

11.3.3. Consolidation of Class Action Complaint and the Action

The Action was transferred to the Court in the Southern District of New York for pre-trial consolidation with the Class Action Complaint.

Based on the legal advice obtained by the Company, the Company is contesting the above lawsuits, the outcome of which is not determinable at this stage.

11.4 SEC proceedings

The Division of Enforcement ('Division') of the SEC is conducting a formal investigation into misstatements in the Company's financial statements predating January 7, 2009, the date of self-disclosure of financial irregularities by the erstwhile Chairman. The Company is cooperating fully with the investigation. On September 17, 2009, the Company received a 'Wells Notice' from the Division, which was a notification advising the Company that the Division had tentatively concluded that it would recommend to the Commissioners of the SEC that it files a civil suit against the Company, alleging fraud and other violations, and seeking permanent injunctions and monetary relief. As of date, the SEC has not made a determination regarding any staff recommendation in this matter. The outcome of this matter is not determinable at this stage.

11.5 Income tax matters

11.5.1. FY 2001-2002 to 2005-2006

Consequent to the letter of the erstwhile Chairman (Refer Note 5 (b)), the Income Tax department (IT Department) conducted certain enquiries and passed rectification orders under Section 154 of the IT Act, disallowing part of the claim made by the Company towards foreign tax credits which were earlier allowed in the assessments for the FY 2002-03 to 2005-06, resulting in a demand of Rs. 2,358 Million. The Company has filed appeals before the Commissioner of Income Tax (Appeals) [CIT (A)] against the rectification orders, contending that the past assessments should be rectified only after taking into account all the facts and circumstances of the case, after excluding the fictitious sales and non-existent income wrongly offered to tax earlier, and after arriving at the correct taxable income of the Company. CIT (A) disposed off the appeals against the Company and the Company has filed an appeal before the Income Tax Appellate Tribunal, (ITAT) Hyderabad challenging the order passed by the CIT (A).

The Company also received demands from income tax authorities for Rs. 677 Million for 2001-02, 2004-05 and 2005-06 in the normal course of assessment against which the Company has filed an appeal before CIT (A). The CIT (A) has allowed Company's appeal which will result in the demand being reduced to NIL. The CIT (A) has, however, rejected the additional grounds regarding computation of income. The Company is in the process of filing further appeals before the ITAT.

11.5.2. FY 2006-07 and 2007-08

Based on the information available with the Company and the reports of the investigating agencies, the Company filed revised returns of income for the FY 2006-07 and 2007-08, within the time stipulated under the IT Act, duly adjusting the fictitious sales and non-existent interest wrongly offered to tax in the original return of income filed by the Company. The Assessing Officer, however, rejected the revised returns filed.

In this regard, with respect to FY 2006-07 a total demand of Rs.812 Million and for FY 2007-08 a total demand of Rs. 1,728 Million have been raised against the Company. The Company has filed an appeal against the above said rejection of its revised returns.

The Company has filed a petition with Central Board of Direct Taxes (CBDT) seeking holistic consideration of various issues arising out of circumstances and grant relief to the Company.

11.5.3. Provision for tax

The Company is carrying a total amount of Rs.4,371 Million (net of payments) as at March 31, 2009 and Rs. 3,686 Million (net of payments) as at March 31, 2010 towards provision for taxation which was made on the basis of the past financial statements. Considering the effects of financial irregularities, status of disputed tax demands, appeals / claims pending before the various authorities, consequent uncertainties regarding the outcome of this matter and the significant uncertainties in determining the tax liability, the Company has been professionally advised that it is not appropriate to make adjustments to the balance of tax provision outstanding as at the date of statement of assets and liabilities.

11.6 Management's assessment of contingencies/claims

The amounts disclosed under contingencies/claims represent the best possible estimates arrived at on the basis of the available information. Due to the high degree of judgment required in determining the amount of potential loss related to the various claims and litigations mentioned above in which the Company is involved and the inherent uncertainty in predicting future settlements and judicial decisions, the Company cannot estimate a range of possible losses. However, excluding the liability, if any, arising from the class action suits as mentioned in Note 11.3 above for which the outcome is not determinable at this stage, the Company has made appropriate provision in respect of litigations and claims where losses are probable and the outcome of the litigation/ claim can be estimated and measured reliably, as part of the contingency provision as at March 31, 2009 and March 31, 2010.

