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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period ended June 30, 2011

Or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Transition Period from to

Commission file number: 001-33626

GENPACT LIMITED
(Exact name of registrant as specified in its charter)

Bermuda	**98-0533350**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Canon's Court
22 Victoria Street
Hamilton HM
Bermuda
(441) 295-2244
(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of the registrant's common shares, par value $0.01 per share, outstanding as of July 29, 2011 was 221,694,444.

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Item 1.Financial Statements

GENPACT LIMITED AND ITS SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)
(In thousands, except per share data)

	Notes	As of December 31, 2010	June 30, 2011
Assets			
Current assets			
Cash and cash equivalents	4	$ 404,034	$ 336,402
Short term investments	5	76,985	—
Accounts receivable, net	6	174,654	246,911
Accounts receivable from related party, net	6, 21	131,271	141,715
Deferred tax assets	20	21,985	20,091
Due from related party	21	3	4,024
Prepaid expenses and other current assets		126,848	186,676
Total current assets		**$ 935,780**	**$ 935,819**
Property, plant and equipment, net	9	197,166	193,795
Deferred tax assets	20	35,099	51,474
Investment in equity affiliates	21	1,913	1,652
Customer-related intangible assets, net	10	33,296	94,258
Marketing-related intangible assets, net	10	—	21,457
Other intangible assets, net	10	51	1,311
Goodwill	10	570,153	974,991
Other assets		120,003	128,616
Total assets		**$ 1,893,461**	**$2,403,373**

See accompanying notes to the Consolidated Financial Statements.

GENPACT LIMITED AND ITS SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)
(In thousands, except per share data)

	Notes	As of December 31, 2010	As of June 30, 2011
Liabilities and equity			
Current liabilities			
Short-term borrowings	14	$ —	$ 252,000
Current portion of long-term debt	15	24,950	28,842
Current portion of capital lease obligations		702	1,124
Current portion of capital lease obligations payable to related party	21	1,188	1,071
Accounts payable		12,206	9,807
Income taxes payable	20	8,064	35,069
Deferred tax liabilities	20	489	14,248
Due to related party	21	4,030	3,102
Accrued expenses and other current liabilities		270,919	247,888
Total current liabilities		**$ 322,548**	**$ 593,151**
Long-term debt, less current portion	15	—	88,459
Capital lease obligations, less current portion		741	754
Capital lease obligations payable to related party, less current portion		1,748	1,224
Deferred tax liabilities	20	2,953	1,796
Due to related party	21	10,683	14,851
Other liabilities		73,546	73,040
Total liabilities		**$ 412,219**	**$ 773,275**
Shareholders' equity			
Preferred shares, $0.01 par value, 250,000,000 authorized, none issued		—	—
Common shares, $0.01 par value, 500,000,000 authorized, 220,916,960 and 221,557,465 issued and outstanding as of December 31, 2010 and June 30, 2011, respectively		2,208	2,214
Additional paid-in capital		1,105,610	1,120,153
Retained earnings		421,092	496,221
Accumulated other comprehensive income (loss)		(50,238)	8,407
Genpact Limited shareholders' equity		**$ 1,478,672**	**$ 1,626,995**
Noncontrolling interest		2,570	3,103
Total equity		**$ 1,481,242**	**$ 1,630,098**
Commitments and contingencies			
Total liabilities and equity		**$ 1,893,461**	**$ 2,403,373**

See accompanying notes to the Consolidated Financial Statements.

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GENPACT LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)
(In thousands, except per share data)

	Notes	Three months ended June 30, 2010	Three months ended June 30, 2011	Six months ended June 30, 2010	Six months ended June 30, 2011
Net revenues					
Net revenues from services - related party	21	$ 117,914	$ 122,783	$ 231,252	$ 235,744
Net revenues from services - others		189,713	274,840	364,594	492,432
Total net revenues		307,627	397,623	595,846	728,176
Cost of revenue					
Services	16, 21	191,101	254,030	367,786	468,517
Total cost of revenue		191,101	254,030	367,786	468,517
Gross profit		**$ 116,526**	**$ 143,593**	**$ 228,060**	**$ 259,659**
Operating expenses:					
Selling, general and administrative expenses	17, 21	75,277	86,724	148,168	154,165
Amortization of acquired intangible assets	10	4,065	5,140	8,284	8,217
Other operating (income) expense, net	18, 21	(1,111)	665	(3,941)	(291)
Income from operations		**$ 38,295**	**$ 51,064**	**$ 75,549**	**$ 97,568**
Foreign exchange (gains) losses, net		4,855	(1,130)	5,586	(2,697)
Other income (expense), net	19, 21	844	3,026	2,114	6,124
Income before share of equity in loss of affiliates and income tax expense		**$ 34,284**	**$ 55,220**	**$ 72,077**	**$ 106,389**
Equity in loss of affiliates		272	134	605	267
Income before income tax expense		**$ 34,012**	**$ 55,086**	**$ 71,472**	**$ 106,122**
Income tax expense	20	4,865	14,357	12,082	27,479
Net Income		**$ 29,147**	**$ 40,729**	**$ 59,390**	**$ 78,643**
Net income attributable to noncontrolling interest		1,300	1,720	3,369	3,514
Net income attributable to Genpact Limited shareholders		**$ 27,847**	**$ 39,009**	**$ 56,021**	**$ 75,129**
Net income available to Genpact Limited common shareholders	13	$ 27,847	$ 39,009	$ 56,021	$ 75,129
Earnings per common share attributable to Genpact Limited common shareholders	13				
Basic		$ 0.13	$ 0.18	$ 0.26	$ 0.34
Diluted		$ 0.12	$ 0.17	$ 0.25	$ 0.33
Weighted average number of common shares used in computing earnings per common share attributable to Genpact Limited common shareholders					
Basic		218,955,223	221,297,842	218,455,684	221,153,301
Diluted		224,947,174	226,146,388	224,459,617	225,844,839

See accompanying notes to the Consolidated Financial Statements.

