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3i INFOTECH LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2010

R.G.N. Price & Co.
Simpsons' Buildings
861, Anna Salai
Chennai – 600 002.
email: price@vsnl.com

Lodha & Company
6, Karim Chambers
40, A. Doshi Marg
Mumbai - 400 001.
email: mumbai@lodhaco.com

AUDITORS' REPORT

To
The Board of Directors of 3i Infotech Limited

1. We have audited the attached Consolidated Balance Sheet of 3i Infotech Limited (the 'Parent Company'), its subsidiaries collectively referred to as 'the 3i Infotech Group' as at June 30, 2010, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the quarter ended on that date annexed thereto. These interim Financial Statements are the responsibility of the Parent Company's management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. a) The financial statements of 3 subsidiaries, whose financial statements reflects total assets of Rs. 557.07 crores as at June 30, 2010 and total revenue of Rs. 170.15 crores for the quarter ended on June 30, 2010 respectively, have been jointly audited with other auditor.

   b) We have not audited the financial statements of:

   26 subsidiaries included in the consolidated quarterly financial results whose financial statements reflect total assets of Rs. 2353.10 crores as at June 30, 2010; as well as the total revenue for the quarter ended June 30, 2010 of Rs. 244.24 crores. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of such other auditors.

4. *The financial statements of a joint venture in Nigeria, whose financial statements reflect total assets of Rs. 0.26 crores as at June 30, 2010 and total revenue of Rs. 0.25 crores representing 47.5 percentage share of the group, for the quarter ended on June 30, 2010, has not been audited. Our opinion is solely based on the management certificate provided to us.*

5. We report that the consolidated financial statements have been prepared by the Parent Company's management in accordance with the requirements of the Accounting Standards (AS) 21 - Consolidated Financial Statements and AS 27 - Reporting of Interests in Joint Ventures prescribed by Companies (Accounting Standards) Rules, 2006 as amended from time to time.

6. *Subject to the matter referred to in paragraph 4 above*, based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached interim Consolidated Financial Statements read together with notes appearing in Schedule XIII of Significant Accounting Policies and Notes to Accounts give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of Consolidated Balance Sheet, of the state of affairs of the 3i Infotech Group as at June 30, 2010;

   (ii) in the case of Consolidated Profit and Loss account, of the profit of the 3i Infotech Group for the quarter ended on that date; and

   (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the 3i Infotech Group for the quarter ended on that date.

For R.G.N. Price & CO.
Firm Registration No: 002785S
Chartered Accountants

Mahesh Krishnan
Partner
Membership No. 206520
Place: Mumbai
Date: July 27, 2010

For LODHA & CO.
Firm Registration No: 301051E
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101
Place: Mumbai
Date: :July 27, 2010

3i INFOTECH LIMITED

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2010

Rs. in Crores

	Schedule	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
I. SOURCES OF FUNDS				
1. Shareholders' Funds :				
A. Share Capital	I	**291.82**	230.85	268.76
B. Reserves and Surplus	II	**964.48**	835.91	724.71
		1256.30	1,066.76	993.47
2. Minority Interest		**3.82**	18.63	8.19
3. Loan Funds :				
A. Secured Loans	III	**858.89**	1,039.40	954.65
B. Unsecured Loans	IV	**1268.31**	1,114.96	1,204.36
		2127.20	2,154.36	2,159.01
4. Premium payable on Redemption of FCCB		**135.47**	101.00	123.73
		3522.79	3,340.75	3,284.40
II. APPLICATION OF FUNDS				
1. Goodwill arising on consolidation		**1872.88**	1,691.66	1,810.71
2. Fixed Assets :	V			
A. Gross Block		**655.61**	807.13	644.55
B. Less : Depreciation		**297.39**	257.24	270.46
C. Net Block		**358.22**	549.89	374.09
D. Capital Work-in-Progress		**53.40**	164.17	39.40
E. Assets held for disposal		**15.00**	-	15.00
		426.62	714.06	428.49
3. Investments	VI	**11.35**	9.17	10.10
4. Deferred Tax Asset (net)		**110.76**	46.43	112.65
5. Current Assets, Loans and Advances	VII			
A. Current Assets :				
a. Inventories		**4.16**	6.49	3.88
b. Sundry Debtors		**590.89**	471.59	542.60
c. Unbilled Revenues		**302.51**	305.27	284.41
d. Cash and Bank Balances		**201.50**	156.64	189.60
		1099.06	939.99	1,020.49
B. Loans and Advances		**577.19**	467.12	503.56
		1676.25	1,407.11	1,524.05
Less: Current Liabilities and Provisions :	VIII			
A. Current Liabilities		**508.55**	464.41	541.91
B. Provisions		**66.52**	63.27	59.69
		575.07	527.68	601.60
Net Current Assets		**1101.18**	879.43	922.45
		3522.79	3,340.75	3,284.40
Significant Accounting Policies and Notes to Accounts	XIII			

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

For R.G.N. Price & Co.
Chartered Accountants

For and on behalf of the Board

V Srinivasan
Managing Director & CEO

Dileep C. Choksi
Director & Chairman
of Audit Committee

R P Baradiya
Partner

Mahesh Krishnan
Partner

Amar Chintopanth
Deputy Managing Director & CFO

Shivanand R Shettigar
Company Secretary

Mumbai, July 27, 2010

3i INFOTECH LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED JUNE 30, 2010

	Schedule	**For the quarter ended June 30, 2010**	For the quarter ended June 30, 2009	For the year ended March 31, 2010
INCOME:				
Income from Operations	**IX**	**637.01**	597.76	2,448.54
Other Income	**X**	**6.36**	4.38	20.21
Total Income		**643.37**	602.14	2,468.75
EXPENDITURE:				
Operating,Selling & Other expenses	**XI**	**513.05**	478.71	1,965.61
Total Expenditure		**513.05**	478.71	1,965.61
Profit before interest,depreciation and amortisation		**130.32**	123.43	503.14
Interest		**37.45**	34.19	144.83
Depreciation and amortisation		**25.75**	28.58	81.41
Profit Before Taxation		**67.12**	60.66	276.90
Provision for Taxes	**XII**	**5.06**	(2.27)	10.95
Profit After Taxation & Before Exceptional items		**62.06**	62.93	265.95
Add: Exceptional Income (Refer Note no.2.6(i))		**-**	29.19	29.19
(Less): Impact of Discontinuing Operations (Refer Note no.2.7)		**-**	-	(260.46)
(Less): Exceptional expenditure (Refer Note no.2.6(ii))		**-**	(1.32)	(1.33)
Add/(Less): Minority Shareholders' Interest		**(0.90)**	(4.05)	0.11
Net Profit After Minority Interest		**61.16**	86.75	33.46
Add: Balance of profit brought forward		**223.25**	387.81	299.18
(Less): Reversal of profit on sale of IPR		**-**	-	(18.27)
Add: FCCB redemption reserve written back		**-**	-	234.16
Profit available for appropriation		**284.41**	474.56	548.53
Less: Appropriations				
General Reserve		**-**	-	6.00
FCCB Redemption Reserve		**-**	-	53.66
Proposed Dividend - Equity Shares		**-**	-	25.32
Residual Dividend		**3.46**	-	0.02
Proposed Dividend - Preference Shares		**1.06**	1.06	1.03
Interim Dividend - Preference Shares		**0.52**	0.52	5.32
Corporate Dividend Tax		**0.84**	0.27	5.38
Balance carried over to Balance Sheet		**278.53**	472.71	451.80
		284.41	474.56	548.53
Earnings per Share				
Equity shares, par value Rs 10 each				
Before Exceptional items				
Basic (Rs.)		**3.12**	4.36	17.21
Diluted (Rs.)		**3.09**	4.33	17.00
After Exceptional items				
Basic (Rs.)		**3.12**	6.49	1.73
Diluted (Rs.)		**3.09**	6.45	1.71
Significant Accounting Policies and Notes to Accounts	**XIII**			

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For Lodha & Co. **Chartered Accountants**	**For R.G.N. Price & Co.** **Chartered Accountants**	**For and on behalf of the Board**	
		V Srinivasan **Managing Director & CEO**	**Dileep C. Choksi** **Director & Chairman of Audit Committee**
R P Baradiya **Partner** **Mumbai, July 27, 2010**	**Mahesh Krishnan** **Partner**	**Amar Chintopanth** **Deputy Managing Director & CFO**	**Shivanand R Shettigar** **Company Secretary**

3i INFOTECH LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED JUNE 30, 2010

