



Mahindra Satyam

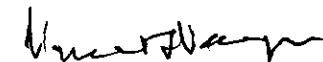
Satyam Computer Services Limited

Regd Office: Mahindra Satyam Infocity, Unit - 12, Plot No. 35 & 36, Hi-tech City Layout,
Survey No. 64, Madhapur, Hyderabad — 500 081.

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2013

PART I: STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2013						(₹ in Lakhs)
Sl. No.	Particulars	Quarter ended March 31, 2013 (Refer Note 14)	Quarter ended December 31, 2012 (Audited)	Quarter ended March 31, 2012 (Refer Note 14)	Year ended March 31, 2013 (Audited)	Year ended March 31, 2012 (Audited)
1	Income from operations	178748	178244	155054	708885	596421
2	Expenses					
	Employee benefits expense (Refer Note 10)	104203	98908	94883	406893	363542
	Operating, administration and other expenses	39367	40946	32760	152593	135350
	Depreciation and amortisation expense	5840	3297	3869	17624	14936
	Total expenses	149410	143151	131512	577110	513828
3	Profit from operations before other income, finance costs and exceptional items (1-2)	29338	35093	23542	131775	82593
4	Other income (Refer Note 11)	7598	10753	4534	31593	39014
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	36936	45846	28076	163368	121607
6	Finance costs	388	304	238	1256	1118
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	36548	45542	27838	162112	120489
8	Exceptional items (net) (Refer Note 12)	-	29404	(5182)	29404	(5182)
9	Profit from ordinary activities before tax (7-8)	36548	16138	33020	132708	125671
10	Tax expense (Refer Note 13)	9881	11049	(11649)	42520	5391
11	Net Profit from ordinary activities after tax (9-10)	26667	5089	44669	90188	120280
12	Paid-up equity share capital (Face value of ₹ 2/- per share)	23546	23540	23536	23546	23536
13	Reserves excluding Revaluation Reserves				394583	307886
14	Earnings Per Share (EPS) (Face value of ₹ 2/- per share) *					
	-Basic (in ₹)	2.26	0.43	3.79	7.66	10.22
	-Diluted (in ₹)	2.25	0.43	3.79	7.64	10.21

* Quarter ended EPS figures are not annualised

PART II: SELECT INFORMATION FOR THE YEAR ENDED MARCH 31, 2013

Sl. No.	Particulars	Quarter ended March 31, 2013	Quarter ended December 31, 2012	Quarter ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	675447496	675133061	674954096	675447496	674954096
	- Percentage of shareholding	57.37	57.36	57.35	57.37	57.35
2	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	501843740	501843740	501843740	501843740	501843740
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the Company)	42.63	42.64	42.65	42.63	42.65

B. INVESTOR COMPLAINTS - FOR THE QUARTER ENDED MARCH 31, 2013

Nature	Pending as at	During the quarter		Pending as at
	December 31, 2012	Received	Disposed	March 31, 2013
Dividend related	-	24	24	-
Others	-	4	4	-
Total	-	28	28	-

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NOTES:

1. Standalone Statement of Assets and Liabilities:

(₹ in Lakhs)