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GENPACT LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Equity and Comprehensive Income (Loss)
(Unaudited)
(In thousands, except share data)

	Genpact Limited Shareholders						
	Common shares						
	No. of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Non controlling interest	Total Equity
Balance as of January 1, 2010	**217,433,091**	**$2,174**	**$1,063,304**	**$278,911**	**$ (146,993)**	**$ 2,351**	**$1,199,747**
Issuance of common shares on exercise of options (Note 12)	1,867,490	19	11,443	—	—	—	11,462
Issuance of common shares under the employee share purchase plan (Note 12)	20,648	—	297	—	—	—	297
Noncontrolling interest on business acquisition	—	—	—	—	—	502	502
Distribution to noncontrolling interest	—	—	—	—	—	(3,488)	(3,488)
Stock-based compensation expense (Note 12)	—	—	10,285	—	—	—	10,285
Comprehensive income:							
Net income	—	—	—	56,021	—	3,369	59,390
Other comprehensive income:							
Net unrealized income (loss) on cash flow hedging derivatives, net of taxes	—	—	—	—	10,618	—	10,618
Net unrealized gain (loss) on investment in U.S. treasury bills	—	—	—	—	210	—	210
Currency translation adjustments	—	—	—	—	(4,864)	(377)	(5,241)
Comprehensive income (loss)							$ 64,977
Balance as of June 30, 2010	**219,321,229**	**$2,193**	**$1,085,329**	**$334,932**	**$ (141,029)**	**$ 2,357**	**$1,283,782**

See accompanying notes to the Consolidated Financial Statements.

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GENPACT LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Equity and Comprehensive Income (Loss)
(Unaudited)
(In thousands, except share data)

	Genpact Limited Shareholders						
	Common shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Non controlling interest	Total Equity
	No. of shares	Amount					
Balance as of January 1, 2011	**220,916,960**	**$2,208**	**$1,105,610**	**$421,092**	**$ (50,238)**	**$ 2,570**	**$1,481,242**
Issuance of common shares on exercise of options (Note 12)	529,426	5	5,667	—	—	—	5,672
Issuance of common shares under the employee share purchase plan (Note 12)	23,579	—	318	—	—	—	318
Issuance of common shares on vesting of restricted share units (Note 12)	87,500	1	(1)	—	—	—	—
Distribution to noncontrolling interest	—	—	—	—	—	(3,196)	(3,196)
Stock-based compensation expense (Note 12)	—	—	8,559	—	—	—	8,559
Comprehensive income:							
Net income	—	—	—	75,129	—	3,514	78,643
Other comprehensive income:							
Net unrealized income (loss) on cash flow hedging derivatives, net of taxes	—	—	—	—	37,601	—	37,601
Net unrealized gain (loss) on investment in U.S. treasury bills	—	—	—	—	(11)	—	(11)
Currency translation adjustments	—	—	—	—	21,055	215	21,270
Comprehensive income (loss)							$ 137,503
Balance as of June 30, 2011	**221,557,465**	**$2,214**	**$1,120,153**	**$496,221**	**$ 8,407**	**$ 3,103**	**$1,630,098**

See accompanying notes to the Consolidated Financial Statements.

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GENPACT LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Six months ended June 30,	
	2010	2011
Operating activities		
Net income attributable to Genpact Limited shareholders	$ 56,021	$ 75,129
Net income attributable to noncontrolling interest	3,369	3,514
Net income	**$ 59,390**	**$ 78,643**
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	28,760	29,005
Amortization of debt issue costs	219	554
Amortization of acquired intangible assets	8,449	8,300
Provision (release) for doubtful receivables	(1,711)	1,853
Gain on business acquisition	(247)	—
Unrealized (gain) loss on revaluation of foreign currency asset/liability	1,871	(45)
Equity in loss of affiliates	605	267
Stock-based compensation expense	10,285	8,559
Deferred income taxes	(5,315)	(2,579)
Others, net	168	1,400
Change in operating assets and liabilities:		
Increase in accounts receivable	(35,291)	(24,647)
Increase in other assets	(28,693)	(33,122)
Decrease in accounts payable	(2,102)	(2,374)
Decrease in accrued expenses and other current liabilities	(43,876)	(13,506)
Increase in income taxes payable	15,188	24,092
Increase in other liabilities	2,262	5,632
Net cash provided by operating activities	**$ 9,962**	**$ 82,032**
Investing activities		
Purchase of property, plant and equipment	(36,909)	(12,106)
Proceeds from sale of property, plant and equipment	590	479
Investment in affiliates	(2,324)	—
Purchase of short term investments	(42,997)	(129,458)
Proceeds from sale of short term investments	132,601	206,443
Short term deposits placed with related party	(6,507)	—
Redemption of short term deposits with related party	16,269	—
Payment for business acquisitions, net of cash acquired	(42,575)	(561,075)
Net cash provided by (used for) investing activities	**$ 18,148**	**$(495,717)**
Financing activities		
Repayment of capital lease obligations	(2,697)	(1,500)
Proceeds from long-term debt	—	120,000
Repayment of long-term debt	(20,000)	(25,000)
Short-term borrowings, net	(184)	252,000
Proceeds from issuance of common shares under stock based compensation plans	11,759	5,989
Direct cost incurred in relation to Debt	—	(8,315)
Distribution to noncontrolling interest	(3,488)	(3,196)
Net cash provided by (used for) financing activities	**$ (14,610)**	**$ 339,978**
Effect of exchange rate changes	6,522	6,075
Net increase (decrease) in cash and cash equivalents	13,500	(73,707)
Cash and cash equivalents at the beginning of the period	288,734	404,034
Cash and cash equivalents at the end of the period	**$308,756**	**$ 336,402**
Supplementary information		
Cash paid during the period for interest	$ 927	$ 1,509
Cash paid during the period for income taxes	$ 19,583	$ 23,498
Property, plant and equipment acquired under capital lease obligation	$ 711	$ 758

See accompanying notes to the Consolidated Financial Statements.