Rs. in Crores

	For the quarter ended June 30, 2010	For the quarter ended June 30, 2009	For the year ended March 31, 2010
A Cash Flow from Operating Activities :			
Profit before Taxation & Exceptional items	**67.12**	60.66	276.90
Adjustments for:			
Depreciation/Amortization	**25.75**	28.58	81.41
Foreign Exchange loss/(gain)	**(2.39)**	0.03	(8.46)
Loss/(Profit) on sale/discarding of fixed assets	**0.90**	0.27	2.75
Dividend Income	**(0.29)**	(0.04)	(1.50)
Interest earned	**(0.89)**	(0.54)	(2.73)
Interest paid	**37.45**	34.19	144.83
Credit balances/excess provision written back (net)	**-**	(1.50)	-
Provision for doubtful debts	**7.41**	5.27	13.93
Operating Profit before Working Capital Changes	**135.06**	126.92	507.13
Adjustments for:			
Trade and Other Receivables	**(130.63)**	(45.40)	(137.13)
Inventories	**(0.28)**	4.56	7.18
Trade Payables and Other Liabilities	**132.00**	76.17	27.65
	1.09	35.33	(102.30)
Cash generated from Operations	**136.15**	162.25	404.83
Income Taxes (including FBT (paid)/refund received)	**(17.62)**	(26.27)	(62.60)
Net cash from Operating Activities - A	**118.53**	135.98	342.23
B Cash Flow from Investing Activities :			
Acquisitions/earnout paid	**(34.33)**	(97.76)	(252.90)
Purchase of fixed assets(including Capital Work-in-Progress & advances)	**(23.92)**	(79.28)	(169.80)
Sale of fixed assets	**0.04**	0.00	3.54
Purchase of Investments/application money	**(135.00)**	(5.57)	(256.04)
Sale of Investments	**135.00**	-	256.04
Dividend received	**0.29**	0.04	1.50
Loans and advances (given)/received back	**0.05**	(0.02)	0.01
Interest received	**0.89**	0.54	2.73
Net cash used in Investing Activities - B	**(56.98)**	(182.05)	(414.92)

3i INFOTECH LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED JUNE 30, 2010

Rs. in Crores

	For the quarter ended June 30, 2010	For the quarter ended June 30, 2009	For the year ended March 31, 2010
C Cash Flow from Financing Activities :			
Proceeds from issue of Equity Share Capital	**1.19**	0.45	2.50
Proceeds from issue of QIP	**179.99**	-	317.81
QIP issue expenses	**(15.08)**	-	(10.53)
Payment towards FCCB Buy Back	**-**	(54.55)	(54.55)
Proceeds from/(Repayment of) borrowings -net	**(176.68)**	31.33	(71.23)
Dividends paid (including taxes)	**1.65**	(1.81)	(30.37)
Interest paid	**(39.30)**	(34.90)	(145.14)
Net Cash from Financing Activities - C	**(48.23)**	(59.48)	8.49
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**13.32**	(105.55)	(64.20)
Cash and Cash Equivalents as at beginning[3]	**180.56**	244.76	244.76
Cash and Cash Equivalents as at end[2,4]	**193.88**	139.21	180.56

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method'.
2. Margin money of Rs.15.53 crores (as at Jun 30, 2009 - Rs.17.41 crores and as at Mar 31, 2010 - Rs.15.54 crores) and monies lying in escrow account of Rs.Nil (as at Jun 30, 2009 - Rs.0.02 crores and as at Mar 31, 2010 - Rs.Nil) has been excluded from Cash and Cash equivalents and included in Trade and Other Receivables.
3. Mutual Fund Units of Liquid funds of Rs.7.62 crores (as at Jun 30, 2009 - Rs.5.57 crores and as at Mar 31, 2010 - Rs.6.50 crores) has been included in Cash and Cash equivalents
4. Refer note no. 2.7 regarding discontinuing of operations.
5. Previous quarter's/years' figures have been regrouped / rearranged wherever necessary to conform to the current quarter's presentation.

Significant Accounting Policies and Notes to Accounts (Refer Schedule No XIII)

Schedules referred to above form an integral part of the financial statements

As per our attached report of even date

For Lodha & Co.
Chartered Accountants

For R.G.N. Price & Co.
Chartered Accountants

For and on behalf of the Board

V Srinivasan
Managing Director & CEO

Dileep C. Choksi
Director & Chairman
of Audit Committee

R P Baradiya
Partner
Mumbai, July 27, 2010

Mahesh Krishnan
Partner

Amar Chintopanth
Deputy Managing Director & CFO

Shivanand R Shettigar
Company Secretary

3i INFOTECH LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
I Share Capital			
Authorised			
300,000,000 Equity shares of Rs.10 each (as at Jun 30, 2010 - 300,000,000 of Rs.10 each; as at Mar 31, 2010 - 300,000,000 of Rs.10 each)	**300.00**	300.00	300.00
200,000,000 Cumulative Preference shares of Rs.5 each	**100.00**	100.00	100.00
	400.00	400.00	400.00
Issued, Subscribed & Paid-up			
Equity shares of Rs.10 each	**191.82**	130.85	168.76
191,818,095 Equity shares as at Jun 30, 2010 [1]			
(130,845,746 Equity shares as at Jun 30, 2009;			
168,759,946 Equity shares as at Mar 31, 2010)			
200,000,000 6.35% Cumulative Preference shares of Rs.5 each [2]	**100.00**	100.00	100.00
	291.82	230.85	268.76

Notes :

1. Of the above, 84,788,331 Equity shares are allotted as fully paid-up Bonus shares (as at Jun 30, 2009 - 84,788,331 shares;as at Mar 31, 2010 - 84,788,331 shares) by capitalisation of Securities Premium Account and accumulated profits.Also refer note no.2.3 regarding shares issued through QIP.
2. The Preference Shares are redeemable at par on expiry of nine years from the date of allotment i.e. Mar 31, 2003.

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
II Reserves and Surplus			
a Securities Premium Account			
Balance as per last Balance Sheet	**470.46**	212.95	212.95
Add: Received on allotment of equity shares under ESOS	**0.64**	0.35	1.99
Add: Received on Qualified Institutional Placement issue (QIP)	**157.09**	-	280.31
(Less): Utilised towards QIP issue expenses	**(15.08)**	-	(10.53)
(Less): Utilised towards premium payable on redemption of FCCB	**(11.73)**	8.45	(14.26)
	601.38	221.75	470.46
b General Reserve			
Balance as per last Balance Sheet	**31.00**	25.00	25.00
Add: Transferred from Profit & Loss Account	**-**	-	6.00
	31.00	25.00	31.00
c Translation Reserve	**53.57**	(64.04)	(228.55)
Adjusted against Profit and Loss Account balance (contra)	**(53.57)**	64.04	228.55
	-	-	-
d FCCB Redemption Reserve			
Balance as per last Balance Sheet	**-**	180.50	180.50
Add: Transfer from Profit and Loss Account	**-**	-	53.66
(Less): Transfer to Profit and Loss Account	**-**	-	(234.16)
	-	180.50	-
e Profit and Loss Account			
Balance as per annexed account	**278.53**	472.71	451.80
Add - Transfer from Translation Reserve	**53.57**	(64.04)	(228.55)
	332.10	408.67	223.25
	964.48	835.91	724.71

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
			Rs. in Crores
III Secured Loans			
Term Loans	**698.92**	894.93	741.25
Cash Credit	**159.97**	144.47	213.40
	858.89	1,039.40	954.65

Notes :

1. Security and terms & conditions for Term Loans :
   a. Rs.1.82 crores (as at Jun 30, 2009 - Rs.1.85 crores;as at Mar 31, 2010 - Rs.1.80 crores) loan is secured by way of hypothecation on certain Company owned vehicles.
   b. Rs.30.05 crores (as at Jun 30, 2009 - Rs.86.43 crores;as at Mar 31, 2010 - Rs. 43.55 crores) loan is secured/ to be secured by way of Equitable Mortgage of certain properties of the Company situated at Navi Mumbai.
   c. Rs.NIL (as at Jun 30, 2009 - Rs.43.86 crores;as at Mar 31, 2010 - Rs.Nil) loan is secured by way of hypothecation on certain movable project assets.
   d. Rs. 125.00 crores (as at Jun 30, 2009 - Rs.125.00 crores;as at Mar 31, 2010 - Rs.125.00 crores) is secured by subordinated charge on all tangible assets situated at Navi Mumbai and Goregaon.
   e. Rs. 53.00 crores (as at Jun 30, 2009 - Rs.68.74 crores;as at Mar 31, 2010 - Rs.76.09 crores) loan is secured by way of floating charge on certain book debts of Parent and two subsidiaries.
   f. Rs. 488.05 crores (as at Jun 30, 2009 - Rs.374.47 crores;as at Mar 31, 2010 - Rs.472.81 crores) is secured by way of pledge of shares of 3i Infotech Financial Software Inc, Regulus Group and are further secured by subordinated charge by hypothecation of certain material tangible and intangible fixed assets and mortgage of certain immovable properties of the Parent Company.
   g. Rs.0.98 crores (as at Jun 30, 2009 - Rs.Nil;as at Mar 31, 2010 - Rs.1.06 crores) loan is secured by way of hypothecation of Computers and Furniture.

