



**Group Financial Overview and Trends  
for the Quarter ended 31 January 2010**

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## Consolidated Balance Sheet

	INR millions	
	31 January 2010	31 October 2009
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share capital	2,097	2,096
Reserves and surplus	24,100	21,351
Employee stock options outstanding	7	7
	<b>26,204</b>	<b>23,454</b>
<b>LOAN FUNDS</b>		
Secured loans	25	33
<b>DEFERRED TAX LIABILITY</b>		
	1	1
	<b>26,230</b>	<b>23,488</b>
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Cost	10,026	10,044
Accumulated depreciation	(7,171)	(6,880)
Net book value	2,855	3,164
Capital work-in-progress including capital advances	144	127
	<b>2,999</b>	<b>3,291</b>
<b>GOODWILL</b>	2,888	2,946
<b>INVESTMENTS</b>	10,783	7,612
<b>DEFERRED TAX ASSETS</b>	720	695
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Debtors	4,340	3,820
Unbilled revenues	5,589	5,244
Cash and bank balances	1,058	1,786
Interest receivable	2	1
Loans and advances	7,706	7,240
	<b>18,695</b>	<b>18,091</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Current liabilities	7,054	6,414
Provisions	2,801	2,733
	<b>9,855</b>	<b>9,147</b>
<b>NET CURRENT ASSETS</b>	<b>8,840</b>	<b>8,944</b>
	<b>26,230</b>	<b>23,488</b>

<b>KEY PERFORMANCE INDICATORS</b>					
		<b>Quarter ended 31 Jan 2010</b>	<b>Quarter ended 31 Jan 2009</b>	<b>Quarter ended 31 Oct 2009</b>	<b>Year ended 31 Oct 2009</b>
<b>BALANCE SHEET</b>					
Cash and cash equivalents	INR Millions	11,841	3,116	9,398	9,398
Receivables	Days	77	80	72	78

### **Cash and bank balance and Investment of cash surplus**

Cash and cash equivalents consists of cash & bank balances and short-term funds that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. It also includes restricted deposits amounting to Rs. 71 million. In addition, it also includes investments in liquid mutual funds.

The Group's treasury policy calls for investing only in highly rated banks, debt instruments through liquid mutual funds for short to medium maturities. Stringent guidelines have been set for de-risking counter party exposures. The Group maintains balances both in Indian Rupee and foreign currency accounts in India and overseas. The investment philosophy of the Group is to ensure capital preservation and liquidity in preference to returns.

## Financials

### Consolidated Profit and Loss Account

	INR millions				
	Quarter ended 31 Jan 10	Quarter ended 31 Jan 09	YoY Growth %	Quarter ended 31 Oct 09	QoQ Growth %
<b>Gross Revenues</b>	<b>11,559</b>	<b>9,853</b>	<b>17.3%</b>	<b>11,215</b>	<b>3.1%</b>
Adjustment from Hedging Reserve	357	(76)		107	
<b>Net Revenues</b>	<b>11,916</b>	<b>9,777</b>	<b>21.9%</b>	<b>11,322</b>	<b>5.2%</b>
Cost of revenues	8,210	6,579	24.8%	7,672	7.0%
<b>Gross profit</b>	<b>3,706</b>	<b>3,198</b>	<b>15.9%</b>	<b>3,650</b>	<b>1.5%</b>
Selling expenses	451	419	7.6%	438	2.8%
General and administrative expenses	574	673	-14.6%	737	-22.0%
Provision for doubtful debts	3	-	-	-	-
<b>Operating profit</b>	<b>2,678</b>	<b>2,106</b>	<b>27.2%</b>	<b>2,475</b>	<b>8.2%</b>
Foreign exchange gain, net	240	31	675.2%	153	56.8%
Other income, net	81	15	410.6%	72	12.7%
Interest income	9	18	-49.3%	1	984.5%
<b>Profit before taxation</b>	<b>3008</b>	<b>2,170</b>	<b>38.6%</b>	<b>2,701</b>	<b>11.4%</b>
<b>Income taxes</b>					
-Current	427	271	57.6%	359	18.9%
-Deferred	(24)	(53)	-54.7%	(105)	-77.1%
-Minimum alternative tax credit entitlement	(78)	(162)	-51.9%	(3)	2500%
-Fringe benefit tax	-	14	-	-	-
<b>Net profit</b>	<b>2,683</b>	<b>2,100</b>	<b>27.7%</b>	<b>2,450</b>	<b>9.5%</b>
<b>Earning per share (par value INR 10)</b>					
Basic (INR)	12.80	10.05	27.3%	11.69	9.4%
Diluted (INR)	12.73	10.01	27.2%	11.63	9.4%