Particulars		As at March 31, 2013 (Audited)	As at March 31, 2012 (Audited)
A	EQUITY AND LIABILITIES		
1.	Shareholders' Funds		
	(a) Share capital	23546	23536
	(b) Reserves and surplus	394583	307886
	Sub-total-Shareholders' Funds	418129	331422
2.	Share application money pending allotment	22	1
3.	Non-current liabilities		
	(a) Long-term borrowings	2145	2335
	(b) Other long-term liabilities	330	230
	(c) Long-term provisions	18098	15456
	Sub-total-Non-current liabilities	20573	18021
4.	Current Liabilities		
	(a) Trade payables	53644	58725
	(b) Other current liabilities	87324	77834
	(c) Short-term provisions	87185	94120
	Sub-total-Current liabilities	228153	230679
	SUB-TOTAL	666877	580123
5.	Amounts pending investigation suspense account (net) (Refer Note 6.3)	123040	123040
	TOTAL	789917	703163
B	ASSETS		
1.	Non-current assets		
	(a) Fixed assets	105340	95351
	(b) Non-current investments	28295	17609
	(c) Deferred tax assets (net)	16129	16209
	(d) Long-term loans and advances	44936	42368
	(e) Other non-current assets	2645	275
	Sub-total-Non-current assets	197345	171812
2.	Current assets		
	(a) Current investments	-	6221
	(b) Inventories	-	1457
	(c) Trade receivables	167311	134514
	(d) Cash and cash equivalents (Refer Notes 6.3 and 7.1)	271351	268978
	(e) Short-term loans and advances	95707	69351
	(f) Other current assets	58203	50830
	Sub-total-Current assets	592572	531351
	SUB-TOTAL	789917	703163
3.	Unexplained differences suspense account (net) (Refer Note 6.2)	-	-
	TOTAL	789917	703163

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K. Srinivasan

NOTES:

2. (a). The statement of standalone audited financial results of the Company for the year ended March 31, 2013 has been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on May 16, 2013.
(b) The Board of Directors at its meeting held on May 16, 2013 has recommended a dividend of ₹ 0.60 per equity share (30% on face value of ₹ 2 per equity share) for the year ended March 31, 2013 subject to shareholders' approval in the ensuing Annual General Meeting. Accordingly, provision for the proposed dividend (including dividend tax thereon) and the transfer to General reserve has been made in the financial statements for the year ended March 31, 2013. The Board of Directors has been legally advised that the matters qualified in the Auditors' Report are not required to be taken into account for determining the proposed dividend.
3. Segment information has been presented in the Statement of Consolidated Audited Financial Results for the year ended March 31, 2013 as permitted by Accounting Standard 17 on Segment Reporting.
4. During the quarter and year ended March 31, 2013, the Company allotted 314435 and 493400 equity shares respectively of ₹ 2 each, consequent to the exercise of stock options by the Associates.
5. **Proposed Scheme of Amalgamation and Arrangement**

The Board of Directors of the Company in their meeting held on March 21, 2012 have approved the "Scheme of Amalgamation and Arrangement, under sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956, of Venturbay Consultants Private Limited and Satyam Computer Services Limited and C&S System Technologies Private Limited and Mahindra Logisoft Business Solutions Limited and CanvasM Technologies Limited with Tech Mahindra Limited and their respective shareholders and creditors" ("the Scheme"), subject to the approvals of the shareholders, Hon'ble High Court of Andhra Pradesh, Hon'ble Bombay High Court and other authorities. Thereafter, the Bombay Stock Exchange and the National Stock Exchange have conveyed to the Company, their no-objection under Clause 24(f) of the Listing Agreement to the said Scheme.

Pursuant thereto, the shareholders of Tech Mahindra Limited and Satyam Computer Services Limited approved the Scheme at their meetings held on June 7, 2012 and June 8, 2012, respectively. The Company has filed a Company Petition for the requisite approval before the Hon'ble High Court of Andhra Pradesh ("the Court") on June 27, 2012. The Petition was admitted on July 9, 2012 and is pending disposal. Pursuant to the order of the Court, a report by the Official Liquidator on certain aspects of the Scheme was furnished to the Court.

As per the Scheme, consequent to the amalgamation of Venturbay Consultants Private Limited with Tech Mahindra Limited, Satyam Computer Services Limited shall amalgamate with Tech Mahindra Limited and the shareholders of the Company shall receive Two (2) equity shares of Tech Mahindra Limited of ₹ 10 each fully paid up in respect of every Seventeen (17) equity shares of ₹ 2 each fully paid up, held by them.