2. Certain non-fund facilities of Rs. 39.96 crores (as at Jun 30, 2009 - Rs.32.51 crores; as at Mar 31, 2010 - Rs.40.04 crores) and Cash Credit are secured by way of floating charge on certain book debts.

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
IV Unsecured Loans			
Foreign Currency Convertible Bonds (Refer note no. 2.5)	**515.87**	557.76	510.98
Loans from banks	**751.99**	553.99	692.85
Others	**0.45**	3.21	0.53
	1,268.31	1,114.96	1,204.36

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SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

V Fixed Assets

Rs. in Crores

	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	**As at April 1, 2010**	**Adjustments during the period ***	**Additions during the period ***	**Ded / Adj during the period ***	**As at Jun 30,2010**	**Upto Mar 31, 2010**	**Adjustments during the period ***	**For the period ***	**Ded / Adj during the period ***	**Upto Jun 30,2010**	**As at Jun 30,2010**	**As at Mar 31, 2010**
Intangible assets												
Goodwill	1.79	-	-	-	1.79	1.79	-	-	-	1.79	-	-
Software Products												
-Meant for sale	7.94	-	-	(0.00)	7.94	2.17	-	-	-	2.17	5.77	5.74
- Others	231.10	-	1.32	(1.02)	233.44	75.08	-	8.17	(0.97)	84.22	149.22	156.03
Business & Commercial Rights	49.26	-	-	-	49.26	27.77	-	1.14	(0.00)	28.91	20.35	22.90
Tangible assets												
Land - Leasehold	0.52	-	-	(0.00)	0.52	0.07	-	0.00	0.00	0.07	0.45	0.43
- Freehold	2.08	-	-	-	2.08	-	-	-	-	-	2.08	2.09
Buildings - Owned	0.77	-	-	-	0.77	0.14	-	0.00	-	0.14	0.63	0.60
- Leasehold[1]	32.34	-	-	-	32.34	5.27	-	0.12	-	5.39	26.95	27.32
Leasehold Improvements	61.88	-	0.37	(0.44)	62.69	24.97	-	1.05	(0.38)	26.40	36.29	36.65
Plant & Machinery / Electrical Installations	25.94	-	0.02	(0.17)	26.13	10.52	-	0.19	(0.08)	10.79	15.34	15.43
Computers	163.41	-	7.39	(0.20)	171.00	96.23	-	6.84	(0.14)	103.21	67.79	65.55
Furniture & Fixtures	34.80	-	0.27	0.04	35.03	14.71	-	0.51	0.04	15.18	19.85	20.10
Office Equipment	20.92	-	0.26	(0.04)	21.22	7.86	-	7.50	(0.02)	15.38	5.84	13.07
Vehicles	11.80	-	0.31	0.71	11.40	3.74	-	0.23	0.23	3.74	7.66	8.04
Total	**644.55**	**-**	**9.94**	**(1.12)**	**655.61**	**270.32**	**-**	**25.75**	**(1.32)**	**297.39**	**358.22**	**374.09**
Previous year	799.73		224.62	379.80	644.55	233.01		81.41	43.96	270.32	374.09	
Capital work - in - progress (including Capital Advances)[2&3]	**39.40**	**-**	**16.08**	**2.08**	**53.40**	-	-	-	-	-	**53.40**	39.40

* pertains to adjustments arising out of merger /acquisitions

1 Buildings- Leasehold include:
(i) Rs.20.85 crores (as at Jun 30, 2009 Rs.20.85 crores;as at Mar 31, 2010 Rs.20.85 crores), Accumulated Depreciation - Rs.3.32 crores (as at Jun 30, 2009 Rs.2.97 crores;as at Mar 31, 2010 Rs.3.22 crores) and Net Value Rs.17.63 crores (as at Jun 30, 2009 Rs.17.89 crores; as at Mar 31, 2010 Rs.17.63 crores) being lease premium paid in respect of building taken on lease for sixty years.
(ii) Rs.11.49 crores (as at Jun 30, 2009 Rs.11.49 crores;as at Mar 31, 2010 Rs.11.49 crores), Accumulated Depreciation Rs.2.07 crores (as at Jun 30, 2009 Rs. 2.41crores;as at Mar 31, 2010 Rs.2.05 crores) and Net Value Rs.9.42 crores (as at Jun 30, 2009 Rs.9.07 crores;as at Mar 31, 2010 Rs.9.44 crores) being lease premium paid in respect of building taken on lease for ninety nine years.

2. Rs. 0.00 crores denotes figures less than Rs.50,000

Rs. in Crores

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
VI Investments			
Non-Trade ,Unquoted and Fully Paid-up			
Long Term Investments			
In Companies			
a. 200,000 Equity Shares of Srilankan Rs.10 each of First Capital Asset Management Co. Ltd., Sri Lanka	**0.10**	0.10	0.10
b. 37,500 Equity Shares of Egyptian Pounds 100 each of Nile Information Technology	**3.62**	3.50	3.50
c. National Savings Certificate[#]	**0.01**	-	0.00
d. 8% holding in Four Seasons Software, LLC, a 'S' corporation, Connecticut, USA	**2.10**	2.10	2.10
Less: Provision for diminution in the value thereof	**2.10**	2.10	2.10
	-	-	-
Current Investments			
In Mutual fund units (Repurchase value as on Jun 30, 2010 Rs.7.62 crores)	**7.62**	5.57	6.50
Aggregate value of Investments	**11.35**	9.17	10.10

$ Rs.0.00 denotes figures less than Rs.50,000

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
VII Current Assets, Loans and Advances			
A Current Assets			
a) Inventories	**4.16**	6.49	3.88
b) Sundry Debtors	**590.89**	471.59	542.60
c) Unbilled Revenues	**302.51**	305.27	284.41
d) Cash and Bank Balances :			
i. Cash on hand	**0.16**	0.41	0.24
ii. Balances with banks:			
in current accounts *	**145.80**	117.42	129.00
in deposit accounts	**40.01**	21.38	44.82
in escrow account	**-**	0.02	0.00
in margin money accounts	**15.53**	17.41	15.54
	201.34	156.23	189.36
	201.50	156.64	189.60
	1,099.06	939.99	1,020.49
* Includes cheques on hand and remittances-in-transit	**1.87**	3.65	0.14
B Loans and Advances			
(Unsecured, Considered good)			
Loans to staff	**0.24**	0.32	0.29
Advance tax and tax deducted at source (net of provisions of Rs.79.42 crores; previous period Rs.70.01 crores previous year Rs.98.47 crores)	**79.44**	46.31	50.30
MAT Credit Receivable	**52.88**	43.90	67.56
Deposits	**76.74**	75.04	77.43
Advances recoverable in cash or in kind or for value to be received	**367.89**	301.55	307.98
	577.19	467.12	503.56
	1,676.25	1,407.11	1,524.05

3i INFOTECH LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			Rs. in Crores
	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
VIII Current Liabilities and Provisions			
A Current Liabilities			
Acceptances	**16.22**	16.16	26.55
Sundry creditors	**402.78**	325.39	437.28
Advances received from Customers (including unearned income)	**12.01**	39.66	9.86
Interest accrued but not due	**0.02**	1.47	1.87
Other liabilities	**77.52**	81.73	66.35
	508.55	464.41	541.91
B Provisions			
Provision for employee benefits	**31.63**	30.09	28.87
Provision for warranty	**-**	9.00	-
Proposed dividend (including tax thereon)	**34.89**	24.18	30.82
	66.52	63.27	59.69
	575.07	527.68	601.60