12. Regulatory non-compliances/breaches

The Company has identified certain non-compliances/breaches of various laws and regulations including, but not limited to the Companies Act, 1956 (the Act), Securities and Exchange Board of India Act, 1992, Foreign Exchange Management Act (FEMA), 1999, guidelines prescribed by the Reserve Bank of India (RBI) and IT Act. The Company is proposing to make an application to the appropriate authorities, where applicable, for condoning these non-compliances and breaches relating to the Company. The possible impact of these non-compliances and breaches in the event the Company's condonation requests, where applicable, are not granted has not been determined or recognised in the financial statements.

13. Financial reporting process

Refer Note 16 and 17 with respect to internal control matters

13.1 Non-availability of documents/information

As stated in Notes 10.2 and 10.8, certain documents/information could not be either located or were unavailable to substantiate the transactions and for the purpose of preparation of the financial results by the Management. Some of these documents relate to the areas of revenue, expenses, fixed assets, current assets and current liabilities and include documents pertaining to the period prior to April 1, 2008.

In the absence of such documents/information, adjustments required in respect of the opening balances as at April 1, 2008 including the adjustments consequent to the assessment of consistent application of accounting policies have been carried out to the extent feasible by the Management, based on available alternate evidences/information.

13.2 Reconciliations

With respect to some of the key business processes like revenues, expenses, payroll, fixed assets, etc., the Company uses various sub-systems, the output from which, is being used for accounting in the financial package maintained by the Company. Within the financial package, there are also sub-ledgers and general ledgers. In this respect, certain reconciliations between the sub-systems/sub-ledgers and the general ledgers could not be performed completely due to non-availability of all the required information. Further, there are certain differences between the sub systems which provide the inputs to the main sub system, which is ultimately interfaced to the General Ledger, for which complete details are not available.

Consequently, adjustments arising on account of these reconciliations have been carried out to the extent feasible by the Management, based on the available information. Based on the same, the Company has identified certain transactions amounting to Rs. 27 Million (net debit) and Rs. 47 Million (net debit) for the years ended 31 March, 2009 and 31 March, 2010 respectively, for which the complete details are not available and hence, these amounts have been treated "Unexplained Differences Suspense Account (Net)" in the statement of assets and liabilities and the Management has provided for the unreconciled net amount of Rs. 27 Million and Rs. 47 Million as at March 31, 2009 and March 31, 2010 respectively, on grounds of prudence.

13.3 Confirmation of balances/other details

As part of the year end financial reporting and closure process, requests for confirmation of balances/other details were sent out to various parties including banks, customers, vendors, employees, landlords, others etc for confirming the year end balances/other details. However, confirmations could not be sent out to some of the parties consequent to non-availability of complete records/ addresses relating to these parties. The responses received from the parties reflected under various captions of statement of assets and liabilities (sundry debtors, current liabilities and loans and advances) was minimal compared to the overall number of confirmations sent out in spite of follow-up by the Company.

With respect to the cases where the confirmation responses were received, reconciliations have been performed based on the information available with the Company and necessary adjustments have been carried out in the financial results.

With respect to the cases where the balances/other details were not confirmed by the parties, necessary adjustments including provision for debtors, provision for advances, provision for expenses have been carried out in the financial results based on the information available with the Management.

13.4 Risks and uncertainties

There are risks and uncertainties relevant to the Company's financial condition, results of operations and liquidity positions that may affect future performance, as explained in Notes 10.2, 11 and 12.

13.5 Management's assessment on financial reporting

Based on the assessment of the above and the information available with the Management at this stage and the corrective actions taken, the Management believes that these financial results, read with the notes thereon, do not contain any material misstatements/omissions, in respect of the above.

14. Exceptional Items

The exceptional items (expenditure) are stated as under

(Rs. In Million)		
Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
Expenses related to restructuring / right sizing	934	-
Expenses related to forensic investigation and litigation support	1,068	832
Provision for Doubtful Debts, Advances, Impairment of Assets	-	4,191
Erosion in Value of Assets in Subsidiaries	2,167	7,719
Provision for Contingencies	-	4,750
Prior Period Items (Refer Note 10.3.(iii) and 10.4)	-	62,428
Total	4,169	79,920

15. Previous period financial results

Due to events specified in Note 5 (b) and 10.7 (ii), the comparative financial results for the year ended March 31, 2008 including the related notes and other disclosures, to the extent made, are as per the published numbers (duly converting the amounts in "Crores" to amounts in "Million" and making the required rounding off adjustments) as reported upon by the former statutory auditors vide their report dated April 21, 2008 and as adopted by the shareholders.