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GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Unaudited)
(In thousands, except per share data)

1. Organization

(a) Nature of Operations

The Company is a global leader in business process and technology management. The Company combines its process expertise, information technology expertise and analytical capabilities, together with operational insight derived from its experience in diverse industries, to provide a wide range of services using its global delivery platform. The Company's service offerings include finance and accounting, collections and customer service, insurance services, supply chain and procurement, analytics, enterprise application services, business consulting, domain consulting and IT infrastructure services. The Company delivers services from a global network of approximately 45 locations in fourteen countries. The Company's service delivery locations, referred to as Delivery Centers, are in India, the United States ("U.S."), China, Mexico, Romania, The Netherlands, Hungary, The Philippines, Spain, Poland, Guatemala, South Africa, Japan and Morocco.

(b) Secondary Offering

On March 24, 2010, the Company completed a secondary offering of its common shares by certain of its shareholders that was priced at $15 per share. The offering consisted of 38,640,000 common shares, which included the underwriters exercise of their option to purchase an additional 5,040,000 common shares from the Company's shareholders at the offering price of $15 per share to cover over-allotments. All of the common shares were sold by shareholders of the Company and, as a result, the Company did not receive any of the proceeds from the offering. The Company incurred expenses in connection with the secondary offering of approximately $591 included under other income (expense), net in the Consolidated Statements of Income for the year 2010. Upon the completion of the secondary offering, the General Electric Company's ("GE") shareholding in the Company decreased to 9.1% and it ceased to be a significant shareholder although it continues to be a related party in accordance with the provisions of Regulation S-X Rule 1-02(s).

2. Summary of significant accounting policies

(a) Basis of preparation and principles of consolidation

The unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for interim financial information and the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-Q. Accordingly, they do not include certain information and footnote disclosures required by generally accepted accounting principles for annual financial reporting and should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

The unaudited interim consolidated financial statements reflect all adjustments that management considers necessary for a fair presentation of the results of operations for these periods. The results of operations for the interim periods are not necessarily indicative of the results for the full year.

The accompanying unaudited interim consolidated financial statements have been prepared on a consolidated basis and reflect the financial statements of Genpact Limited and all of its subsidiaries that are more than 50% owned and controlled, and variable interest entities in which we are the primary beneficiary. When the Company does not have a controlling interest in an entity, but exerts a significant influence on the entity, the Company applies the equity method of accounting. All inter-company transactions and balances are eliminated in consolidation.

The noncontrolling interest disclosed in the accompanying unaudited interim consolidated financial statements represents the noncontrolling partners' interest in the operation of Genpact Netherlands B.V. and noncontrolling shareholders' interest in the operation of Hello Communications (Shanghai) Co., Ltd. and the profits or losses associated with the noncontrolling interest in those operations. The noncontrolling partners of Genpact Netherlands B.V. are individually liable for the tax obligations on their share of profit as it is a partnership and, accordingly, noncontrolling interest relating to Genpact Netherlands B.V. has been computed prior to tax and disclosed accordingly in the unaudited interim Consolidated Statements of Income.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Unaudited)
(In thousands, except per share data)

2. Summary of significant accounting policies (Continued)

(b) Use of estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant items subject to such estimates and assumptions include the useful lives of property, plant and equipment, the carrying amount of property, plant and equipment, intangibles and goodwill, the provision for doubtful receivables and the valuation allowance for deferred tax assets, the valuation of derivative financial instruments, the measurements of stock-based compensation, assets and obligations related to employee benefits, income tax uncertainties and other contingencies. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the consolidated financial statements.

(c) Business combinations, goodwill and other intangible assets

The Company accounts for its business combinations by recognizing the identifiable tangible and intangible assets and liabilities assumed, and any noncontrolling interest in the acquired business, measured at their acquisition date fair values. All assets and liabilities of the acquired businesses, including goodwill, are assigned to reporting units.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased. Goodwill is not amortized but is tested for impairment at least on an annual basis on December 31, based on a number of factors including operating results, business plans and future cash flows. Recoverability of goodwill is evaluated using a two-step process. The first step involves a comparison of the fair value of a reporting unit with its carrying value. If the carrying value of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the fair value and carrying value of the goodwill of that reporting unit. If the carrying value of the goodwill of a reporting unit exceeds the fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess. Goodwill of a reporting unit will be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

Intangible assets acquired individually or with a group of other assets or in a business combination are carried at cost less accumulated amortization based on their estimated useful lives as follows:

Customer-related intangible assets	1-11 years
Marketing-related intangible assets	1-10 years
Contract-related intangible assets	1 year
Other intangible assets	3-8 years

Intangible assets are amortized over their estimated useful lives using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

In business combinations, where the fair value of identifiable tangible and intangible net assets purchased exceeds the cost of the acquired business, the Company recognizes the resulting gain under 'Other operating (income) expense, net' in the Consolidated Statements of Income on the acquisition date.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Unaudited)
(In thousands, except per share data)

2. Summary of significant accounting policies (Continued)

(d) Financial instruments and concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk are reflected principally in cash and cash equivalents, short term investments, short term deposits, derivative financial instruments and accounts receivable. The Company places its cash and cash equivalents and derivative financial instruments with corporations and banks with high investment grade ratings, limits the amount of credit exposure with any one corporation or bank and conducts ongoing evaluation of the credit worthiness of the corporations and banks with which it does business. Short term deposits are with GE, a related party, and short term investments are with other financial institutions. To reduce its credit risk on accounts receivable, the Company performs an ongoing credit evaluation of customers. GE accounted for 43% and 36% of receivables as of December 31, 2010 and June 30, 2011, respectively. GE accounted for 39% and 32% of revenues for the six months ended June 30, 2010 and 2011, respectively, and for 38% and 31% of revenues for the three months ended June 30, 2010 and 2011, respectively.

(e) Recently adopted accounting pronouncements

The authoritative bodies release standards and guidance which are assessed by management for impact on the Company’s consolidated financial statements.