$ Rs.0.00 denotes figures less than Rs.50,000

3i INFOTECH LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. in Crores

	For the quarter ended June 30, 2010	For the quarter ended June 30, 2009	For the year ended March 31, 2010
IX Income from Operations			
IT Solutions	**393.50**	398.43	1,533.02
Transaction Services	**243.51**	199.33	915.52
	637.01	597.76	2,448.54
X Other Income			
Interest	**0.89**	0.54	2.73
Dividend - on current investment (Non-Trade)	**0.29**	0.04	1.50
Credit balances / excess provision written back (net)	**-**	1.50	-
Foreign exchange gain (net)	**2.39**	-	8.46
Miscellaneous income	**2.79**	2.30	7.52
	6.36	4.38	20.21
XI Operating,Selling and Other expenses			
Salary and related expenses	**312.26**	292.64	1,201.94
Recruitment and training expenses	**1.42**	0.94	3.09
Cost of third party products/outsourced services	**103.16**	109.93	447.84
Rent	**29.49**	22.62	90.02
Insurance	**2.82**	3.47	11.17
Travelling and conveyance	**16.55**	15.02	63.09
Electricity charges	**4.03**	4.14	15.36
Rates and taxes	**1.99**	1.37	7.50
Communication expenses	**8.55**	5.87	26.24
Loss on sale/discarding of Fixed Assets (net)	**0.90**	0.27	2.75
Printing and stationery	**3.82**	3.04	6.25
Repairs and maintenance - building	**1.52**	0.77	3.99
Directors' Commission	**-**	-	1.00
Foreign Exchange Loss (net)	**-**	0.03	-
Legal and professional charges	**4.00**	3.39	18.71
Bank charges and other financial charges	**4.46**	2.49	18.45
Selling and distribution expenses	**4.53**	3.25	15.84
Bad debts written off	**3.37**	0.80	11.56
Less: Provision withdrawn	**(3.37)**	(0.80)	(11.56)
Provision for doubtful debts	**7.41**	5.27	13.93
Miscellaneous expenses	**6.14**	4.20	18.44
	513.05	478.71	1,965.61
XII Taxes			
Provision for tax -			
Current tax	**10.17**	12.46	43.12
Deferred taxes (net)	**2.10**	(8.36)	(6.10)
Fringe Benefit Tax	**-**	0.60	0.00
MAT credit entitlement	**(7.72)**	(6.91)	(27.23)
Pertaining to earlier years written off	**0.51**	(0.06)	1.16
	5.06	(2.27)	10.95

3i INFOTECH LIMITED

XIII SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT AND FOR THE QUARTER ENDED JUNE 30, 2010.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Overview of the Group

3i Infotech Limited ('Parent') was promoted by erstwhile ICICI limited. The Parent and its subsidiaries are collectively referred to as 'the Group'. The Group is a global information technology conglomerate headquartered in Mumbai, India. The Group undertakes sale of software products, software development and consulting services, IT enabled managed services and Transaction services.

1.2 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared and presented under historical cost convention, on the accrual basis of accounting, in accordance with the accounting principles generally accepted in India ('GAAP') and in compliance with the Accounting Standards ('AS') issued by The Companies (Accounting Standards) Rules, 2006, to the extent applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in accounting policy hitherto in use.

1.3 Use of estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

1.4 Principles of consolidation

The consolidated financial statements include the financial statements of "The Parent" and all its subsidiaries, which are more than 50% owned or controlled and have been prepared in accordance with the consolidation procedures laid down in AS 21- 'Consolidated Financial Statements'.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Parent and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent for its standalone financial statements.

- The consolidated financial statements are prepared using uniform accounting policies across the Group.

- Goodwill arising on consolidation - The excess of cost to the Parent, of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries was made, is recognized in the financial statements as goodwill and in the case where equity exceeds the cost; the same is being adjusted in the said goodwill. The Parent's portion of equity in the subsidiaries is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

- Entities acquired during the quarter/year have been consolidated from the respective dates of their acquisition.

1.5 Members of the Group:

3i Infotech's subsidiaries & step down subsidiaries are listed below:

Sl No.	Entity	Country of incorporation	Percentage of holding	Date of acquisition/ establishment
1	3i Infotech Inc.	USA	100% held by 3i Infotech Holdings Private Limited	Jan 7, 2000
2	3i Infotech Asia Pacific Pte Ltd.	Singapore	100% held by Parent Company	Nov 8, 2000
3	3i Infotech SDN BHD	Malaysia	100% held by 3i Infotech Pte Ltd	Sep 29, 2002
4	3i Infotech (UK) Ltd.	UK	100% held by Parent Company	Apr 1, 2005
5	3i Infotech (Thailand) Ltd.	Thailand	100% held by 3i Infotech Pte Ltd	May 12, 2005
6	3i Infotech Consulting Inc.	USA	100% held by 3i Infotech Inc.	Sep 26, 2005
7	Datacons Asia Pacific SDN BHD	Malaysia	100% held by 3i Infotech Pte Ltd	May 11, 2006
8	Delta Services (India) Private Ltd. **(a) & (d)**	India	100% held by 3i Infotech Consultancy Services Ltd.	Aug 1, 2006
9	3i Infotech Trusteeship Services Ltd.	India	100% held by Parent Company	Aug 31, 2006
10	3i Infotech (Western Europe) Holdings Ltd.	UK	100% held by 3i Infotech (UK) Limited	Oct 20, 2006
11	3i Infotech (Western Europe) Group Ltd.	UK	100% held 3i Infotech (Western Europe) Holdings Limited	Oct 20, 2006
12	Rhyme Systems Ltd.	UK	100% held by 3i Infotech (Western Europe) Group Limited	Oct 20, 2006
13	3i Infotech (Western Europe) Ltd.	UK	100% held by 3i Infotech (Western Europe) Group Limited	Oct 20, 2006
14	Stex Software Pvt. Ltd.	India	100% held by Parent Company	Nov 7, 2006
15	E-Enable Technologies Pvt. Ltd.	India	100% held by Parent Company	Nov 20, 2006
16	3i Infotech Holdings Pvt. Ltd.	Mauritius	100% held by Parent Company	Nov 20, 2006
17	3i Infotech Financial Software Inc.	USA	100% held by 3i Infotech Holdings Private Limited	Dec 18, 2006
18	3i Infotech Saudi Arabia LLC.	Saudi Arabia	100% held by Parent Company	Dec 24, 2006
19	3i Infotech (Africa) Ltd.	Kenya	100% held by 3i Infotech (Middle East) FZ LLC	Apr 27, 2007
20	Black Barret Holdings Ltd.	Cyprus	100% held by 3i Infotech Holdings Private Limited	May 8, 2007
21	Professional Access Software Development Pvt. Ltd.	India	100% held by Black Barret Holdings Limited	May 8, 2007
22	Professional Access Ltd.	USA	100% held by 3i Infotech Holdings Private Ltd.	May 8, 2007
23	aok In-house BPO Services Ltd.	India	100% held by 3i Infotech BPO Ltd.	May 29, 2007
24	aok In-house Factoring Services Pvt. Ltd. **(a)**	India	100% held by 3i Infotech BPO Ltd.	May 29, 2007
25	KNM Services Pvt. Ltd.	India	100% held by Parent Company	May 29, 2007
26	Lantern Systems Inc.	USA	100% held by J&B Software (Canada) Inc	Apr 1, 2007
27	3i Infotech Kazakhstan LLC.	Kazakhstan	100% held by 3i Infotech Holdings Private Limited	Jun 29, 2007
28	3i Infotech (Middle East) FZ LLC.	UAE	100% held by 3i Infotech Holdings Private Limited	July 1, 2007

29	ePower Inc.	USA	100% held by J&B Software (Canada) Inc	July 1, 2007
30	Manipal Informatics Pvt. Ltd. **(d)**	India	100% held by Delta Services (I) Pvt Ltd	July 29, 2007
31	HCCA Business Services Pvt. Ltd.	India	100% held by 3i Infotech BPO Ltd.	Aug 29, 2007
32	Taxsmile.com India Pvt. Ltd.	India	100% held by 3i Infotech Consumer Services Ltd.	Sep 1, 2007
33	Antriksh Interactive Pvt. Ltd.	India	70% held by Taxsmile .com India Pvt. Ltd.	Sep 1, 2007
34	Access Matrix Technologies Pvt. Ltd.	India	100% held by Taxsmile .com India Pvt. Ltd	Sep 1, 2007
35	J&B Software Inc.	USA	100% held by 3i Infotech Financial Software Inc.	Nov 1, 2007
36	J&B Software (Canada) Inc.	Canada	100% held by J&B Software Inc.	Nov 1, 2007
37	Objectsoft Group Inc.	USA	100% held by J&B Software (Canada) Inc	Nov 1, 2007
38	3i Infotech Consultancy Services Ltd. **(a) & (d)**	India	100% held by Parent Company	Nov 13, 2007
39	3i Infotech BPO Ltd. (formerly known as Linear Financial and Management Systems Pvt. Ltd.) **(a)**	India	100% held by Parent Company	Dec 1, 2007
40	3i Infotech (Flagship-UK) Limited (formerly known as Exact Technical Services Ltd.)	UK	100% held by 3i Infotech (Western Europe) Ltd.	Jan 29, 2008
41	3i Infotech Framework Ltd.	UK	100% held by 3i Infotech (Western Europe) Ltd	Feb 8, 2008
42	3i Infotech (Australia) Pty. Ltd.	Australia	100% held by 3i Infotech Asia Pacific Pte Ltd	Feb 5, 2008
43	3i Infotech Services (Bangladesh) Pvt. Ltd.	Bangladesh	100% held by Parent Company	Mar 4, 2008
44	3i Infotech Insurance & Re-insurance Brokers Ltd.	India	100% held by Parent Company	Mar 11, 2008
45	Locuz Enterprise Solutions Ltd. **(b)**	India	51% held by Parent Company	May 8, 2008
46	3i Infotech Consulting Services SDN BHD	Malaysia	100% held by 3i Infotech SDN BHD	May 2, 2008
47	J&B Software India Pvt. Ltd.	India	100% held by Parent Company	Jun 1, 2008
48	FinEng Solutions Pvt. Ltd. **(c)**	India	100% held by Parent Company	Jun 9, 2008
49	Regulus Group LLC.	USA	100% held by Regulus Holdings Inc	Jun 10, 2008
50	Regulus Integrated Solutions LLC.	USA	100% held by Regulus Group LLC	Jun 10, 2008
51	Regulus West LLC.	USA	100% held by Regulus Group LLC	Jun 10, 2008
52	Regulus America LLC.	USA	100% held by Regulus Group LLC	Jun 10, 2008
53	Regulus Tristate LLC.	USA	100% held by Regulus Group LLC	Jun 10, 2008
54	3i Infotech Consumer Services Ltd.	India	100% held by Parent Company	Jun 26, 2008
55	Elegon Infotech Ltd.	China	100% held by Parent Company	July 10, 2008
56	Regulus Holdings Inc.	USA	100% held by 3i Infotech Financial Software Inc	Oct 31, 2008
57	Regulus Group ll LLC.	USA	100% held by Regulus Holdings Inc.	Jun 30, 2009
58	Process Central Limited (JV in Nigeria) **(e)**	Nigeria	47.50% held by 3i Infotech (Middle East) FZ LLC	May 17, 2010