In addition, the information pertaining to the year March 31, 2008 has not been reclassified and represented in line with the current year presentation for the reasons stated above.

Information relating to the year March 31, 2008 has been provided only for the purpose of statutory requirements and the same cannot be used for any comparison purposes or otherwise in view of the reasons mentioned above and in Note 10.

Additional notes to financial results for the year ended March 31, 2009

16. Internal control matters

Subsequent to the letter by the erstwhile Chairman and change in control of the Management of the Company, the current Management evaluated the effectiveness of the Company's internal control over financial reporting and identified several deficiencies. Pursuant to such evaluation, the Management has concluded that as at March 31, 2009, the Company's internal controls over financial reporting were not effective at a reasonable assurance level.

Some of the key findings of the internal control evaluation exercise were:

- The Company did not maintain an effective control environment at the entity level
- The risk oversight function that existed lacked enterprise-wide coordination, senior Management commitment, and an effective approach to performing entity-wide risk assessment
- Deficiencies in internal audit adversely affected the ability to identify control weaknesses
- IT general and application controls were ineffective and there was unrestricted access to critical IT systems/folders
- There were multiple non-integrated software platforms used for financial reporting and there was no process of reconciliation between various systems including payroll systems

- There were unexplained / unreconciled differences between the sub-systems / sub-ledger and the general ledger
- The Company did not maintain an effective, timely and accurate financial closing and reporting process
- Deficiencies in the process for revenue recognition and receivables Management
- Absence of effective customer confirmation, bank balance confirmation, bank reconciliation procedures by the Company during the course of the year
- Physical verification of fixed assets was not conducted at regular intervals and the fixed assets register was not updated. Capitalisation of fixed assets done without evidence of approval by respective departments.

The control deficiencies mentioned above may not be exhaustive and are based on the assessment that the current Management was able to subsequently make regarding the control environment at the Company for the year ended and as at March 31, 2009.

The current Management, for the purpose of ensuring appropriate controls over the financial reporting process and the preparation of the financial results, has implemented specific procedures like manual reconciliations between the various sub-systems/sub-ledgers and the general ledger, requests for various balance confirmations as part of the year end closure process, confirmation of the department wise financial details by the business leaders, preparation and review of proper bank reconciliation statements, review of the revenue recognition policies and procedures, preparation and review of schedules for key account balances, implementing proper approval mechanisms, closer monitoring of the financial closure process etc.

Additional notes to financial results for the year ended March 31, 2010

17. Internal control matters

Post the strategic investment, Venturbay appointed its nominees on the Board of the Company in the month of June 2009. Subsequently, the Company took various steps including induction of some senior managerial personnel into the Company. The new Management then evaluated the internal control situation existing in the Company and identified various internal control deficiencies and weaknesses. Pursuant to such evaluation, the Company concluded that for the year ended March 31, 2009, the internal controls and procedures of the Company were not effective at reasonable assurance level and reported the same in its annual accounts pertaining to the financial year ended March 31, 2009. While the Company under the new Management took several steps during the year to mitigate some of the identified internal control deficiencies and weaknesses, other identified internal control weaknesses and deficiencies continued during the financial year ended March 31, 2010 as well. Some of the key findings of the internal control evaluation exercise and the remediation action taken by the new Management relating to the financial year ended March 31, 2010 were:

- For part of the year, the Company did not maintain an effective control environment at the entity level; The new Management took steps to:
 - Formed a new Audit Committee consisting of the two Government nominated Directors and the two independent Directors. One of the Government nominated Directors is the Chairman of the Audit Committee. During the year, the Audit Committee reviewed and modified the Audit Committee Charter.
 - Revised the Code of Ethical Business Conduct (CEBC), including the whistle blower policy.
 - Nominated a Corporate Ombudsman to monitor the implementation of the CEBC, including the whistle blower policy.
 - Initiated a review of compensation policy, performance management system, sales incentive policy, recruitment policy, travel policy etc.