Upon coming into effect of the Scheme and with effect from the Appointed Date i.e. April 1, 2011 (after amalgamation of Venturbay with Tech Mahindra Limited is deemed to have taken effect), and subject to the provisions of the Scheme, the entire business and whole of the undertaking of the Company as a going concern including but not limited to all the movables and immovable properties, assets, debts, liabilities, duties and obligations of the Company, shall without any further act or deed, but subject to the charges affecting the same, be transferred and/or deemed to be transferred to and vested in Tech Mahindra Limited as a going concern so as to become the assets and liabilities of Tech Mahindra Limited.

The Company had received letters from thirty seven companies (refer Note 6.3) claiming themselves to be "creditors" and requesting inter-alia that the Company convene a meeting of the creditors and be allowed to vote on the resolution considering the proposed merger. The Company had responded to these letters denying the various contentions and allegations and further denying the claim of the thirty seven companies that they are creditors and stating that all relevant issues would be considered by the Court at the time of considering the Scheme. Nearly all these companies had filed applications before the Court objecting to the Scheme. In addition certain other parties also filed their objections to the Scheme before the Court. The arguments of all parties have now been concluded before the Hon'ble High Court of Andhra Pradesh and the matter is reserved for orders.

On September 28, 2012, the Hon'ble High Court of Judicature at Bombay has approved the Company Petitions filed by Venturbay Consultants Private Limited, C&S System Technologies Private Limited, Mahindra Logisoft Business Solutions Limited, CanvasM Technologies Limited and Tech Mahindra Limited subject to the approval of the Company Petition filed by the Company before the Hon'ble High Court of Andhra Pradesh at Hyderabad.

The Board of Directors, vide their circular resolution dated March 25, 2013, have extended the validity of the Scheme by a further period of six months i.e. upto September 30, 2013.

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6. Financial irregularities

- 6.1. On January 7, 2009, in a communication ("the letter") addressed to the then-existing Board of Directors of the Company and copied to the Stock Exchanges and Chairman of Securities and Exchange Board of India ("SEBI"), the then Chairman of the Company, Mr. B. Ramalinga Raju ("the erstwhile Chairman") admitted that the Company's Balance Sheet as at September 30, 2008 carried inflated cash and bank balances, non-existent accrued interest, understated liability and overstated debtors position.

Consequently, various regulators/investigating agencies, such as the Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO) / Registrar of Companies (ROC), SEBI, ED (refer Note 6.3), etc., have initiated their investigations and legal proceedings, which are ongoing.

As per the assessment of the Management, based on the forensic investigation and the information available, all identified/required adjustments/disclosures arising from the identified financial irregularities, had been made in the financial statements as at March 31, 2009.

- 6.2. The Company, based on the forensic investigation, accounted ₹113932 Lakhs (net debit) under "Unexplained differences suspense account (net)" during FY 2008-09 due to non-availability of complete information and the same was fully provided for in that year on grounds of prudence. The Company has not received any further information which requires adjustments on this account to the financial results.

6.3. Alleged advances

Consequent to the letter of the erstwhile Chairman, on January 8, 2009, the Company received letters from thirty seven companies requesting confirmation by way of acknowledgement for receipt of certain alleged amounts referred to as "alleged advances". These letters were followed by legal notices from these companies dated August 4/5, 2009, claiming repayment of ₹ 123040 Lakhs allegedly given as temporary advances. The legal notices also claim damages/ compensation @18% per annum from the date of advance till the date of repayment. The Company has not acknowledged any liability to any of the thirty seven companies and has replied to the legal notices stating that the claims are legally untenable.