(a) In April 2010, the Parent Company has sold its investment in aok In-house Factoring Services Private Ltd. to 3i Infotech BPO Ltd. and in May 2010, Delta Services (India) Private Ltd. to 3i Infotech Consultancy Services Ltd.

(b) Refer note no. 2.4.1

(c) Refer note no. 2.4.2

(d) In May 2010, Delta Services (India) Private Ltd. has sold its investment in Manipal Informatics Private Ltd. to 3i Infotech Consultancy Services Ltd.

(e) Refer note no. 2.4.4

1.6 Revenue recognition

a) Revenue from IT solutions:
Revenue from IT solutions comprises of revenue from Software Products, IT Services and Sale of Hardware/Outsourced Software.

i) Revenue from Software Products is recognized on delivery/installation, as per the predetermined/laid down policy across all geographies or lower, as considered appropriate by the management on the basis of facts in specific cases. Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.

ii) Revenue from IT Services is recognized either on time and material basis or fixed price basis or based on certain measurable criteria as per relevant agreements. Revenue on Time and Material Contracts is recognized as and when services are performed. Revenue on Fixed-Price Contracts is recognized on the percentage of completion method. Provision for estimated losses, if any, on such uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

iii) Revenue from supply of Hardware/Outsourced Software License/Term License/Other Materials is incidental to the aforesaid services recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.

b) Revenue from Transaction Services:
Revenue from Transaction Services and Other Service contracts is recognized based on transactions processed or manpower deployed.

1.7 Unbilled and Unearned Revenue:

Revenue recognized over and above the billings on a customer is classified as “unbilled revenue” while billing over and above the revenue recognized in respect of a customer is classified as “unearned revenue”.

1.8 a. Fixed Assets
Intangible: Purchased software meant for in house consumption and significant upgrades thereof, Business & Commercial Rights are capitalized at the acquisition price.

Acquired software/products meant for sale are capitalized at the acquisition price.

Tangible: Fixed Assets are stated at cost, which comprises of purchase consideration and other directly attributable cost of bringing an asset to its working condition for the intended use.

Advances given towards acquisition of fixed assets and the cost of assets not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

b. Depreciation/Amortization:

Leasehold land, leasehold building and improvements thereon are amortized over the period of lease or the life given below whichever is lower.

Business & Commercial Rights are amortized at lower of the period the benefits arising out of these are expected to accrue and ten years, while purchased software meant for in house consumption and significant upgrades thereof and Goodwill arising on merger/acquired Goodwill is amortized over a period of five years.

Project Assets/acquired software are amortized at lower of the estimated life of the product /project and five years.

Depreciation on other fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In the case of some subsidiary companies, it is provided on straight line basis over the estimated useful life of the assets given herein below:

Fixed Asset	**Useful life in years**
Leasehold improvements	1 – 5
Furniture, Fixtures and Equipment	3 – 8
Vehicles	3 – 8
Computers	3 – 6

1.9 Investments

Trade investments are the investments made to enhance the Parent Company's business interest. Investments are either classified as current or long-term based on the management's intention at the time of purchase. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investments.

Current investments are carried at the lower of the cost and fair value and provision is made to recognize any decline in the carrying value. Cost of overseas investment comprises the Indian Rupee value of the consideration paid for the investment.

1.10 Accounting for Taxes on Income

Provision for current income tax is made on the basis of the estimated taxable income for the year in accordance with the specific applicable laws.

MAT credit asset pertaining to the Parent and its Indian subsidiary company is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

The deferred tax assets/liabilities and tax expenses are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

1.11 Translation of Foreign Currency Items

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets, current liabilities and borrowings denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resultant gain/loss is recognized in the Profit & Loss account. Overseas investments are recorded at the rate of exchange in force on the date of allotment/acquisition.

All the activities of the foreign operations are carried out with a significant degree of autonomy. Accordingly, as per the provisions of AS 11 "Effects of changes in foreign exchange rates", these operations have been classified as 'Non integral operations' and therefore all assets and liabilities, both monetary and non-monetary, are translated at the closing rate while the income and expenses are translated at the average rate for the quarter/year. The resulting exchange differences are accumulated in the Foreign Currency Translation Reserve.

1.12 Accounting of Employee Benefits

Employee Benefits in India

a) Gratuity
(i) Parent
The Parent Company provides for gratuity, a defined benefit retirement plan, covering eligible employees. Liability under gratuity plan is determined on actuarial valuation done by the Life Insurance Corporation of India (LIC) at the beginning of the year, based upon which, the Parent Company contributes to the Scheme with LIC. The Parent Company also provides for the additional liability over the amount contributed to LIC based on the actuarial valuation done by an independent valuer using the Projected Unit Credit Method.

(ii) Subsidiaries
Liability for Gratuity for employees is provided on the basis of the actuarial valuation at the year end.

b) Superannuation
Certain employees in India are also participants in a defined superannuation contribution plan. The Parent contributes to the scheme with Life Insurance Corporation of India on a monthly basis. The Parent has no further obligations to the plan beyond its monthly contributions.

c) Provident fund
(i) Parent
Eligible employees receive benefits from a provident fund, which is a defined contribution plan to the Trust/Government administered Trust. In the case of Trust aggregate contribution along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Parent Company make monthly contribution to the 3i Infotech Provident Fund Trust equal to a specified percentage of the covered employee's salary. The Parent Company also contributes to a Government administered pension fund on behalf of its employees.

The interest rate payable by the trust to the beneficiaries every year is being notified by the government. The Parent has an obligation to make good the shortfall, if any, between the return from investments of the trust and the notified interest rate. Such shortfall is charged to profit & loss account in the year it is determined.

(ii) Subsidiaries
Contribution is made to the state administered fund as a percentage of the covered employees' salary.

d) Liability for leave encashment/entitlement for employees is provided on the basis of the actuarial valuation at the quarter/year end.

***e*)** All actuarial gains/losses are charged to revenue in the quarter/year these arise.

Employee Benefits in the Foreign Branch

In respect of employees in foreign branches, necessary provision has been made based on the applicable laws. Gratuity/leave encashment for employees in the foreign branches is provided on the basis of the actuarial valuation at the year end.

All actuarial gains/losses are charged to revenue in the quarter/year these arise.

Employee Benefits in Foreign Subsidiary Companies

In respect of employees in Foreign Subsidiary Companies, contributions to defined contribution pension plans are recognized as an expense in the profit & loss account as incurred.

Liability for leave entitlement is provided on the basis of actual eligibility at the quarter/year end.

1.13 Provisions, Contingent Liabilities and Contingent Assets

i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

ii) Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.

iii) Contingent Assets are neither recognized nor disclosed in the financial statements.

1.14 Borrowing Costs

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Profit & Loss account.

1.15 Impairment of assets

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the Group's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized in the Profit & Loss account whenever the carrying amount of such assets exceeds its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/depreciation) had no impairment loss been recognized.

