5,065.81)	(322.76)	(256.37)	(-)	(5,644.94)
Income received in advance	**8.64**	**168.43**	**122.04**	**7.14 (note h)**	**-**	**306.25**
	(-)	(234.75)	(64.91)	(-)	(-)	(299.66)
Trade payables / Advances received from Customers	**152.62**	**628.30**	**6.17**	**- (note i)**	**-**	**787.09**
	(139.62)	(501.25)	(5.82)	(29.03)	(-)	(675.72)

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**
Loans and advances	**-**	**-**	**-**	**-**	**7.09**	**7.09**
	(-)	(-)	(-)	(-)	(8.77)	(8.77)
Investment in share capital	**-**	**-**	**818.01**	**-**	**-**	**818.01**
	(-)	(-)	(818.01)	(-)	(-)	(818.01)

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

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, 2014**	Year ended/As at 31 March, 2013
		(₹ /lacs)	(₹ /lacs)
(a)	**Purchase of goods / services**		
	Tata Teleservices Limited*	**-**	136.32
	Tata Teleservices (Maharashtra) Limited*	**-**	89.28
	Tata Consultancy Services Deutschland Gmbh	**64.99**	33.54
(b)	**Purchase of fixed assets**		
	Infinity Retail Limited	**0.49**	4.96
(c)	**Sale of goods**		
	Tata Housing Development Company Limited	**31.89**	-
	Tata AIG General Insurance Company Limited	**55.89**	800.16
	Tata Business Support Services Limited(Formerly E2E Serwiz Solutions Limited)	**204.43**	37.81
(d)	**Service income**		
	Tata AIG General Insurance Company Limited	**219.69**	104.26
	Tata Consultancy Services, Asia Pacific Pte Limited	**118.30**	245.93
	Tata Housing Development Company Limited	**136.23**	52.96
	Tata Business Support Services Limited(Formerly E2E Serwiz Solutions Limited)	**258.27**	282.80
(e)	**Reimbursement of expenses to the Company**		
	Tata AIG General Insurance Company Limited	**-**	23.16
(f)	**Trade Receivables**		
	Tata AIG General Insurance Company Limited	**187.08**	566.68
	Tata Housing Development Company Limited	**105.95**	48.91
	Tata Consultancy Services, Asia Pacific Pte Limited	**29.36**	-
	Tata Business Support Services Limited (Formerly E2E Serwiz Solutions Limited)	**31.21**	67.37
(g)	**Unbilled revenue**		
	Tata Consultancy Services, Asia Pacific Pte Limited	**41.64**	80.07
	Tata AIG General Insurance Company Limited	**102.22**	145.37
	Tata Housing Development Company Limited	**13.71**	4.93
	Tata Business Support Services Limited	**23.28**	26.00
(h)	**Income received in Advance**		
	Tata AIG General Insurance Company Limited	**4.45**	-
	Tata Housing Development Company Limited	**2.69**	-
(i)	**Trade payable / advances received from customers**		
	Tata Teleservices (Maharashtra) Limited*	**-**	13.17
	Tata Consultancy Services Deutschland Gmbh	**-**	9.30
	Tata Teleservices Limited*	**-**	6.16

*Current year figures are not included since ceased to be a fellow subsidiary as on 25.03.2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29.4 Lease Commitments

i. Obligations towards operating leases (As lessee)

The Company has entered into operating lease arrangements for certain facilities and office premises. Rent expenses of ₹ 1,110.48 lacs (Previous year ₹ 928.11 lacs) in respect of obligation under non-cancellable operating leases have been recognised in the Statement of Profit and Loss. Further a sum of ₹ 1,045.86 lacs (Previous year ₹ 1,543.90 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, 2014	As at 31 March, 2013
		(₹ /lacs)	(₹ /lacs)
a.	Not later than one year	**1,045.71**	1,014.27
b.	Later than one year but not later than five years	**2,804.35**	2,314.86
c.	Later than five years	**185.39**	269.07

ii. Finance Lease (As lessor)

The Company has entered into finance lease arrangements for computer equipment, peripherals and system software. The details are as follows:

Particulars		As at 31 March, 2014	As at 31 March, 2013
		(₹ /lacs)	(₹ /lacs)
a.	**Total gross investment**	**-**	95.56
	• Not later than one year	**-**	95.56
	• Later than one year but not later than five years	**-**	-
	• Later than five years	**-**	-
b.	**Present value of minimum lease payments receivable**		
	• Not later than one year	**-**	91.85
	• Later than one year but not later than five years	**-**	91.85
	• Later than five years	**-**	-
c.	**Unearned finance income**	**-**	3.71

29.5 Earnings per share

Particulars	Units	Year ended 31 March, 2014	Year ended 31 March, 2013
		(₹ /lacs)	(₹ /lacs)
Net profit attributable to shareholders	**₹/ lacs**	**32,360.69**	19,837.89
Weighted average number of equity shares in issue	**Nos./lacs**	**303.00**	303.00
Earnings per share basic and diluted	₹	**106.80**	65.47
Face value per Equity share	₹	**10.00**	10.00

29.6 Research and development expenses

Expenditure includes "Research and Development" expenditure aggregating to ₹ 1,239.91 lacs (Previous year ₹ 1,117.75 lacs). Amounts aggregating to ₹ 67.05 lacs (Previous year ₹ 88.13 lacs) have been capitalised.