- For part of the year, the risk oversight function lacked enterprise-wide coordination, and an effective approach to performing entity-wide risk assessment. The Board formulated an entity wide risk management policy.
- For part of the year the deficiencies in Internal Audit continued and adversely affected the ability to identify control weaknesses. The new Management strengthened the Internal Audit function by appointing a reputed and independent external agency as its Internal Auditor.
- During the year, some of the earlier identified control deficiencies and weaknesses continued. The Company has not discontinued the use multiple non-integrated software platforms for financial reporting. There are unexplained/unreconciled balances between sub-system/sub-ledgers and the general ledger. Deficiencies in the process of revenue recognition and receivables management as well as in IT general and application controls and in the financial closing and reporting process continue. The customer/vendor confirmation process was also not effective.

The new Management, for the purpose of ensuring appropriate controls over the financial reporting process and the preparation of the financial statements for the year ended March 31, 2010, has implemented specific procedures like manual reconciliations between the various sub-systems/sub-ledgers and the general ledger, requests for various balance confirmations as part of the year end closure process, confirmation of the department wise financial details by the business leaders, preparation and review of proper bank reconciliation statements, review of the revenue recognition policies and procedures, preparation and review of schedules for key account balances, implementing proper approval mechanisms, closer monitoring of the financial closure process etc.

In addition, physical verification of fixed assets was conducted by the new Management through an external consultant and the deficiencies that were noticed were appropriately dealt with in the books.

18. **Qualifications in the audit report**

The qualifications made by the auditors in their audit report for the year ended March 31, 2009 and March 31, 2010 are set out as under

- 18.1 Inability to comment whether any adjustments/disclosures may become necessary as a result of further findings of the ongoing investigations by the regulatory authorities and the consequent impact, if any, on the financial statements.
- 18.2 Inability to comment on the accounting treatment/disclosure of the unidentified amounts aggregating Rs. 11,394 Million accounted under "Unexplained Differences Suspense Account (Net)" and fully provided in the financial statements.
- 18.3 Inability to determine whether any adjustments/disclosure will be required in respect of the alleged advances amounting to Rs. 12,304 Million (net) and non accounting of any damages / compensation in respect thereof in the financial statements.
- 18.4 Inability to comment on the consequential impact, if any, in relation to class action suits the outcome of which is not determinable at this stage
- 18.5 Inability to determine the additional impact, if any, in respect of amounts remaining as unreconciled with respect to the sub-systems and sub-ledgers and the general ledgers due to non availability of all the required information.
- 18.6 Non receipt/ non availability of confirmations in respect of certain balances reflected under sundry debtors, loans and advances, current liabilities, etc.
- 18.7 Non compliance with AS-19 Leases with respect to the vehicles provided to the employees of the Company.
- 18.8 Non maintenance of proper records of inventories and non - disclosure of quantitative details relating to purchase and sale of hardware equipments and other items as required under Schedule VI of the Act.

- 18.9 Inability to determine the additional impact, if any, in view of accounting for certain transactions/making the required disclosure related to the same based on and to the extent of the information available with the Company with respect to -
- a. Adjustment of unapplied receipts against sundry debtors, classification of sundry debtors and provisioning for doubtful debts
 - b. Accounting for contracts under percentage of completion method and unbilled revenue
 - c. Accounting for multiple deliverables elements, hardware equipments and other items etc..
 - d. Accounting for unearned revenue.
 - e. Accounting for reimbursements/recoveries from customers.
- 18.10 Uncertainties attached to various litigations, tax disputes and tax demands resulting in their inability to comment on the adequacy or otherwise of the provision for taxation carried in the books of account.
- 18.11 Completeness and correctness of the disclosures made for geographical segments in the consolidated financial statements pursuant to AS-17 Segment Reporting could not be ensured in the absence of complete information.
- 18.12 Non updation of quantitative details, asset description, etc. in the Fixed Assets Register. Non-maintenance of complete records relating to fixed assets situated at the overseas branches.
- 18.13 No physical verification of inventory by the Management
- 18.14 No proper records maintained of inventories pertaining to the year
- 18.15 Company is irregular in depositing undisputed statutory dues and there were significant delays in remittance.
- 18.16 Undisputed amounts remaining as outstanding for more than 6 months as at the year end with respect to TDS, overseas Tax etc.
- 18.17 For FY 2008-09, inability to comment on the cash losses of the immediately preceding year (FY 2007-2008) and for FY 2009-10, inability to comment on the cash losses for the year due to various qualifications.
- 18.18 No 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 sale of goods and services. Further, several major weaknesses in such internal control system were observed.