1.16 a) Securities issue expenses

Securities issue expenses, Issue expenses including expenses incurred on increase in authorized share capital and premium payable on securities are adjusted against Securities Premium Account.

b) Premium payable on redemption of FCCB

Premium payable on redemption of FCCB is amortized proportionately till the date of redemption and is adjusted against the balance in Securities Premium account.

1.17 Lease

Where the Group has substantially acquired all risks and rewards of ownership of the assets, leases are classified as financial lease. Such assets are capitalized at the inception of the lease, at the lower of fair value or present value of minimum lease payment and liability is created for an equivalent amount. Each lease rental paid is allocated between liability and interest cost so as to obtain constant periodic rate of interest on the outstanding liability for each year.

Where significant portion of risks and reward of ownership of assets acquired under lease are retained by lessor, leases are classified as Operating lease. Equalized lease rentals for such leases are charged to Profit & Loss account.

1.18 Earnings per share

In determining the earnings per share, the Group considers the net profit after tax and post tax effect of any extra-ordinary/exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares considered for computing diluted earnings per share comprises the weighted average number of shares used for deriving the basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares which includes potential FCCB conversions. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

1.19 Inventories

Inventories consist of postage, paper, envelopes, hardware and supplies, and are stated at cost (computed on first in first out or weighted average basis as the case may be) or net realizable value, whichever is lower.

2 NOTES TO ACCOUNTS

2.1 Figures for the previous quarter/year have been re-grouped/re-arranged, wherever considered necessary, to conform to current quarter/year's presentation. The current quarter/year's figures are not comparable with those of the previous quarter/year to the extent of acquisitions/divestments made by the Group during the current year and those made during the previous year.

2.2 Capital commitments and contingent liabilities

Rs. in Crores

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
Capital Commitments*			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**4.52**	55.45	6.92
Contingent Liabilities			
Outstanding guarantees	**8.49**	22.97	7.19
-Premium on redemption of FCCB (Refer Note No. 2.5)	**74.59**	125.92	84.21
Estimated amount of claims against the Group not acknowledged as debts in respect of :			
-Disputed demands for Income Taxes	**4.96**	2.76	5.75
-Disputed Sales Tax Matter	**2.06**	2.93	1.08
-Customer claims	**5.12**	27.55	0.20
-Others**	**18.35**	1.04	18.38

*Except where amount is not ascertainable in respect of acquisition as mentioned in note no.2.4.1

**Includes expenses of legal cases relating to Registrar & Transfer Services, which are reimbursable by the Principal to the extent of Rs. 0.63 crores (as at June 30, 2009 – Rs. 0.59 crores and as at Mar 31, 2010 - Rs.1.21 crores).

2.3 Qualified Institutional Placement Issue -

(a) Pursuant to the shareholders' approval at the Annual General Meeting held on July 28, 2009, the Committee of Board of Directors of the Parent Company has, at its meeting held on September 25, 2009, issued and allotted 37,500,000 fully paid-up Equity Shares, at a price of Rs.84.75 per Equity Share (including a premium of Rs.74.75 per Equity Share), aggregating to Rs. 317.81 crores. The entire amount has been utilized towards the object of the issue.

(b) During the quarter, the Company has issued and allotted 22,900,099 fully paid-up Equity Shares, at a price of Rs.78.60 per Equity Share (including premium of Rs.68.60 per Equity Share),aggregating Rs 179.99 crores on April 7, 2010 .These shares allotted rank pari passu with the existing shares of the Company with respect to dividend and an additional amount of Rs. 3.44 crores would be payable in addition to proposed dividend on the equity share capital as on the close of the year.

2.4.1 In April 2008, the Parent Company entered into a share purchase agreement with the owners of Locuz Enterprise Solutions Ltd., Hyderabad, to acquire the 260,000 shares (representing 26% of the paid-up equity capital of Locuz Enterprise Solutions Ltd.) for a consideration of Rs.6.93 crores. In November, 2009, the Parent Company acquired further 25% stake in Locuz Enterprise Solutions Limited for a consideration of Rs 5.32 crores along with a commitment to acquire the balance of the paid up capital at a future date for additional consideration payable on achieving certain measurable criteria such as future revenue/profitability etc., as per the agreement.

Excess of consideration over the value of the net worth of Locuz is shown as goodwill arising on consolidation.

2.4.2 In May 2008, the Parent Company entered into a share purchase agreement with the owners of FinEng Solutions Private Limited, Mumbai to acquire the 60,165 shares (representing 51% of the paid-up equity capital of FinEng Solutions Private Limited) for a consideration of Rs 17.73 crores. In June 2009, the Parent Company has acquired additional 9% of the paid-up capital of FinEng Solutions Private Limited for a consideration of Rs 3.67 crores. As agreed in the Share Purchase Agreement, in October 2009 the Parent Company made an upside payment of Rs. 2.71 crores to the Promoter Shareholders of FinEng Solutions Private Limited. In June 2010, the Parent Company acquired the balance 40% stake for a consideration of Rs. 15.86 crores.

Excess of consideration over the value of the net worth of FinEng at respective acquisition rates is shown as goodwill arising on consolidation.

2.4.3 The Board of directors of the Parent Company have approved the Amalgamation of KNM Services Private Limited (KNM), Stex Software Private Limited (Stex), E-Enable Technologies Private Limited (E-Enable) and J&B Software India Private Limited (J&B) with the Parent Company . In this regard, the Parent Company has received an in-principle approval from both the Stock Exchanges. The Parent Company is in the process of filing a joint petition with KNM, Stex and E-Enable before the Bombay High Court and a single petition for J & B in Madras High Court.

2.4.4 In February 2010, 3i Infotech (Middle East) FZ LLC, Soft Solutions Ltd, Skye Bank PLC and Unity Bank PLC entered into a joint venture contract for the establishment of Joint Venture Company in Lagos, Nigeria. In pursuance to this, a Joint Venture Company, Process Central Limited was set up in Nigeria in May 2010, wherein the 3i Infotech (Middle East) FZ LLC interest in the equity was 47.50% and other partners having share of 17.5% each.

In July 2010, 3i Infotech (Middle East) FZ LLC has invested USD 285,000 being 60% of the Group's share of interest in Equity of the Joint Venture.

The aggregate amounts of the assets, liabilities, income and expenses related to Group's share were as under:

Rs. in Crores

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2009
Assets	**0.25**	-	-
Liabilities	**0.12**	-	-

Rs. in Crores

	For the year ended June 30, 2010	For the year ended June 30, 2009	For the year ended March 31, 2009
Income	**0.25**	-	-
Expense	**0.12**	-	-

Rs. in Crores

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2009
Contingent Liability	**-**	-	-
Capital Commitments	**-**	-	-

2.5 **Foreign Currency Convertible Bonds (FCCB):**

The Parent Company has issued Foreign Currency Convertible Bonds (FCCB) at different points of time, the details of such FCCB issues are summarized as follows:

	First Issue	**Third Issue**	**Fourth Issue**
Issue currency	USD	EURO	USD
Issue size	50 million	30 million	100 million
Issue date	Mar 16, 2006	Apr 2, 2007	Jul 26, 2007
Maturity date	Mar 17, 2011	Apr 3, 2012	Jul 27, 2012
Coupon rate	Zero coupon	Zero coupon	Zero coupon
Conversion price–post bonus	Rs. 115.00	Rs. 154.32	Rs. 165.94
Fixed exchange rate of conversion	Rs. 44.35	Rs. 57.60	Rs. 40.81
Early redemption option *	Yes	Yes	Yes
Conversions as at –			
June 30, 2010	29.80 million	NIL	NIL
June 30, 2009	29.80 million	NIL	NIL
March 31, 2010	29.80 million	NIL	NIL
Bought back as at –			
June 30, 2010	NIL	10.00 million	33.63 million
June 30, 2009	NIL	10.00 million	33.63 million
March 31, 2010	NIL	10.00 million	33.63 million
Contingent premium payable as at - (Rs. in Crores)			
June 30, 2010	13.24	15.97	45.38
June 30, 2009	21.65	30.05	74.22
March 31, 2010	14.62	19.45	50.14

Note - The second issue was converted into equity as per the terms of the issue.
* Subject to certain criteria as per offer document.

2.6 (i) During the previous year, the Parent Company has bought back and cancelled FCCBs (out of the third and the fourth issues) of face value of EURO 6,000,000 and USD 8,500,000 equivalent to Rs. 82.42 crores (for the year ending March 31, 2009, EURO 4,000,000 and USD 25,133,000 equivalent to Rs. 152.99 crores) at a discount resulting in reduction of liability by Rs 29.19 crores (for the year ending March 31, 2009, Rs. 77.05 crores). The same has been shown as exceptional income in the Profit & Loss account.