30. During the current year the Company received a favourable decision in a legal case against a customer which has resulted in increase in profit before tax by ₹ 3,766.15 lacs for the year ended 31 March, 2014. The increase is on account of increase in income from operations and other income by ₹ 1,897.77 lacs and ₹ 594.19 lacs respectively, increase in purchase of stock in trade by ₹ 582.81 lacs and reduction in other expenses by ₹ 1,857.00 lacs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. 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, 2014 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, 2015. However in the opinion of the Company's management, adjustments, if any, are not expected to be material.

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

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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

Mumbai
14 April, 2014

CMC Limited
Your IT Partner

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CMC LIMITED

CIN : L72200AP1975PLC001970
CMC Centre; Old Mumbai Highway, Gachibowli; Hyderabad-500 032

Name of the Member(s):	
Registered address:	
Folio No./Client Id:	DP ID:
E-mail Id:	

I/We, being the member(s) of .... shares of the above named Company, hereby appoint:

1.	Name :	Address :
	E-mail Id :	Signature :
	or failing him/her	
2.	Name :	Address:
	E-mail Id :	Signature :
	or failing him/her	
3.	Name :	Address:
	E-mail Id :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on Monday, 23 June, 2014 at 3:00 p.m. at the Registered Office of the Company at CMC's Auditorium, CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad- 500 032 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business:				
1.	Adoption of Financial Statements of the Company for the year ended 31 March, 2014 including Balance Sheet as at 31 March, 2014 and the Statement of Profit & Loss, Reports of the Board of Directors and Auditors thereon.			
2.	Approval of dividend for the financial year ended 31March, 2014.			
3.	Appoint a Director in place of Mr. Seturaman Mahalingam, who retires by rotation and, being eligible, offers himself for re-appointment.			
4.	Appoint M/s Deloitte Haskins & Sells as Auditors of the Company.			
Special Business:				
5.	Appoint Mr. Sudhakar Rao as an Independent Director with effect from 23 June, 2014 up to 22 June, 2019.			
6.	Appoint Ms. Kalpana Morparia as an Independent Director with effect from 23 June, 2014 up to 22 June, 2019.			
7.	Appoint Prof. Madaboosi Santhanam Ananth as an Independent Director with effect from 23 June, 2014 up to 22 June, 2019.			
8.	Appoint Mr. Ashok Sinha as an Independent Director with effect from 23 June, 2014 up to 22 June, 2019.			

Signed this _________ day of ____________________ 2014

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

1. This Form, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy, however, such person shall not act as proxy for any other person or Shareholder.

CMC Limited

Your IT Partner

A TATA Enterprise

Vision

Global top 20 systems engineering and integration company by 2020

Mission

As an innovative world class systems engineering and integration company, we shall provide sustainable, advanced technology solutions and services to our global customers, and in projects of national importance, maximising value to our stakeholders and the communities we serve

Values

We shall be a vibrant organisation where openness, trust, teamwork, simplicity, responsibility, innovation, ethical behaviour, employee safety, community welfare and environment protection are valued and promoted

CSR events/activities

Peace walk by CMCites for the cancer patient of Tata Memorial Hospital, Mumbai

Open Bus ride for orphan children of Father Agnel , Mumbai

Awareness on innovation among the students, Pune

Activities for Women Empowerment, Delhi

Medical Camp at Parsi Infirmary, an old age home, Ahmedabad

Food distribution and cultural programme at Gandipet Government School, Hyderabad

Activities for Children & Women Empowerment, Kolkata

Arts and Crafts session, Chennai

CMC WINS SERIOUS ADOPTION AWARD IN TBEM ASSESSMENT

Mr R Ramanan, MD & CEO and CMC Team receiving the TBEM Active Promotion Trophy at the TATA Business Excellence Convention

CMC WINS TV5 BUSINESS LEADER AWARD IN INFORMATION TECHNOLOGY SECTOR

Mr R Ramanan, MD & CEO receiving the TV5 Business Leader Award from Mr N Kiran Kumar Reddy, Hon'ble Chief Minister of A.P.

PTI Building, 5th Floor, 4 Sansad Marg
New Delhi - 110 001, India
Tel: +91-11-2373 6151, Fax: +91-11-2373 6159
www.cmcltd.com

FORM A

Format of covering letter of the annual audit report to be filled with the stock exchanges

1	Name of the Company:	CMC Limited
2	Annual Financial Statements for the year ended	31 March, 2014
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 14 April, 2014 on the Financial Statements of the Company For **Deloitte Haskins & Sells** Chartered Accountants (ICAI Registration No. 015125N) **Alka Chadha** Partner (Membership No. 93474) Mumbai, 14 April, 2014
	Sudhakar Rao Audit Committee Chairman	