**KEY PERFORMANCE INDICATORS**

		Quarter ended 31 Jan 2010	Quarter ended 31 Jan 2009	Quarter ended 31 Oct 2009	Year ended 31 Oct 2009
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**PROFIT AND LOSS ACCOUNT**

Gross margin	%	31.1%	32.7%	32.2%	32.5%
Selling expenses	%	3.8%	4.3%	3.9%	4.2%
General and administrative expenses	%	4.8%	6.9%	6.5%	6.5%
Operating margin	%	22.5%	21.5%	21.9%	21.7%
EBITDA margin	%	26.3%	26.8%	26.0%	26.4%
Net margin	%	22.5%	21.5%	21.6%	21.3%
EPS (Basic)	INR	12.80	10.05	11.69	43.45

## Segment reporting

### Primary segment information of Application Services

INR millions

	For the quarter ended 31 Jan 2010	For the quarter ended 31 Jan 2009	YoY Growth %	For the quarter ended 31 Oct 2009	QoQ Growth %	For the year ended 31 Oct 2009
Segment revenue	8,096	6,361	27.3%	7,234	11.9%	27,326
Segment profit	2,721	2,163	25.8%	2,362	15.2%	8,998
Gross margin	33.6%	34.0%	-	32.6%	-	32.9%

	Quarter ended		Year ended	
	31-Jan	31-Jan	31-Oct	31-Oct
	2010	2009	2009	2009

#### Number of employees

Onsite	2,006	1,581	1,858	1,858
	16.0%	14.1%	15.2%	15.2%
Offshore	10,524	9,648	10,328	10,328
	84.0%	85.9%	84.8%	84.8%
<b>Total</b>	<b>12,530</b>	<b>11,229</b>	<b>12,186</b>	<b>12,186</b>

#### Average Billing Rates - \$ / hr

Onsite	72	71	72	71
Offshore	23	22	22	22

#### Utilisation Rates

##### Excluding trainees

- Onsite	85%	84%	88%	85%
- Offshore	78%	75%	83%	78%
- Blended	79%	76%	84%	79%

##### Including trainees

- Onsite	85%	84%	87%	85%
- Offshore	77%	72%	81%	75%
- Blended	78%	74%	82%	77%

## Primary segment information of BPO services

	INR millions					
	For the quarter ended 31 Jan 2010	For the quarter ended 31 Jan 2009	YoY Growth %	For the quarter ended 31 Oct 2009	QoQ Growth %	For the year ended 31 Oct 2009
Segment revenue	1,849	1,765	4.8%	1,949	-5.1%	7,426
Segment profit	332	399	-16.7%	466	-28.7%	1,645
Gross margin	18.0%	22.6%	-	23.9%	-	22.1%

	Quarter ended		Year ended	
	31-Jan 2010	31-Jan 2009	31-Oct 2009	31-Oct 2009

### Number of employees

Onsite	150	116	144	144
	0.9%	0.8%	0.9%	0.9%

Offshore	17,288	13,840	16,161	16,161
	99.1%	99.2%	99.1%	99.1%

<b>Total</b>	<b>17,438</b>	<b>13,956</b>	<b>16,305</b>	<b>16,305</b>
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### Average Billing Rates - \$ / hr

Offshore	7	10	8	9
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### Utilisation Rates

Process Utilization (excluding trainees)	76%	65%	70%	65%
Process Utilization (including trainees)	70%	58%	65%	58%

## Primary segment information of ITO services

	INR millions					
	For the quarter ended 31 Jan 2010	For the quarter ended 31 Jan 2009	YoY Growth %	For the quarter ended 31 Oct 2009	QoQ Growth %	For the year ended 31 Oct 2009
Segment revenue	1,970	1,650	19.4%	2,139	-7.9%	7,887
Segment profit	653	635	2.7%	822	-20.6%	3,203
Gross margin	33.1%	38.5%	-	38.4%	-	40.6%

	Quarter ended		Year ended	
	31-Jan	31-Jan	31-Oct	31-Oct
	2010	2009	2009	2009

### Number of employees

Onsite	43	24	31	31
	0.8%	0.5%	0.6%	0.6%
Offshore	5,679	4,779	5,002	5,002
	99.2%	99.5%	99.4%	99.4%
<b>Total</b>	<b>5,722</b>	<b>4,803</b>	<b>5,033</b>	<b>5,033</b>

### Average Billing Rates - \$ / hr

Onsite	70	70	70	70
Offshore	18	21	22	22

### Utilisation Rates

#### Excluding Trainees

- Onsite	83%	85%	85%	91%
- Offshore	85%	78%	85%	82%
- Blended	85%	78%	85%	82%

#### Including Trainees

- Onsite	83%	85%	85%	91%
- Offshore	79%	73%	80%	76%
- Blended	79%	73%	80%	76%

## Analysis of Revenues

### I. Revenues

Revenues reported in the tables below are gross of adjustments from hedging reserve