The Directorate of Enforcement (ED) is investigating the matter under the Prevention of Money Laundering Act, 2002 (PMLA) and directed the Company to furnish details with regard to the alleged advances and has also directed the Company not to return the alleged advances until further instructions from the ED. In furtherance to the investigation by the ED, the Company was served with a provisional attachment order dated October 18, 2012 issued by the Joint Director, Directorate of Enforcement, Hyderabad under Section 5(1) of the PMLA ("the Order"), attaching certain Fixed Deposit accounts of the Company aggregating ₹ 82200 Lakhs for a period of 150 days. This attachment was initiated consequent to the charge sheets filed by the CBI against the erstwhile promoters of the Company and others and investigation conducted by the ED under the PMLA. As stated in the Order, the investigations of the ED revealed that ₹ 82200 Lakhs constitutes "proceeds of crime" as defined in the PMLA. The Company has challenged the Order in the Hon'ble High Court of Andhra Pradesh. The Hon'ble High Court of Andhra Pradesh has, pending further orders, granted stay of the said Order and all proceedings pursuant thereto vide its interim order dated December 11, 2012. The ED has challenged the interim order before the Division Bench of the Hon'ble High Court of Andhra Pradesh which is pending disposal.

The thirty seven companies had filed petitions / suits for recovery against the Company before the City Civil Court, Secunderabad ("Court"), with a prayer that these companies be declared as indigent persons for seeking exemption from payment of requisite court fees.

Some petitions (except in the case of one petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal), are before the Court, at the stage of rejection / trial of pauperism.

The remaining petitions are at a preliminary stage before the Court, for considering condonation of delay in re-submission of pauper petitions. In one petition, the delay had been condoned by the Court and the Company has obtained an interim stay order from the Hon'ble High Court of Andhra Pradesh.

The Company has received legal notices from nearly all of the above companies, calling for payment of the amounts allegedly advanced by them (including interest and damages), failing which they would be constrained to file a petition for winding up the affairs of the Company. In pursuance thereof, one of the aforesaid companies has filed a winding up petition before the Hon'ble High Court of Andhra Pradesh which is pending hearing and disposal. The Company has responded by denying and refuting the claims and the maintainability of the petition. The arguments of both parties have now been concluded before the Hon'ble High Court of Andhra Pradesh and the matter is reserved for orders.

The amount of alleged advances aggregating to ₹ 123040 Lakhs (As at March 31, 2012 - ₹ 123040 Lakhs) has been presented separately in the Balance Sheet under "Amounts pending investigation suspense account (net)". Since the matter is *sub judice* and the investigation by various Government Agencies is in progress and having regard to all

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the related developments in this matter, the Management at this point of time, is not in a position to predict the ultimate outcome of the ongoing investigations/ legal proceedings.

6.4. Other matters

The Company has filed a civil suit in the City Civil Court Hyderabad, against the past Board of Directors (the Board prior to the Government nominated Board), certain former employees and the former statutory auditors, its affiliates and partners, seeking damages for, inter-alia, perpetrating fraud, breach of fiduciary responsibility and obligations and negligence in performance of duties. The matter is pending before the City Civil Court.

The former statutory auditors have filed a suit in the Ranga Reddy District Court against the Company and certain former Directors and former employees seeking, inter-alia, damages aggregating ₹ 10000 Lakhs and interest. The matter is pending hearing before the Ranga Reddy District Court and in the opinion of the Management, the claims insofar as they relate to the Company, are not tenable. The Company has filed a petition in the Hon'ble High Court of Andhra Pradesh to transfer the said case from the Ranga Reddy District Court to the City Civil Court, Hyderabad, which is pending.

- 6.5. Since matters relating to several of the financial irregularities are *sub judice* and the various investigations/proceedings are ongoing, any further adjustments/disclosures, if required, would be made in the financial results of the Company as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified.

7. Commitments and contingencies (Update since the previous announcement under Clause 41)

7.1 Income-tax matters

7.1.1. Petition before Hon'ble High Court of Andhra Pradesh: Financial years 2002-03 to 2007-08

The Company had filed various petitions before Central Board of Direct Taxes (CBDT) requesting for stay of demands for the financial years 2002-03 to 2007-08 till the correct quantification of income and taxes payable is done for the respective years. In March 2011, the CBDT rejected the Company's petition and the Company filed a Special Leave Petition before the Hon'ble Supreme Court which directed the Company to file a comprehensive petition/representation before CBDT giving all requisite details/particulars in support of its case for re-quantification/re-assessment of income for the aforesaid years and to submit a Bank Guarantee (BG) for ₹ 61700 Lakhs. Pursuant to the direction by the Hon'ble Supreme Court, the Company submitted the aforesaid BG (against which equivalent amount of fixed deposits has been kept by the Company as margin money/ security towards obtaining bank guarantees) and also filed a comprehensive petition before the CBDT in April 2011.