The following recently released accounting standards have been adopted by the Company and certain disclosures in the consolidated financial statements and footnotes to the consolidated financial statements have been modified. Adoption of these standards did not impact the consolidated financial results as they are disclosure-only in nature:

- In December 2010, FASB issued ASU 2010-29 which states that a public entity is required to disclose pro forma information for material business combinations (on an individual or aggregate basis) that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. The amendments in this update are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Effective January 1, 2011, the Company adopted ASU 2010-29.
- In January 2010, the FASB issued ASU 2010-06 which amends ASC 820, *Fair Value Measurements and Disclosures*. The ASU requires the reporting entities to make new disclosures about recurring and non recurring fair value measurements. This included disclosure regarding significant transfers into and out of Level 1 and Level 2 fair value measurements in the fair value hierarchy as well as the reasons for the transfer. The ASU also requires a separate disclosure for the purchases, sales, issuances, and settlements on a gross basis in the reconciliation of Level 3 fair-value measurements. The FASB further clarified the existing fair-value measurement disclosure guidance about the level of disaggregation, requiring the entities to disclose the fair value measurements by ‘Class’ instead of ‘major category’, as well as requiring disclosure for the inputs, and valuation techniques used by the entities for the purpose of fair value measurement using significant observable inputs (Level 2) or significant unobservable inputs (Level 3). The provisions of the ASU 2010-06 were effective for annual and interim reporting periods beginning after December 15, 2009, except for the disclosure for the purchases, sales, issuances, and settlements on a gross basis in the reconciliation of Level 3 fair-value measurements, which were effective for interim and annual reporting periods beginning after December 15, 2010. Effective January 1, 2010, the Company adopted ASU 2010-06.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Unaudited)
(In thousands, except per share data)

2. Summary of significant accounting policies (Continued)

The following recently released accounting standards have been adopted by the Company without material impact on the Company's consolidated results of operations, cash flows, financial position or disclosures:

- In December 2010, FASB issued ASU 2010-28 which states that for an entity with reporting units having zero or negative carrying amounts, the second step of the impairment test shall be performed to measure the amount of impairment loss, if any, when it is more likely than not that a goodwill impairment exists. In considering whether it is more likely than not that a goodwill impairment exists, an entity shall evaluate whether there are adverse qualitative factors. The amendments in this update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. Effective January 1, 2011, the Company has adopted ASU 2010-28.
- In April 2010, FASB issued ASU 2010-13 which states that an employee share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, such an award should not be classified as a liability based only on this condition if it otherwise qualifies as equity. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. Effective January 1, 2011, the Company has adopted ASU 2010-13.
- In October 2009, FASB issued ASU 2009-13 which amended revenue recognition guidance for arrangements with multiple deliverables. The new guidance eliminated the requirement that all undelivered elements have Vendor Specific Objective Evidence (VSOE) or Third Party Evidence (TPE) before an entity can recognize the portion of an overall arrangement fee that is attributable to items that already have been delivered. In the absence of VSOE or TPE of the standalone selling price for one or more delivered or undelivered elements in a multiple-element arrangement, the overall arrangement fee will be allocated to each element (both delivered and undelivered items) based on their relative estimated selling prices.

  Application of the "residual method" of allocating an overall arrangement fee between delivered and undelivered elements will no longer be permitted upon adoption of this new FASB guidance. The provisions of this FASB guidance will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The Company early adopted ASU 2009-13, effective January 1, 2010.

(f) Reclassification

Certain reclassifications have been made in the consolidated financial statements of prior periods to conform to the classification used in the current period.

GENPACT LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
(Unaudited)
(In thousands, except per share data)

3. Business acquisitions

(a) Headstrong Corporation

On May 3, 2011, the Company acquired 100% of the outstanding common shares of Headstrong Corporation, a Delaware corporation ("Headstrong"), for $550,000 in cash subject to adjustment based on closing date net working capital, funded indebtedness, seller expenses and amount of cash and cash equivalents. The total preliminary estimated purchase price of the acquisition, net of $25,845 of cash acquired and including $19,205 seller expense liability assumed, is $558,455. There are no contingent consideration arrangements in connection with the acquisition. As per the terms of the acquisition agreement with sellers, the preliminary estimated purchase consideration is comprised of the following:

Enterprise value	$550,000
Estimated net working capital adjustment	8,455
Cash and cash equivalents	25,845
Funded indebtedness	—
Seller expenses liability	(19,205)
Total preliminary estimated purchase price	$565,095

As of the date of the financial statements, the purchase consideration for the acquisition is pending finalization for closing working capital adjustment and seller expenses. The total amount paid by the Company, net of $25,845 of cash acquired, as on the balance sheet date is $559,512 (including $19,205 of seller expenses). As a result, an amount of $1,057 representing excess of cash paid over preliminary estimated purchase consideration has been accounted for as an amount recoverable from sellers and has been disclosed under "other current assets" in the Consolidated Balance Sheet.

Headstrong is a global provider of comprehensive consulting and IT services with a specialized focus in capital markets and healthcare. With this acquisition, the Company acquires critical domain and technology expertise in the capital markets industry vertical.

The acquisition has been accounted for under the acquisition method of accounting in accordance with ASC 805, Business Combinations. The assets and liabilities of Headstrong were recorded at fair value at the date of acquisition. The Company will continue to evaluate certain assets and liabilities as new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. Changes to the assets and liabilities recorded may result in a corresponding adjustment to goodwill, and the measurement period will not exceed one year from the acquisition date. The following table summarizes the preliminary allocation of the preliminary estimated purchase price based on the fair value of the assets acquired and the liabilities assumed at the date of acquisition:

Preliminary estimated cash consideration	$565,095
Acquisition related costs included in selling, general and administrative expenses	5,619
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	$ 25,845
Current assets	62,237
Tangible fixed assets	14,634
Intangible assets	91,020
Deferred tax assets, net	18,346
Other non-current assets	11,968
Current liabilities	(42,650)
Long term liabilities	(6,274)
Total identifiable net assets assumed	$175,126
Goodwill	389,969
Total	**$565,095**

The fair value of the current assets acquired includes trade receivables with a fair value of $56,257. The gross amount due is $56,497, of which $240 is expected to be uncollectable.