#### (a) Group - Revenues by Vertical/Industry

Vertical/Industry	INR millions			
	Quarter ended		Year ended	
	31-Jan 2010	31-Jan 2009	31-Oct 2009	31-Oct 2009
Banking & Financial Services	5,043 44%	4,223 43%	4,641 41%	17,642 41%
Technology & OEMs	2,109 18%	2,423 25%	2,451 22%	9,924 23%
Telecom	1,399 12%	903 9%	1,393 12%	4,704 11%
Manufacturing & Retail	1,489 13%	1,264 13%	1,430 13%	5,442 13%
Logistics, Airlines & Transportation	675 6%	512 5%	573 5%	2,294 5%
Healthcare & Pharma	844 7%	528 5%	727 7%	2,827 7%
<b>Total</b>	<b>11,559</b>	<b>9,853</b>	<b>11,215</b>	<b>42,833</b>

#### (b) Group - Revenues by Geography

Regions	INR millions			
	Quarter ended		Year ended	
	31-Jan 2010	31-Jan 2009	31-Oct 2009	31-Oct 2009
USA	7,352 64%	6,638 67%	7,195 64%	28,566 67%
Europe	2,414 21%	2,133 22%	2,256 20%	8,724 20%
Asia Pacific	950 8%	373 4%	963 9%	2,542 6%
India & Middle East	843 7%	709 7%	801 7%	3,001 7%
<b>Total</b>	<b>11,559</b>	<b>9,853</b>	<b>11,215</b>	<b>42,833</b>

**(c) Group - Revenues by Service Type**

INR millions

Service Type	Quarter ended		Year ended	
	31-Jan	31-Jan	31-Oct	31-Oct
	2010	2009	2009	2009
Application Maintenance & Other Services	4,507 39%	3,386 34%	4,126 37%	14,892 35%
Application Development	3,296 29%	3,027 31%	3,020 27%	12,536 29%
Customer Service	775 7%	829 8%	832 7%	3,422 8%
Service / Technical Help Desk	679 6%	741 8%	621 5%	2,671 6%
Transaction Processing Service	678 6%	486 5%	678 6%	2,258 5%
Infrastructure Management Services	1,315 11%	1,006 10%	1,540 14%	5,561 13%
Knowledge Processes	274 2%	378 4%	305 3%	1,400 4%
License Income	35 -	- -	93 1%	93 -
<b>Total</b>	<b>11,559</b>	<b>9,853</b>	<b>11,215</b>	<b>42,833</b>

**(d) Group - Revenues by Delivery Location**

INR millions

Delivery Location	Quarter ended		Year ended	
	31-Jan	31-Jan	31-Oct	31-Oct
	2010	2009	2009	2009
Onsite	3,424 30%	2,724 28%	3,207 29%	11,373 27%
Offshore	8,135 70%	7,129 72%	8,008 71%	31,460 73%
<b>Total</b>	<b>11,559</b>	<b>9,853</b>	<b>11,215</b>	<b>42,833</b>

**(e) Group - Revenues by Project Type**

INR millions

Project Type	Quarter ended			Year ended
	31-Jan	31-Jan	31-Oct	31-Oct
	2010	2009	2009	2009
Time and Material	10,008	9,225	9,814	38,937
	87%	94%	88%	91%
Fixed Price	1,551	628	1,401	3,896
	13%	6%	12%	9%
<b>Total</b>	<b>11,559</b>	<b>9,853</b>	<b>11,215</b>	<b>42,833</b>

**(f) Group - Client Concentration**

	Quarter ended			Year ended
	31-Jan	31-Jan	31-Oct	31-Oct
	2010	2009	2009	2009
Revenues from Top Client	12%	14%	13%	13%
Revenues from Top 5 Clients	31%	33%	32%	32%
Revenues from Top 10 Clients	44%	48%	45%	45%
Clients Contributing more than:				
\$ 1 million Revenues	105	97	109	109
- <i>Direct</i>	35	39	39	39
- <i>HP Channel</i>	70	58	70	70
\$ 5 million Revenues	34	30	32	32
- <i>Direct</i>	12	16	12	12
- <i>HP Channel</i>	22	14	20	20
\$ 10 million Revenues	22	17	21	21
- <i>Direct</i>	9	8	10	10
- <i>HP Channel</i>	13	9	11	11
\$ 20 million Revenues	9	8	8	8
- <i>Direct</i>	2	3	2	2
- <i>HP Channel</i>	7	5	6	6
Receivables Days	77	80	72	78

**Note:** Client Concentration (excluding receivables days) is based on Trailing Twelve Months (TTM). Previous periods data are restated based on TTM.