The CBDT, vide its order dated July 11, 2011, disposed the Company's petition directing it to make its submissions before the Assessing Officer in course of the ongoing proceedings for the aforesaid years and directed the Income Tax Department not to encash the BG furnished by the Company till December 31, 2011. Aggrieved by CBDT's order, the Company filed a writ petition before the Hon'ble High Court of Andhra Pradesh on August 16, 2011.

The Hon'ble High Court of Andhra Pradesh, vide its order dated January 31, 2012, directed the parties to maintain status quo and directed the Income Tax Department not to encash the BG until further orders. The BG has been extended upto October 19, 2013.

In the meanwhile, the Assessing Officer served an order dated January 30, 2012, for provisional attachment of properties under Section 281B of the Income-tax Act, 1961 attaching certain immovable assets of the Company on the grounds that there is every likelihood of a large demand to be raised against the Company for the financial years 2002-03 to 2008-09 along with interest liability. Aggrieved by such order, the Company filed a writ petition in the Hon'ble High Court of Andhra Pradesh that has granted a stay on the operation of the provisional attachment order until disposal of this writ.

7.1.2 Appointment of Special Auditor and re-assessment proceedings

a. Financial years 2001-02 and 2006-07:

The Assessing Officer had commissioned a special audit which has been challenged by the Company on its validity and terms vide writ petitions filed before the Hon'ble High Court of Andhra Pradesh. The said petitions are pending disposal.

In August 2011, the Additional Commissioner of Income Tax issued the Draft of Proposed Assessment Orders accompanied with the Draft Notice of demand amounting to ₹ 79603 Lakhs and ₹ 107573 Lakhs for the financial years 2001-02 and 2006-07, respectively, proposing variations to the total income, including variations on account of Transfer Pricing adjustments. The Company has filed its objections to the Draft of Proposed Assessment Orders for the aforesaid years on September 16, 2011 with the Hon'ble Dispute Resolution Panel, Hyderabad, which is pending disposal.

b. Financial years 2002-03 and 2007-08:

In December 2011, the Additional Commissioner of Income Tax appointed a Special Auditor under Section 142(2A) of the Income Tax Act, 1961 to audit the accounts of the Company for the financial years 2002-03 and 2007-08. The Company had filed a writ petition before Hon'ble High Court of Andhra Pradesh challenging the special audit.

The proceedings set out in 7.1.2 (a) and (b) are also subject to the Hon'ble High Court of Andhra Pradesh order dated January 31, 2012, referred to in para 7.1.1, directing the parties to maintain status quo.

c. Financial year 2008-09:

In January 2013, the Additional Commissioner of Income Tax appointed a Special Auditor under Section 142(2A) of the Income Tax Act, 1961 to audit the accounts of the Company for the financial year 2008-09. The Company has challenged the appointment and terms of reference of the special audit by filing a writ petition before the Hon'ble High Court of Andhra Pradesh and the Court, vide its interim order dated April 22, 2013, has directed the parties to maintain status quo. The writ petition is pending hearing.

7.1.3 Provision for tax

The Company is carrying a total amount of ₹ 49892 Lakhs (net of taxes paid) [As at March 31, 2012- ₹ 52279 Lakhs (net of taxes paid)] towards provision for taxation including for the prior years for which the assessments are under dispute. Considering the effects of financial irregularities, status of disputed tax demands and the appeals / claims pending before the various authorities, the consequent significant uncertainties regarding the outcome of these matters and the determination of the tax and interest/penalty liability that may be levied in the event of an unfavourable order being finalized, the Company has been professionally advised that it is not appropriate to make adjustments at this stage to the provisions pertaining to the prior years for which the assessments are under dispute.