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3. Business acquisitions (continued)

Goodwill represents the excess of the preliminary estimated purchase price over the net assets (including deferred taxes) acquired and is not deductible for tax purposes. The Company is currently evaluating the allocation of acquisition related goodwill to a reporting unit as of the date of the financial statements. The amortizable intangible assets are being amortized over their estimated useful lives using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized. The preliminary estimated value and estimated useful lives of the intangibles are follows:

	Preliminary estimated value	Estimated useful life
Customer related intangibles	$ 68,450	1 to 11 years
Marketing related intangibles	21,820	10 years
Other intangibles	750	7 years

The weighted average amortization period in respect of the acquired intangible assets is 10 years.

The results of operations of Headstrong and the fair value of the assets and liabilities are included in the Company's Consolidated Statements of Income from May 3, 2011, the date of acquisition. For the period from the acquisition date through June 30, 2011, Headstrong contributed revenue of $45,154 and net income of $2,590.

Pro Forma Financial Information

The unaudited pro forma financial information presented below for the six months ended June 30, 2010 and 2011 summarizes the combined results of operations as if the Headstrong acquisition had been completed as of the beginning of each of the periods presented. The pro forma financial information is presented for informational purposes and is not indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of each of the periods presented.

	Actual as reported Six months ended		Pro forma Six months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Net revenue	$ 595,846	$ 728,176	$ 699,048	$ 809,967
Net income from continuing operations	$ 56,021	$ 75,129	$ 62,164	$ 87,599
Earnings per share				
Basic	$ 0.26	$ 0.34	$ 0.28	$ 0.40
Diluted	$ 0.25	$ 0.33	$ 0.28	$ 0.39

The pro forma net income from continuing operations as above has been adjusted to exclude acquisition related cost of $19,205 and $5,619 incurred by the seller and the Company, respectively, during the six months ended June 30, 2011.

The unaudited pro forma information is not necessarily indicative of the results of operations that would have occurred had the acquisition been made at the beginning of the periods presented or the future results of combined operations.

(b) Akritiv Technologies, Inc.

On March 14, 2011, the Company acquired 100% of the outstanding equity interest in Akritiv Technologies, Inc., a Delaware corporation ("Akritiv"), for cash consideration of $1,564 and a contingent earn-out component (ranging from $0 to $3,500 based on EBIT levels generated in years ending March 2012, 2013 and 2014), which had an estimated fair value of $1,731 at the acquisition date. Acquisition-related costs incurred by the Company amounted to $30, which have been expensed under 'Selling, general and administrative expenses' in the Consolidated Statements of Income. Through this acquisition, the Company acquired proprietary technology platform and software as a service delivered solutions for functions such as credit and accounts receivable management. This will provide an end-to-end offering to clients for receiving and processing customer sales. Goodwill recorded in connection with Akritiv acquisition amounted to $2,992.

The acquisition of Akritiv was accounted for as a business combination, in accordance with the acquisition method. The operations of Akritiv and the estimated fair market values of the assets and liabilities have been included in the Company's consolidated financial statements from the date of acquisition of March 14, 2011.

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3. Business acquisitions (continued)

The purchase price has been allocated based on management's estimates of the fair values of the acquired assets and liabilities as follows:

Net assets and liabilities	$ (166)
Other intangible assets	600
Goodwill	2,992
Deferred tax liabilities, net	(131)
	$3,295

The above acquired technology related intangible assets have estimated useful lives of 8 years.

4. Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2010 and June 30, 2011 comprise:

	As of December 31, 2010	As of June 30, 2011
Deposits with banks	$ 208,072	$ 204,101
U.S. Treasury bills	91,490	—
Other cash and bank balances	104,472	132,301
Total	**$ 404,034**	**$ 336,402**

The cash and cash equivalents as of December 31, 2010 and June 30, 2011 include restricted cash balance of $0 and $733, respectively. Restrictions are primarily on account of margin money against derivative instruments.

5. Short Term Investments

The components of the Company's short term investments as of December 31, 2010 and June 30, 2011 are as follows:

	As of December 31, 2010			
	Carrying Value	Unrealized gains	Unrealized losses	Estimated Fair Value
Short term investments:				
U.S. Treasury bills	$ 76,974	$ 11	$ —	$ 76,985
Total	**$ 76,974**	**$ 11**	**$ —**	**$ 76,985**

	As of June 30, 2011			
	Carrying Value	Unrealized gains	Unrealized losses	Estimated Fair Value
Short term investments:				
U.S. Treasury bills	$ —	$ —	$ —	$ —
Total	**$ —**	**$ —**	**$ —**	**$ —**

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6. Accounts receivable, net of provision for doubtful receivables

Accounts receivable were $308,851 and $393,481, and provision for doubtful receivables were $2,926 and $4,855, resulting in net accounts receivable balances of $305,925 and $388,626, as of December 31, 2010 and June 30, 2011, respectively. In addition, accounts receivable due after one year of $10,454 and $11,882 as of December 31, 2010 and June 30, 2011, respectively are included under other assets in the Consolidated Balance Sheets.

Accounts receivable from related parties were $131,959 and $142,694, and provision for doubtful receivables were $688 and $979, resulting in net accounts receivable balances of $131,271 and $141,715, as of December 31, 2010 and June 30, 2011, respectively.

7. Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis, including derivative instruments, U.S. Treasury bills and notes, and loans held for sale. The fair value measurements of these derivative instruments, U.S. Treasury bills and loans held for sale were determined using the following inputs as of December 31, 2010 and June 30, 2011:

	As of December 31, 2010			
	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets				
Derivative Instruments (Note a)	$ 38,026	$ —	$ 38,026	$ —
Loans held for sale (Note a)	530	—	—	530
U.S. Treasury bills and notes (Note c)	168,475	168,475	—	—
Total	$207,031	$ 168,475	$ 38,026	$ 530
Liabilities				
Derivative Instruments (Note b)	$ 64,363	$ —	$ 64,363	$ —
Total	$ 64,363	$ —	$ 64,363	$ —

	As of June 30, 2011			
	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets				
Derivative Instruments (Note a)	$ 61,327	$ —	$ 61,327	$ —
Loans held for sale (Note a)	529	—	—	529
U.S. Treasury bills and notes (Note c)	—	—	—	—
Total	$ 61,856	$ —	$ 61,327	$ 529
Liabilities				
Derivative Instruments (Note b)	$ 32,700	$ —	$ 32,700	$ —
Total	$ 32,700	$ —	$ 32,700	$ —

(a) Included in prepaid expenses and other current assets, and other assets in the Consolidated Balance Sheets.
(b) Included in accrued expenses and other current liabilities, and other liabilities in the Consolidated Balance Sheets.
(c) Included in either cash and cash equivalents or short term investment, depending on the maturity profile, in the Consolidated Balance Sheets.

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7. Fair Value Measurements (Continued)

Following is the reconciliation of loans held for sale which have been measured at fair value using significant other unobservable inputs:

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
Opening balance, net	$ 548	$ 529	$ 552	$ 530
Impact of fair value included in earnings	75	—	75	—
Settlements	(18)	—	(22)	(1)
Closing balance, net	$ 605	$ 529	$ 605	$ 529

The Company values the derivative instruments based on market observable inputs including both forward and spot prices for currencies. The quotes are taken from multiple independent sources including financial institutions. Loans held for sale are valued using collateral values based on inputs from a single source when the Company is not able to corroborate the inputs and assumptions with other relevant market information. Investments in U.S. Treasury bills which are classified as available-for-sale and cash and cash equivalents, depending on the maturity profile, are measured using quoted market prices at the reporting date multiplied by the quantity held.

8. Derivative financial instruments

The Company is exposed to the risk of rate fluctuations on foreign currency assets and liabilities, and foreign currency denominated forecasted cash flows. The Company has established risk management policies, including the use of derivative financial instruments to hedge foreign currency assets and liabilities, and foreign currency denominated forecasted cash flows. These derivative financial instruments are largely deliverable and non-deliverable forward foreign exchange contracts. The Company enters into these contracts with counterparties which are banks / financial institutions and the Company considers the risks of non-performance by the counterparties as not material. The forward foreign exchange contracts mature between zero and forty-eight months and the forecasted transactions are expected to occur during the same period.

The following table presents the aggregate notional principal amounts of the outstanding derivative financial instruments together with the related balance sheet exposure:

	Notional principal amounts (Note a)		Balance sheet exposure asset (liability) (Note b)	
	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011
Foreign exchange forward contracts denominated in:				
United States Dollars (sell) Indian Rupees (buy)	$1,937,497	$1,820,450	$ (19,405)	$ 40,789
United States Dollars (sell) Mexican Peso (buy)	14,400	9,600	510	951
United States Dollars (sell) Philippines Peso (buy)	51,950	45,900	2,210	1,664
Euro (sell) United States Dollars (buy)	61,426	72,084	953	(4,274)
Euro (sell) Hungarian Forints (buy)	13,408	13,742	341	1,208
Euro (sell) Romanian Leu (buy)	55,392	62,660	591	1,854
Japanese Yen (sell) Chinese Renminbi (buy)	66,970	66,634	(6,930)	(5,147)
Pound Sterling (sell) United States Dollars (buy)	71,463	82,041	1,680	(437)
Australian Dollars (sell) United States Dollars (buy)	58,577	66,902	(6,287)	(7,981)
			$ (26,337)	$ 28,627

(a) Notional amounts are key elements of derivative financial instrument agreements, but do not represent the amount exchanged by counterparties and do not measure the Company's exposure to credit or market risks. However, the amounts exchanged are based on the notional amounts and other provisions of the underlying derivative financial instruments agreements.

(b) Balance sheet exposure is denominated in U.S. Dollars and denotes the mark-to-market impact of the derivative financial instruments on the reporting date.

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8. Derivative financial instruments (Continued)

FASB guidance on Derivatives and Hedging requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the statement of financial position. In accordance with the FASB guidance on Derivatives and Hedging, the Company designates foreign exchange forward contracts as cash flow hedges for forecasted revenues and the purchases of service. In addition to this program the Company also has derivative instruments that are not accounted for as hedges under the FASB guidance to hedge the foreign exchange risks related to balance sheet items such as receivables including forecasted receivables, and inter-company borrowings denominated in currencies other than the underlying functional currency.

The fair value of the derivative instruments and their location in the financial statements of the Company is summarized in the table below:

	Cash flow		Non-designated	
	As of December 31, 2010	As of June 30, 2011	As of December 31, 2010	As of June 30, 2011
Assets				
Prepaid expenses and other current assets	$ 10,186	$ 39,659	$ 1,202	$ 2,745
Other assets	$ 26,638	$ 18,923	$ —	$ —
Liabilities				
Accrued expenses and other current liabilities	$ 44,577	$ 13,632	$ 58	$ 3,281
Other liabilities	$ 19,728	$ 15,787	$ —	$ —

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8. Derivative financial instruments (Continued)

Cash flow hedges

For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain (loss) on the derivative instrument is reported as a component of accumulated other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction is recognized in the Consolidated Statements of Income. Gains (losses) on the derivatives representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in earnings as incurred.

In connection with cash flow hedges, the Company has recorded as a component of accumulated other comprehensive income (loss) or OCI within equity a gain (loss) of ($18,235) and $19,366, net of taxes, as of December 31, 2010 and June 30, 2011, respectively.