(ii) The Parent Company has incurred an amount of Rs. 1.33 crores towards professional fees (for the year ending March 31, 2009 Rs. 51.09 crores towards the advisory fees, legal & other professional fees and other expenses for various financial restructuring assignments) in respect of the aforesaid buyback. The same has been shown as exceptional expenditure in the Profit & Loss account.

2.7 Commencing from March 2007, the Parent Company had entered into Agreements with some State Governments towards setting up and operating Citizen Service Centers across those states for providing certain government services as well as non government retail services to consumers.

The Parent Company had decided to exit from the Master Service Agreements (MSA) of some of the State Governments by paying a compensation of Rs.10.92 crores under these contracts and further decided to exit totally from this line of business owing to prevailing business environment. Accordingly the assets attributed to this business are being carried as 'assets held for disposal' at their net realizable values. The loss thereof of Rs. 260.46 crores for the previous year (net of tax of Rs. 70.73 crores) had been charged to the Profit & Loss account and had been disclosed as 'Impact of Discontinuing Operations', the computation thereof is given hereunder:

Rs in Crores

	For the quarter ended June 30, 2010	For the year ended March 31, 2010
Revenue	**-**	-
Less: Exceptional expenditure (including Rs.10.92 crores as referred above)	**-**	40.92
Less: Project assets after taking into account realizable value of Rs. 15 crores including capital work in progress	**-**	290.27
Profit/(Loss) from discontinuing operations	**-**	(331.19)
Add: Tax impact	**-**	70.73
Net Profit/(Loss) from discontinuing operations	**-**	(260.46)

Rs in Crores

	As at June 30, 2010	As at March 31, 2010
Assets	**15.00**	15.00
Liabilities	**17.18**	34.15

The "Impact of Discontinuing Operations" does not impact the Cash Flow Statement significantly.

2.8 Goodwill arising on consolidation:

Rs. in Crores

	As at June 30, 2010	**As at June 30, 2009**	**As at March 31, 2010**
Opening balance	**1,810.71**	1700.40	1,700.40
Add: Additions during the year	**10.58**	46.19	336.00
Add/(Less): Translation Reserve	**51.59**	(54.93)	(225.69)
Closing balance	**1,872.88**	1691.66	1,810.71

2.9 (a) In the opinion of the Board, the investments, current assets, loans and advances are realizable at a value, which is at least equal to the amount at which these are stated, in the ordinary course of business and provision for all known and determined liabilities are adequate and not in excess of the amount stated.

(b) The accounts of certain Sundry Debtors, Creditors, Loans & Advances and Banks are however, subject to confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments.

2.10 Leases:

a. Operating Lease:

(i) The Parent Company has acquired certain Land and Building under a lease arrangement for a period of sixty years at a premium of Rs.0.50 crores starting from December 4, 2000 for Land and Rs.15.62 crores starting from March 13, 2000 and Rs.5.05 crores from March 1, 2003 for building and the same is being amortized over the lease period. All other lease arrangements in respect of properties are renewable/cancelable at the Group's and/or lessors' option as mutually agreed. The future lease rental payment that the Group is committed to make is:

Rs. in Crores

	As at June 30, 2010	As at June 30, 2010	As at March 31, 2010
Within one year	**98.08**	103.97	89.75
Later than one year and not later than five years	**111.93**	163.40	105.24
Later than five years	**25.72**	4.06	25.70

ii) The Group avails from time to time non-cancelable long-term leases for computers, furniture & fixtures and office equipments. The total of future minimum lease payments that the Group is committed to make is:

Rs. in Crores

	As at June 30, 2010	As at June 30, 2010	As at March 31, 2010
Within one year	**64.52**	23.94	65.78
Later than one year and not later than five years	**92.65**	37.82	116.40
Later than five years	**-**	-	-

b. Financial Lease

There were no material financial leases entered into by the Group.

2.11 Deferred Taxation:

The break–up of net deferred tax liability/(asset) for the Group is as under:

Rs. in Crores

Deferred Tax Asset:	**As at June 30, 2010**	**Current quarter (Charge)/Credit #**	**As at March 31, 2010**
Unabsorbed losses /depreciation	69.01	11.84	61.26
Expenses allowable on payment and others	25.86	(1.08)	25.93
	94.87	**10.76**	**87.19**
Deferred Tax Liability:			
Fixed Assets (Depreciation / Amortization)	(15.89)	(12.86)	(25.46)
Net Deferred Tax (Liability) / Asset	**110.76**	**(2.10)**	**112.65**

Excludes exchange gain/loss in respect of foreign subsidiaries.

2.12 Earnings Per Share:

The earnings per share have been computed in accordance with the 'AS 20 – Earnings per share'.

The numerators and denominators used to calculate Basic and Diluted Earnings per Share:

		For the quarter ended June 30, 2010	For the quarter ended June 30, 2009*	For the year ended March 31, 2010
Profit as per accounts (Rs. in crores)		**62.06**	62.93	265.95
Minority shareholder's Interest (Rs. in crores)		**(0.90)**	(4.05)	0.11
Net profit after minority interest (Rs. in crores)		**61.16**	58.88	266.06
Less: Dividend on preference shares paid (incl. corporate taxes)		**(0.61)**	(0.61)	(6.21)
Less: Dividend on preference shares accrued but not declared (incl. Corporate taxes)		**(1.24)**	(1.24)	(1.22)
Profit attributable to Equity Shareholders (Rs. in crores)	A	**59.31**	57.03	258.63
Add: Profit/(Loss) due to Exceptional items and impact of discontinuing operations (after considering Provision for contingency) (Rs. in crores)		**-**	27.87	(232.60)
Profit attributable to Equity Shareholders after exceptional items and impact of discontinuing operations (Rs. in crores)	B	**59.31**	84.90	26.03
Weighted average number of Equity Shares outstanding (Nos.)	C	**190,271,866**	130,771,806	150,319,823
Add: Effect of dilutive issues of options		**1,389,791**	932,701	1,839,361
Diluted weighted average number of Equity Shares outstanding (Nos.)	D	**191,661,657**	131,704,507	152,159,184
Nominal value of Equity Shares (Rs.)		**10**	10	10
Before exceptional items and impact of discontinuing operations Basic Earnings Per Share (Rs.)	A/C	**3.12**	4.36	17.21
Diluted EPS (Rs.)	A/D	**3.09**	4.33	17.00
After exceptional items and impact of discontinuing operations Basic Earnings Per Share (Rs.)	B/C	**3.12**	6.49	1.73
Diluted Earnings Per Share (Rs.)	B/D	**3.09**	6.45	1.71

***** includes profit from associate.

2.13 Employee Stock Option Plan:

The Parent Company's Employees Stock Option Plan provides for issue of equity option up to 25% of the paid-up Equity Capital to eligible employees. The scheme covers the managing director, whole time directors and the employees of the subsidiaries, the erstwhile holding Company and subsidiaries of the erstwhile holding Company, apart from the employees of the Parent Company. The options vest in a phased manner over three years with 20%, 30% and 50% of the grants vesting at the end of each year from the date of grant and the same can be exercised within ten years from the date of the grant by paying cash at a price determined on the date of grant.

Method used for accounting for the share based payment plan:

The Parent Company has elected to use the intrinsic value method to account for the compensation cost of stock options to employees of the Parent Company. Intrinsic value is the amount by which the quoted market price of the underlying share as on the date of grant exceeds the exercise price of the option.

Summary of the options outstanding under the Employees Stock Option Plan (ESOP):

	As at June 30, 2010		As at June 30, 2009		As at March 31, 2010	
	Options	**Weighted average exercise price (Rs.)**	**Options**	**Weighted average exercise price (Rs.)**	**Options**	**Weighted average exercise price (Rs.)**
Options outstanding beginning of the quarter/year	**25,165,924**	**105.29**	26,737,126	105.87	26,737,126	105.87
Granted during the quarter/year	**25,000**	**76.00**	180,000	58.00	945,000	83.16
Exercised during the quarter/year	**(158,050)**	**50.67**	(94,800)	47.07	(509,000)	49.16
Forfeited/lapsed during the quarter/year	**(426,500)**	**107.25**	(855.252)	113.60	(2,007,202)	116.88
Options outstanding end of quarter/year*	**24,606,374**	**105.57**	25,967,074	105.13	25,165,924	105.29
Vested options pending exercise	**19,319,624**	**101.31**	16,826,074	86.37	16,800,424	96.25

*Includes 3,766,000 options granted to managing director/whole time directors and non-executive directors (for the quarter ended June 30, 2009 3,737,000 and for the year ended March 31, 2010 3,767,000 options).