8 **Aberdeen action (USA)**

On November 13, 2009, a trustee of two trusts that are purported assignees of the claims of twenty investors who had invested in the Company's ADS and common stock, filed a complaint against the Company, its former auditors and others ("the Action") alleging losses suffered by the twenty investors (Claimants) to be over USD 68 Million.

On July 27, 2012, the Company entered into an Agreement of Settlement ("the Settlement") with Aberdeen Claims Administration, Inc., the trustee for the two trusts and the twenty underlying investors.

The obligations incurred pursuant to the Settlement are in full and final disposition of the Action and the appropriate consent order of the Court in the Southern District of New York has been received on July 30, 2012. In terms of the Settlement, the Company has deposited in an Escrow Account an amount of USD 12 Million ("Settlement Amount"). Remittance out of the Escrow is subject to determination of appropriate withholding tax by the Authority for Advance Ruling (AAR).

An amount of ₹ 6673 Lakhs, being the rupee equivalent of the Settlement Amount, has been expensed and disclosed as an Exceptional item with an equivalent amount being reversed from provision for contingencies during the quarter ended June 30, 2012.

9 **Aberdeen (UK) complaint**


In April 2012, the Company was served with an Amended Claim Form and Amended Particulars of claim dated December 22, 2011, initiating proceedings in the Commercial Court in London ("the English Court") by Aberdeen Asset Management PLC on behalf of 23 "Claimants" who are said to represent 30 funds who had invested in the Company's common stock that traded on the exchanges in India.

On December 12, 2012, the Company entered into a confidential Settlement Agreement ("the Settlement") settling claims brought in the English Court by Aberdeen Global and twenty-two other funds (collectively, the "Claimants") managed by Aberdeen Asset Management PLC ("Aberdeen") and/or its subsidiaries (the "Claims"). The Claims included certain allegations of fraudulent misrepresentations said to have been made by the former management of the Company in London and relied upon by the Claimants' investment manager and/ or communicated in meetings alleged to have taken place in London.

The Claimants have claimed that they have suffered losses of an estimated sum of USD 298 Million and additional consequential losses. By virtue of the Settlement, the Claims have been fully and finally disposed off on the basis of, inter-alia, a payment to be made by the Company of USD 68 Million ("Settlement Amount").

In terms of the Settlement, the Company has deposited a total amount of USD 68.16 Million towards the Settlement Amount and interest in an Escrow Account. Remittance out of the Escrow is subject to determination of appropriate withholding tax by the Authority for Advance Ruling (AAR).

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An amount of ₹ 36904 Lakhs, being the rupee equivalent of the Settlement Amount, has been expensed and disclosed as an Exceptional item with an amount of ₹ 7500 Lakhs being reversed from provision for contingencies during the quarter ended December 31, 2012.

10 Employee benefits expense

Employee benefits expense for the quarter ended December 31, 2012 and year ended March 31, 2013 is net of a credit of ₹ 3355 Lakhs and ₹ 3502 Lakhs, respectively, being the reversal of certain provisions accrued in earlier periods towards employee bonus.

11 Other income includes:

(₹ in Lakhs)

Particulars	Quarter ended March 31, 2013 (Refer Note 14)	Quarter ended December 31, 2012 (Audited)	Quarter ended March 31, 2012 (Refer Note 14)	Year ended March 31, 2013 (Audited)	Year ended March 31, 2012 (Audited)
Gain / (Loss) on Exchange Fluctuations (Net)	(1934)	2890	(5388)	(1234)	6623

12 Exceptional items (net)

The exceptional items are stated as under:

(₹ in Lakhs)