The gains / losses recognized in accumulated other comprehensive income (loss), and their effect on financial performance is summarized below:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) recognized in OCI on Derivatives (Effective Portion)		Location of Gain (Loss) reclassified from accumulated OCI into Statement of Income (Effective Portion)	Amount of Gain (Loss) reclassified from Accumulated OCI into Statement of Income (Effective Portion)				Location of Gain (Loss) recognized in Income on Derivatives (Ineffective Portion and Amount excluded from Effectiveness Testing)	Amount of Gain (Loss) recognized in income on Derivative (Ineffective Portion and Amount excluded from Effectiveness Testing)			
	Six months ended June 30,			Three months ended June 30,		Six months ended June 30,			Three months ended June 30,		Six months ended June 30,	
	2010	2011		2010	2011	2010	2011		2010	2011	2010	2011
Forward foreign exchange contracts	$ (19,192)	$ 31,300	Revenue	$ (414)	$ (2,785)	$ (2,041)	$ (4,237)	Foreign exchange (gains) losses, net	$ —	$ —	$ —	$ —
			Cost of revenue	(13,819)	(5,154)	(26,763)	(17,456)					
			Selling, general and administrative expenses	(3,475)	(1,373)	(7,118)	(3,651)					
	$ (19,192)	**$ 31,300**		**$ (17,708)**	**$ (9,312)**	**$ (35,922)**	**$ (25,344)**		**$ —**	**$ —**	**$ —**	**$ —**

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8. Derivative financial instruments (Continued)

Non designated Hedges

Derivatives not designated as hedging instruments	Location of (Gain) Loss recognized in Income on Derivatives	Amount of (Gain) Loss recognized in Income on Derivatives			
		Three months ended June 30,		Six months ended June 30,	
		2010	2011	2010	2011
Forward foreign exchange contracts (Note a)	Foreign exchange (gains) losses, net	$ 2,494	$ (390)	$ (6,319)	$ (2)
Forward foreign exchange contracts (Note b)	Foreign exchange (gains) losses, net	—	—	(234)	—
		$ 2,494	**$ (390)**	**$ (6,553)**	**$ (2)**

(a) These forward foreign exchange contracts were entered into to hedge the fluctuations in foreign exchange rates for recognized balance sheet items such as receivables including forecasted receivables, and inter-company borrowings, and were not originally designated as hedges under FASB guidance on Derivatives and Hedging. Realized (gains) losses and changes in the fair value of these derivatives are recorded in foreign exchange (gains) losses, net in the Consolidated Statements of Income.

(b) These forward foreign exchange contracts were initially designated as cash flow hedges under FASB guidance on Derivatives and Hedging. The net (gains) losses amounts of $(234) and $0 for the six months ended June 30, 2010 and 2011 respectively, and the net (gains) losses amounts of $0 and $0 for the three months ended June 30, 2010 and 2011 respectively, include the recognition of losses for certain derivative contracts accounted for within accumulated other comprehensive income (loss). These losses were recognized as certain forecasted transactions are no longer expected to occur and therefore hedge accounting is no longer applied. These amounts represent subsequent realized (gains) losses and changes in the fair value of these derivatives and are recorded in foreign exchange (gains) losses, net in the Consolidated Statements of Income.

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9. Property, plant and equipment, net

Property, plant and equipment, net consist of the following:

	As of December 31, 2010	As of June 30, 2011
Property, plant and equipment, gross	$ 440,570	$ 468,517
Less: Accumulated depreciation and amortization	(243,404)	(274,722)
Property, plant and equipment, net	$ 197,166	$ 193,795

Depreciation expense on property, plant and equipment for the six months ended June 30, 2010 and 2011 was $24,570, and $23,839 respectively, and for the three months ended June 30, 2010 and 2011 was $12,641 and $12,066, respectively. The amount of computer software amortization for the six months ended June 30, 2010 and 2011 was $6,742, and $6,507, respectively, and for the three months ended June 30, 2010 and 2011 was $3,425 and $3,315, respectively.

The above depreciation and amortization expense includes the effect of reclassification of foreign exchange (gains) losses related to the effective portion of the foreign currency derivative contracts amounting to $2,552 and $1,341 for the six months ended June 30, 2010 and 2011, respectively, and $1,294 and $379 for the three months ended June 30, 2010 and 2011, respectively.

10. Goodwill and intangible assets

The following table presents the changes in goodwill for the year ended December 31, 2010 and six months ended June 30, 2011:

	As of December 31, 2010	As of June 30, 2011
Opening balance	$ 548,723	$ 570,153
Goodwill relating to acquisitions consummated during the period	16,251	392,961
Effect of exchange rate fluctuations	5,179	11,877
Closing balance	$ 570,153	$ 974,991

The total amount of goodwill deductible for tax purposes is $10,474 and $1,716 as of December 31, 2010 and June 30, 2011, respectively.

The Company's intangible assets acquired either individually or with a group of other assets or in a business combination are as follows:

	As of December 31, 2010			As of June 30, 2011		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Customer-related intangible assets	$222,285	$ 188,989	$33,296	$293,884	$ 199,626	$ 94,258
Marketing-related intangible assets	15,835	15,835	—	37,803	16,346	21,457
Contract-related intangible assets	1,423	1,423	—	1,443	1,443	—
Other intangible assets	318	267	51	1,677	366	1,311
	$239,861	$ 206,514	$33,347	$334,807	$ 217,781	$117,026

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10. Goodwill and intangible assets (Continued)

Amortization expenses for intangible assets as disclosed in the Consolidated Statements of Income under amortization of acquired intangible assets for the six months ended June 30, 2010 and 2011 were $8,284 and $8,217, respectively, and for the three months ended June 30, 2010 and 2011 were $4,065 and $5,140, respectively. Intangible assets recorded for the 2004 Reorganization include the incremental value of the minimum volume commitment from GE, entered into contemporaneously with the 2004 Reorganization, over the value of the pre-existing customer relationship with GE. The amortization of this intangible asset for the six months ended June 30, 2010 and 2011 were $165 and $83, respectively, and for the three months ended June 30, 2010 and 2011 were $81 and $41, respectively, and has been reported as a reduction of revenue. As of June 30, 2011, the unamortized value of the intangible asset was $154, which will be amortized in future periods and reported as a reduction of revenue.