Additional qualifications made by the auditors in their audit report for the year ended March 31, 2009 are set out as under

- 18.19 Declaration of interim dividend without having adequate profits and non compliance of the provisions of the Companies (Transfer of Profits to Reserves Rules), 1975.
- 18.20 Non availability of documents/information for the periods prior to April 1, 2008 and their inability to perform some of the required auditing procedures on the opening balances and their inability to assess consistent application of the accounting policies with that of the preceeding period.
- 18.21 Non compliance with AS-3 Cash Flow Statement for classification of a part of "Amount pending investigation Suspense Account (Net)"
- 18.22 Inability to comment on the completeness of identification of parties covered under Section 301/370(1B) of the Act, firms/ private limited companies in which a Director of the Company is a member / partner, the non-scheduled bank where a Director of the Company is interested and related parties as per AS-18.

- 18.23 Non-comparable numbers pertaining to the previous year ended March 31, 2008 disclosed in the financial statements only for the purpose of statutory requirements
- 18.24 No physical verification of fixed assets by the Management during FY 2008-09
- 18.25 Non availability of the original Section 301 Register for the period from April 1, 2008 to December 31, 2008 since the same was seized by the IT department.
- 18.26 No internal audit system commensurate with the size and nature of business of the Company during FY 2008-09.
- 18.27 Various adjustments done in the consolidated financial statements based on the position as at March 31, 2009, in the absence of all the required details relating to the consolidated financials for the prior periods and the consequential effects thereof on the financial statements for the year ended March 31, 2009.

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19. Responses to Auditors' qualification

- 19.1 With regard to the Auditors' qualification in Note 18.1 above, refer assessment of the Management in Note 10.9.
- 19.2 With regard to the Auditors' qualification in Note 18.2 above, refer to Note 10.3 (ii) (a) to (c) which specifies the nature, amount and accounting treatment for the same.
- 19.3 With regard to the Auditors' qualifications in Notes 18.3 and 18.21 above, refer Note 10.3(ii)(d) and 11.1 for details.
- 19.4 With regard to the Auditors' qualification in Note 18.4 above, based on the legal advice, the Company is contesting the above lawsuits, the outcome of which is not determinable at this stage. Also refer to Note 11.3. Appropriate adjustments/disclosures will be made in the period in which Management is able to estimate the outcome of the class action suits.
- 19.5 With regard to the Auditors' qualification in Note 18.5 above, refer Note 13.2.
- 19.6 With regard to the Auditors' qualification in Notes 18.6 above, refer Note 13.3 and the Management's assessments under Note 13.5.
- 19.7 With regard to the Auditors' qualification in Note 18.7, the net book values of the vehicles provided to employees under the Associate Car Purchase Scheme as at March 31, 2009 and March 31, 2010 are Rs. 382 Million and Rs. 188 Million, respectively. Of this, net book value aggregating Rs. 329 Million was as at March 31, 2008. The net book value of the Company on a standalone basis of the total assets as at March 31, 2009 and March 31, 2010 are Rs. 7,509 Million and Rs. 5,330 Million, respectively. The Associate Car Purchase Scheme was discontinued in FY 2010-11.
- 19.8 With regard to the Auditors' qualification in Note 18.8, the Management has made disclosures based on available information.
- 19.9 With regard to the Auditors' qualifications in Notes 18.9, 18.13 and 18.14 the Company has accounted for these transactions based on and to the extent of the information available / compiled.
- 19.10 With regard to the Auditors' qualifications in Notes 18.10, 18.15 refer to Management assessment of such contingencies and claims in Notes 11.6 and 12. Further, with regard to the Auditors' qualifications in Notes 18.15 and 18.16 the Company is taking steps to ensure regular deposit of statutory dues.
- 19.11 With regard to Auditors' qualification in Note 18.11, the Management has disclosed the segment information based on the available information.
- 19.12 In respect of Auditors' qualifications in Notes 18.12 and 18.24 subsequent to the year end the Company has conducted a physical verification of a substantial part of its fixed assets using the services of an external consultant, the net impact of which is Rs. 2 Million which has been written off in the financial results of FY 2009-2010. Also refer Note 16 and 17 with respect to the internal control deficiencies and the procedures initiated.
- 19.13 With regard to Auditors' qualification in Note 18.17, for FY 2008-09 refer Note 15 and for FY 2009-10 refer the Management responses for various audit qualifications.
- 19.14 In respect of Auditors' qualification in Note 18.18 refer Notes 16 and 17.
- 19.15 In respect of the Auditors' qualification in Note 18.19, for the FY 2008-09, the Company declared and paid an amount of Rs. 674 Million as interim dividend based on the approval obtained from the erstwhile Board of Directors of the Company vide their resolution dated October 17, 2008. As the

Company has incurred losses in FY 2008-09, there were no profits for the purpose of declaring dividend and, hence, there is a non-compliance of Section 205 of the Act. Refer to Note 12.