Particulars	Quarter ended March 31, 2013 (Refer Note 14)	Quarter ended December 31, 2012 (Audited)	Quarter ended March 31, 2012 (Refer Note 14)	Year ended March 31, 2013 (Audited)	Year ended March 31, 2012 (Audited)
Debit to Statement of Profit and Loss					
Provision for contingencies relating to various disputed matters	-	-	22000	-	22000
Disputed matters settled (Refer Notes below)	-	36904	31126	43,577 (Refer Note (i) below)	31126 (Refer Note (ii) below)
Sub-total (A)	-	36904	53126	43,577	53126
Credit to Statement of Profit and Loss					
Reversals relating to impairment losses in subsidiaries	-	-	(27182)	-	(27182)
Release from provision for contingencies (Refer Notes below)	-	(7500)	(31126)	(14173) (Refer Note (i) below)	(31126) (Refer Note (ii) below)
Sub-total (B)	-	(7500)	(58308)	(14173)	(58308)
Total (A)+(B)	-	29404	(5182)	29404	(5182)

Notes:

- For the year ended March 31, 2013 - ₹ 6673 Lakhs towards settlement of Aberdeen action (USA) with an equivalent amount of ₹ 6673 Lakhs being reversed from provision for contingencies (Refer Note 8) and ₹ 36904 Lakhs towards settlement of Aberdeen (UK) complaint with an amount of ₹ 7500 Lakhs being reversed from provision for contingencies (Refer Note 9).
- For the year ended March 31, 2012 – includes ₹ 30459 Lakhs towards settlement of the disputed matter with Upaid Systems Limited with an equivalent amount of ₹ 30459 Lakhs being reversed from provision for contingencies.

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13 Tax expense

Tax expense comprises current tax and deferred tax.

13.1 Current tax

The Company has made provision towards current tax in respect of its domestic operations for the quarter and year ended March 31, 2013. Further, the Management has assessed the Company's tax position in respect of its overseas operations taking into account the relevant rules and regulations as applicable in the respective countries. Based on professional advice, it has determined that the provision made currently is adequate.

13.2 Deferred tax

Recognition of deferred tax is as permitted by the Accounting Standard (AS) 22 on Accounting for Taxes on Income, taking into account the principles of prudence in respect of certain items.

14 Quarter ended March 31, 2013 and March 31, 2012

The figures of the quarter ended March 31, 2013 and quarter ended March 31, 2012 are the balancing figures between the audited figures of the full financial year ended March 31, 2013 and March 31, 2012, respectively, and the published year to date figures upto the nine months ended December 31, 2012 (audited) and December 31, 2011 (unaudited), respectively.

15 Previous period/ year figures

Previous period/ year figures have been regrouped, wherever necessary.

16 Qualifications in the Auditors' Report

The qualifications in the Auditors' Report for the year ended March 31, 2013 are summarised below. The qualifications referred to below were also there in the Auditors' Report for the year ended March 31, 2012.

16.1 In view of the matters described in Notes 6.1 to 6.3 above and in the absence of complete / required information, their inability to comment on the accounting treatment/ adjustments/disclosures in respect of the ongoing investigations/legal proceedings, the unexplained amounts aggregating ₹ 113932 Lakhs accounted under "Unexplained differences suspense account (net)" and the alleged advances amounting to ₹ 123040 Lakhs (net) including the related claims for damages/compensation/interest which may become necessary as a result of further findings of the ongoing investigations/legal proceedings and the consequential impact, if any, on these financial results.

16.2 In view of the matters described in Note 7.1 above, their inability to comment on the adequacy or otherwise of the provision for taxation pertaining to the prior years for which the assessments are under dispute and the consequential impact, if any, on these financial results.

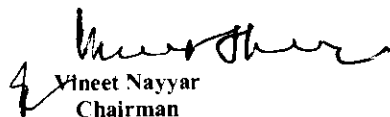
17 Responses to Auditors' qualification

17.1 With regard to the Auditors' qualification in Note 16.1 above, refer to the details in Notes 6.1 to 6.3 and 6.5.

17.2 With regard to the Auditors' qualification in Note 16.2 above, refer to the details in Note 7.1.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: May 16, 2013


Vineet Nayyar
Chairman