

i-flex Solutions Limited
Reconciliation Statement of profit as per the Indian GAAP unconsolidated, Indian consolidated with US GAAP

					Amt in Rs.'000
	Quarter ended		Nine month Period ended		Year Ended
	December-06	December-05	December-06	December-05	March-06
Net profit as per Indian GAAP unconsolidated	910,495	579,459	2,275,415	1,190,623	2,407,986
Add :					
:- Revenue of subsidiaries, net					
:- i-flex solutions b.v.	266,220	155,988	597,204	282,875	444,049
:- i-flex solutions pte	227,801	100,488	433,767	255,173	406,082
:- i-flex America-consolidated	1,008,671	571,949	2,245,344	1,586,969	2,181,974
:- ISP Internet	95,040	71,538	291,102	167,357	234,670
	1,597,732	899,963	3,567,417	2,292,374	3,266,775
:- Other income from subsidiaries, net	21,117	(80,784)	8,134	(57,758)	(12,169)
	1,618,849	819,179	3,575,551	2,234,616	3,254,606
Less :					
:- Expenses of subsidiaries, net					
:- i-flex solutions b.v.	(149,886)	(112,712)	(423,568)	(363,842)	(450,815)
:- i-flex solutions pte	(94,981)	(73,148)	(272,515)	(182,814)	(240,137)
:- i-flex America-consolidated	(1,036,321)	(618,501)	(2,400,903)	(1,598,633)	(2,190,748)
:- ISP Internet	(139,414)	(117,032)	(362,613)	(307,011)	(409,081)
	198,247	(102,214)	115,952	(217,684)	(36,175)
Profit after consolidating subsidiaries	1,108,742	477,242	2,391,367	972,936	2,371,811
Add :					
:- Proportionate Revenue of joint venture, net	20,547	5,537	23,466	9,730	18,005
:- Proportionate Other income from joint venture, net	5	30	(20)	82	171
	20,552	5,567	23,446	9,812	18,176
Less :					
:- Proportionate Expenses of joint ventures, net	(19,010)	(5,021)	(24,023)	(10,748)	(16,790)
	(19,010)	(5,021)	(24,023)	(10,748)	(16,790)
Profit/(Loss) on equity investment	1,833	3,926	7,591	4,853	3,328
Net profit as per Indian GAAP- consolidated	1,112,117	481,714	2,398,381	976,853	2,376,525
Unrealized loss on mark to market of forward contract	(43,136)	(12,984)	(27,526)	(3,443)	(9,097)
Amortization of intangible assets	(97,294)	(14,327)	(117,117)	(36,635)	(44,684)
Additional Gratuity (provision)/reversal of provision as per SFAS 87	(32,752)	1,637	(17,332)	27,165	26,131
Reversal of provision /(Provision) for vacation pay	-	24,901	-	(26,534)	(21,826)
Deferred revenue for post-contract support, significant discounts, and SOP 81-1,net	(176,242)	(54,484)	(216,972)	(165,610)	(311,709)
Prior period item on account of Forward contract	-	-	-	48,230	48,230
Charge of options granted to IBM	-	-	-	(4,825)	(4,825)
Charge of options granted to GE	(1,446)	(1,446)	(4,338)	(1,928)	(3,374)
Embedded derivatives	(21,384)	34,473	4,799	29,508	17,749
Effect of SAB 104 - Revenue recognition for refund clause	29,611	(14,362)	(1,152)	38,538	25,902
Effect of SOP 97.2 - Revenue deferral for warranty	2,953	-	(35,712)	-	38,363
Date based revenue recognition	-	92,984	-	92,984	-
Deferred compensation cost under SFAS 123(R)	(31,216)	-	(85,160)	-	-
Mark to market of available for sale securities	369	-	369	-	-
Acquisition cost of Mantas	17,708	-	17,708	-	-
Reimbursement of expenses	15,385	-	15,385	-	-
Translation effect of foreign currency financial statements	(1,722)	20,540	60,115	46,987	52,984
Net profit as per US GAAP- consolidated	772,951	558,646	1,991,448	1,021,290	2,190,369