- 19.16 With regard to the Auditors' qualification in Note 18.20 above, refer to Note 13.1.
- 19.17 In respect of the Auditors' qualification in Note 18.22, the identification of parties covered under Section 301 / 370 (1B) of the Act, firms/ private limited companies in which a Director is a member / partner, the non-scheduled bank where a Director of the Company is interested and related parties under AS 18 (the parties) have been done by the Management to the extent of the information available with the Company. Management has identified the parties based on information disclosed to the Company. However, there may be additional parties whose relationship would not have been disclosed to the Company and, hence, not known to the Management. Pursuant to the strategic investment by Venturbay, the new Management has identified the parties as applicable to the Company for the year ended 2009-2010.
- 19.18 With regard to the Auditors' qualification in Note 18.23, refer to Note 15.
- 19.19 With regard to the Auditors' qualification in Note 18.25 refer Notes 10.2 and 10.8
- 19.20 With regard to the Auditors' qualification in Note 18.26, the Management, during FY 2009-2010, has engaged an external agency to perform the internal audit of the various processes of the Company. Also refer Note 17.
- 19.21 With regard to Auditors' qualification in Note 18.27, the Management has carried out the necessary adjustments based on the available information.

20. Consolidation Adjustment Account (Net)

As at March 31, 2008, the Company's consolidated financial statements contained amounts for which complete details were not available. Based on the information available with Management, these may pertain to prior acquisitions. In the absence of full details these have been transferred to the "Consolidation Adjustment Account" as at March 31, 2009, the details of which are given below:

Particulars	Rs. In Million
Transfer from Capital Reserve	7,685
Transfer from General Reserve	42
Transfer to Securities Premium Account	(109)
Transfer to Accumulated Profit and Loss Account	(7,552)
Others	(66)
Total (Net)	-

21. The Company has, based on legal advice, treated its investment in Satyam Venture Engineering Services Private Limited ('SVES') as investments in subsidiary with effect from June 26, 2008, being the date of appointment of nominee directors of the Company (date from which the Company obtained control of the composition of the board of directors) in the Board of SVES.
22. C&S System Technology Private Limited (formerly CA Satyam ASP Private Limited) ('CA Satyam') ceased to be a joint venture from September 25, 2008, consequent to the acquisition of the balance 50% equity held earlier by CA Inc in CA Satyam, subsequent to which it became a wholly owned subsidiary of the Company.

23. **Acquisitions during the year FY 09**

- 23.1 During the FY 2008-09, 100% of equity shares in S&V Management Consultant NV, Belgium ("S&V") were acquired through one of the subsidiaries (Nitor Global Solutions Limited ("Nitor")) for a total consideration of EUR 22.50 Million.
- 23.2 100% of the Membership Interest acquired in Bridge Strategy Group LLC, Limited Liability Company, limited by Membership Interest for a consideration of USD 35 Million.
- 23.3 Investment of Rs. 1 Million in a new subsidiary incorporated in Belgium, namely, Satyam Computer Services Belgium BVBA ("Satyam Belgium").

24. **Segment Reporting**

(Rs. In Million)				
Sl.	Particulars	Year ended March 31, 2010 Audited	Year ended March 31, 2009 Audited	Year ended March 31, 2008 "As Published" (Refer Note 15)
1	Segment revenue			
	Information technology services	53,861	87,003	82,938
	BPO	1,059	1,879	2,428
	Total	54,920	88,882	85,366
	Less: Inter segment revenue	110	756	631
	Net Sales / Income from operations	54,810	88,126	84,735
2	Segment profit /(loss) before tax, interest and depreciation			
	Information technology services	577	(3,608)	16,872
	BPO	(153)	(1,626)	(160)
	Total	424	(5,234)	16,712
	Less : (i) Interest	329	621	202
	(ii) Other Un-allocable expenditure	1,112	74,301	(2,673)
	Total profit / (loss) before tax	(1,017)	(80,156)	19,183
3	Capital employed			
	Information technology services	22,788	22,696	
	BPO	443	605	

Notes on Segment information:

The Group evaluates operating segments based on the following two business groups:

- a) IT Services, providing a comprehensive range of services, including application development and maintenance, consulting and enterprise business solutions, extended engineering solutions, and infrastructure management services.
- b) BPO, providing Business Process Outsourcing services covering HR, Finance & Accounting, Customer Contact (Voice, Mail and Chat), and Transaction Processing (industry-specific offerings).