Weighted average market price of the shares with respect to stock options exercised during the quarter ended June 30, 2010 is Rs. 69.67 (for the quarter ended June 30, 2009 is Rs. 59.38 and for the year ended March 31, 2010 is Rs. 76.68).

The following summarizes information about stock options outstanding:

As at June 30, 2010

Range of Exercise Price	**Number of shares arising out of options**	**Weighted average remaining life (years)**	**Weighted average exercise price (Rs.)**
Rs 37 to Rs 50	**4,583,764**	**5**	**49.19**
Rs 57 to Rs 150	**20,022,610**	**7**	**118.51**

As at June 30, 2009

Range of Exercise Price	**Number of shares arising out of options**	**Weighted average remaining life (years)**	**Weighted average exercise price (Rs.)**
Rs 37 to Rs 50	5,221,964	5	48.88
Rs 57 to Rs 150	20,745,110	8	118.79

As at March 31, 2010

Range of Exercise Price	**Number of shares arising out of options**	**Weighted average remaining life (years)**	**Weighted average exercise price (Rs.)**
Rs 37 to Rs 50	4,720,714	5	48.93
Rs 57 to Rs 150	20,445,210	7	118.33

Fair Value methodology for the option

The fair value of options used to compute net income and earnings per equity share have been estimated on the dates of each grant within the range of Rs. 58.00 to Rs. 143.38 using the Black - Scholes pricing model. The Parent Company estimated the volatility based on the historical share prices. The various assumptions considered in the pricing model for the options granted under ESOP are:

	As at June 30, 2010	As at June 30, 2009	As at March 31, 2010
Dividend yield	**1.15% - 2.84%**	2.59%	1.15% - 2.84%
Expected volatility	**50.63% - 57.91%**	10% - 15.5%	50.63% - 57.91%
Risk-free interest rate	**5.71% - 6.36%**	6.32% - 8.25%	5.71% - 6.36%
Expected life of Option	**3 – 10 yrs**	3 – 10 yrs	3 – 10 yrs

Impact of Fair value method on Net profit and EPS and before exceptional items & impact of discontinuing operations

Had the compensation cost for the Parent Company's Stock Option Plan outstanding been determined based on the fair value approach, the Parent Company's net profit income and earnings per share would have been, as indicated below:

Rs. in Crores

	For the quarter ended June 30, 2010	For the quarter ended June 30, 2009	For the year ended March 31, 2010
Profit attributable to Equity Shareholders	**59.31**	57.03	258.63
Less: Stock based compensation expense determined under fair value based method	**1.97**	1.95	14.70

Net Profit :	**57.34**	55.08	243.93
Basic earning per share (as reported)	**3.12**	4.36	17.21
Basic earning per share (under fair value method)	**3.01**	4.21	16.23
Diluted earning per share (as reported)	**3.09**	4.33	17.00
Diluted earning per share (under fair value method)	**2.99**	4.18	16.03

2.14 Related Party Transactions:

Directors/Key Management Personnel: Mr. V Srinivasan (Managing Director & CEO), Mr. Amar Chintopanth (Deputy Managing Director & CFO), Mr. Anirudh Prabhakaran (Executive Director & President – South Asia).

Enterprise in which relative of key managerial personnel has substantial interest – Cadenza Solutions Private Limited

The following transactions were carried out with the related parties in the ordinary course of business during the year:

For the quarter ended June 30, 2010

Rs. in Crores

	Salary & other allowances	**PF & other contributions**	**Perquisites**	**Total**
V Srinivasan	**2.19**	**-**	**-**	**2.19**
Amar Chintopanth	**1.40**	**0.03**	**0.00**	**1.43**
Anirudh Prabhakaran	**0.48**	**0.01**	**0.00**	**0.49**

For the quarter ended June 30, 2009

Rs. in Crores

	Salary & other allowances	**PF & other contributions**	**Perquisites**	**Total**
V Srinivasan	1.55	-	-	1.55
Amar Chintopanth	0.66	0.03	-	0.69
Anirudh Prabhakaran	0.39	0.01	-	0.40

For the year ended March 31, 2010

Rs. in Crores

	Salary & other allowances	**PF & other contributions**	**Perquisites**	**Total**
V Srinivasan *	13.87	-	-	13.87
Amar Chintopanth	3.10	0.11	0.01	3.22
Anirudh Prabhakaran	1.54	0.03	0.01	1.58

* includes Rs 4.93 crores being Employee share based payment.

Rs. in Crores

	For the quarter ended June 30, 2010	For the quarter ended June 30, 2009	For the year ended March 31, 2010
Directors, Key Management Personnel and their relatives:			
Expenses	**0.10**	0.25	0.62
Enterprise in which relative of key managerial personnel has substantial interest			
Income	**-**	-	0.09

Rs. In Crores

	Outstanding balance as at June 30, 2010	Outstanding balance as at June 30, 2009	Outstanding balance as at March 31, 2010
Enterprise in which relative of key managerial personnel has substantial interest	**-**	-	0.02

Related party as identified by the management and relied upon by the auditors.

No balances in respect of the related parties have been provided for/written back/ written off except as stated above.

2.15 Disclosures pursuant to AS 17 – Segment Reporting:

a) The Company has started reporting two Operating Segments, "IT Solutions" and "Transaction Services" from this quarter as against to the segments "IT Products", "IT Services" and "Transaction Services" hitherto being reported.

b) As the Company has increasingly commenced providing bundled solutions to clients, combining products & services, the management is viewing the entire IT business as a solution based segment. The change in reporting segment is in line with this change in the business offering.

Rs. in Crores

	For the quarter ended June 30, 2010	For the quarter ended June 30, 2009	For the year ended March 31, 2010
c) Segment Revenues:			
IT Solutions	**393.50**	398.43	1533.02
Transaction Services	**243.51**	199.33	915.52
Total Revenues	**637.01**	597.76	2,448.54
d) Segment Results (Gross Profit):			
IT Solutions	**173.07**	183.10	703.31
Transaction Services	**85.57**	54.77	289.83
Total Segment Results	**258.64**	237.87	993.14
Unallocable expenses:			
Operating, Selling and Other expenses	**134.68**	118.82	510.21
Interest	**37.45**	34.19	144.83
Depreciation & Amortization	**25.75**	28.58	81.41

Operating Profit	**60.76**	56.28	256.69
Other Income	**6.36**	4.38	20.21
Profit Before Taxation	**67.12**	60.66	276.90
Less : Taxes	**5.06**	(2.27)	10.95
Profit After Taxation	**62.06**	62.93	265.95
Add : Exceptional items and impact of discontinuing operations	**-**	27.87	(232.60)
Profit After Taxation, Exceptional items and impact of discontinuing operations	**62.06**	90.80	33.35
Add : Share of Profit in Associate	**-**	-	-
Less : Minority Shareholder's interest	**0.90**	4.05	(0.11)
Net Profit after Minority Interest, Exceptional items and impact of discontinuing operations	**61.16**	86.75	33.46

Note: The segment operating profit is arrived at before allocating certain expenses to segments and such unallocable expenses are separately disclosed as 'Operating, Selling and Other expenses'.

e) Considering the nature of the Group's business, the assets and liabilities cannot be identified to any specific business segment.

f) Disclosure of details of Secondary segments, being geographies, is as under:

Rs. in Crores

Revenues	**For the quarter ended June 30, 2010**	For the quarter ended June 30, 2009	For the year ended March 31, 2010
- South Asia	**150.24**	147.34	614.20
- Unites States of America	**357.99**	318.90	1,369.12
- Middle East, Africa, Russia and CIS	**65.04**	68.49	217.10
- APAC	**21.38**	25.27	91.34
- Western Europe	**42.36**	37.76	156.78
Total Revenues	**637.01**	597.76	2,448.54

2.16 Residual Dividend represents dividend on shares issued (entitled to previous period dividend) between the date of proposed dividend and record date.

Residual dividend of Rs. 4.03 crores (inclusive of tax Rs. 0.57 crore) (for the quarter ended June 30, 2009 Rs. Nil and for the year ended March 31, 2010 Rs.0.02 crores (inclusive of tax Rs. 0.01 crore), is appropriated out of Profit & Loss account.

2.17 Amount of exchange difference (net) credited to Profit & Loss account during the quarter ended June 30, 2010 is Rs. 2.39 crores (for the quarter ended June 30, 2009 debited Rs. 0.03 crores and for the year ended March 31, 2010 credited Rs.8.46 crores).

Signatures to Schedules "I" to "XIII"

For and on behalf of the Board

V. Srinivasan **Managing Director & CEO**	**Dileep C. Choksi** **Director & Chairman of Audit Committee**
Amar Chintopanth **Deputy Managing Director & CFO**	**Shivanand R. Shettigar** **Company Secretary**

Mumbai, July 27, 2010