For and on behalf of the Board of Directors

Place: Hyderabad
Date: September 29, 2010

Vineet Nayyar
Chairman

Standalone Audited Financial Results for the years ended March 31, 2009 and March 31, 2010
(Rs. in Million)

Sl. No	Particulars	Year ended March 31, 2010 Audited	Year ended March 31, 2009 Audited	Year ended March 31, 2008. "As Published" (Refer Note 15)
1.	(a) Income from Operations	51,005	84,062	81,373
	(b) Other Operating Income	-	-	-
2.	Expenditure			
	Employee Cost	36,648	56,548	50,456
	Operating and Administration Expenses	9,560	24,037	12,633
	Depreciation	1,908	2,972	1,379
	Others	-	-	-
	Total	48,116	83,557	64,468
3	Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)	2,889	505	16,905
4.	Other Income	984	617	2,572
5.	Profit / (Loss) before Interest & Exceptional Items (3+4)	3,873	1,122	19,477
6.	Interest and financing charges	254	390	59
7.	Profit/ (Loss) after Interest but before Exceptional Items (5-6)	3,619	732	19,418
8.	Exceptional Items (Refer Note 14)	4,169	78,553	-
9.	Profit / (Loss) from Ordinary Activities before Tax (7-8)	(550)	(77,821)	19,418
10.	Tax Expense	162	1,531	2,261
11.	Net Profit / (Loss) from Ordinary Activities after Tax (9-10)	(712)	(79,352)	17,157
12.	Extraordinary Item	-	-	-
13.	Net Profit / (Loss) for the year (11-12)	(712)	(79,352)	17,158
14.	Paid-up Equity Share Capital (Face Value of Rs. 2/- per Share)	2,352	1,348	1,341
15.	Reserve excluding Revaluation Reserves	20,617	(6,571)	72,217
16.	Earnings Per Share (EPS) (Face value of Rs. 2/- per Share)	(0.65)	(117.91)	25.66
	- Basic (in Rs.)	(0.65)	(117.91)	25.12
	- Diluted (in Rs.)			
17.	Public Shareholding*			
	- Number of Shares	543,361,290	586,050,722	481,399,447
	- Percentage of Shareholding	46.19	86.96	71.80
18.	Promoters and Promoter Group Shareholding			
	a) Pledged / Encumbered			
	- Number of Shares	-	-	-
	- Percentage of Shares (as a % of the total shareholding of promoter and Promoter Group)			
	- Percentage of Shares (as a % of the total share capital of the Company)			
	b) Non – encumbered			
	- Number of Shares	501,843,740	-	-
	- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	100		
	- Percentage of Shares (as a % of the total share capital of the company)	42.67		

Notes:

1. The audited standalone financial statements for the financial years ended on March 31, 2009 and March 31, 2010 have been approved by the Board of Directors in its meeting held on September 29, 2010.
2. The qualifications of the Auditors' of the Company in their audit reports for FY 2008-09 and FY 2009-10 and the Management responses thereon may be read as reported under consolidated financial results.

3. For other significant matters refer Notes 1-17 as reported under consolidated financial results

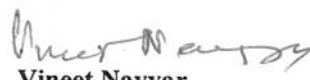
4. Exceptional Items

The exceptional items (expenditure) are stated as under

(Rs. In Million)		
Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
Expenses related to restructuring / right sizing	934	-
Expenses related to forensic investigation and litigation support	1,068	832
Provision for Doubtful Debts, Advances, Impairment of Assets	-	3,393
Provision for impairment losses in subsidiaries	2,167	7,150
Provision for Contingencies	-	4,750
Prior Period Items (Refer Note 10.3.(iii) and 10.4)	-	62,428
Total	4,169	78,553

For and on behalf of the Board of Directors

Place: Hyderabad
Date: September 29, 2010


Vineet Nayyar
Chairman