11. Employee benefit plans

The Company has employee benefit plans in the form of certain statutory and other schemes covering its employees.

Defined benefit plans

In accordance with Indian law, the Company provides a defined benefit retirement plan (the “Gratuity Plan”) covering substantially all of its Indian employees. In addition, in accordance with Mexican law, the Company provides termination benefits (the “Mexican Plan”) to all of its Mexican employees. As a result of Headstrong’s acquisition during the current period, the Company provided for defined benefit plans in India, Japan and Philippines.

Net defined benefit plan costs for the three months and six months ended June 30, 2010 and 2011 include the following components:

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
Service costs	$ 611	$ 860	$ 1,212	$ 1,553
Interest costs	240	378	476	713
Amortization of actuarial loss	89	140	177	277
Expected return on plan assets	(201)	(160)	(398)	(330)
Net Gratuity Plan costs	$ 739	$ 1,218	$ 1,467	$ 2,213

Defined contribution plans

During the three months and six months ended June 30, 2010 and 2011, the Company contributed the following amounts to defined contribution plans in various jurisdictions:

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
India	$ 2,579	$ 2,749	$ 4,890	$ 6,069
U.S.	423	510	830	1,168
U.K.	228	316	434	523
Hungary	7	9	15	22
China	1,873	2,088	3,681	4,261
Mexico	14	7	26	18
South Africa	74	137	171	164
Morocco	31	37	62	72
Total	$ 5,229	$ 5,853	$ 10,109	$ 12,297

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12. Stock-based compensation

The Company has issued options under the Genpact Global Holdings 2005 Plan (the "2005 Plan"), Genpact Global Holdings 2006 Plan (the "2006 Plan"), Genpact Global Holdings 2007 Plan (the "2007 Plan") and Genpact Limited 2007 Omnibus Incentive Compensation Plan (the "2007 Omnibus Plan") to eligible persons who are employees, directors and certain other persons associated with the Company.

From the date of adoption of the 2007 Omnibus Plan on July 13, 2007, the options forfeited, expired, terminated, or cancelled under any of the plans will be added to the number of shares otherwise available for grant under the 2007 Omnibus Plan. The 2007 Omnibus Plan was amended and restated on April 15, 2011.

The stock-based compensation costs relating to above plans during the six months ended June 30, 2010 and 2011, were $10,251 and $8,519 respectively, and for the three months ended June 30, 2010 and 2011, were $5,780 and $5,472, respectively, have been allocated to cost of revenue and selling, general, and administrative expenses.

There are no significant changes to the assumptions used to estimate the fair value of options granted during the six months ended June 30, 2011.

A summary of the options granted during the six months ended June 30, 2011 is set out below:

	Six months ended June 30, 2011			
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of January 1, 2011	15,989,356	$ 10.84	6.4	$ —
Granted	250,000	15.34	—	—
Forfeited	(876,355)	14.44	—	—
Expired	(118,219)	15.63	—	—
Exercised	(529,426)	10.71	—	3,455
Outstanding as of June 30, 2011	14,715,356	$ 10.67	6.0	$ 96,733
Vested and exercisable as of June 30, 2011 and expected to vest thereafter (Note a)	13,811,336	$ 10.61	6.0	$ 91,566
Vested and exercisable as of June 30, 2011	8,035,924	$ 8.18	5.1	$ 72,772
Weighted average grant date fair value of grants during the period	$ 6.21			

(a) Options expected to vest reflect an estimated forfeiture rate.

As of June 30, 2011, the total remaining unrecognized stock based compensation costs for options expected to vest amounted to $23,941, which will be recognized over the weighted average remaining requisite vesting period of 2.11 years.

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12. Stock-based compensation (Continued)

Share Issuances Subject to Restrictions

In connection with the acquisition of Axis Risk Consulting Services Private Limited in 2007, 143,453 common shares were issued to selling shareholders. Of the common shares that were issued, 94,610 common shares were issued to selling shareholders who became employees of the Company and are subject to restrictions on transfer linked to continued employment with the Company for a specified period. The Company has accounted for such shares as compensation for services.

A summary of such shares granted that are subject to restrictions and accounted for as compensation for services, or restricted shares, during the six months ended June 30, 2011 is set out below:

	Six months ended June 30, 2011	
	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2011	23,653	$ 14.04
Granted	—	—
Vested and allotted	(23,653)	14.04
Forfeited	—	—
Outstanding as of June 30, 2011	—	$ —

Restricted Share Units

The Company granted restricted share units, or RSUs, under the 2007 Omnibus Plan. Each RSU represents the right to receive one common share. The fair value of each RSU is the market price of one common share of the Company on the date of grant. The RSUs granted to date have vesting schedules of one to four years. The compensation expense is recognized on a straight line over the vesting term.

A summary of RSUs granted during the six months ended June 30, 2011 is set out below:

	Six months ended June 30, 2011	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2011	1,016,000	$ 13.61
Granted	914,848	16.28
Vested and allotted	(87,500)	8.27
Forfeited	(176,357)	13.34
Outstanding as of June 30, 2011	1,666,991	$ 15.39
Expected to vest	1,370,973	

GENPACT LIMITED AND ITS SUBSIDIARIES
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12. Stock-based compensation (Continued)

As of June 30, 2011, the total remaining unrecognized stock-based compensation costs related to RSUs amounted to $17,860 which will be recognized over the weighted average remaining requisite vesting period of 2.98 years.

Performance Units

The Company also makes stock awards in the form of Performance Units, or PUs, under the 2007 Omnibus Plan.

The Company granted PUs, wherein each PU represents the right to receive a common share based on the Company's performance against specified targets. PUs granted to date have vesting schedules of six months to three years. The fair value of each PU is the market price of one common share of the Company on the date of grant, and assumes that performance targets will be achieved. The PUs granted under the plan are subject to cliff or graded vesting. For awards with cliff vesting, the compensation expense is recognized on a straight line basis over the vesting term and for awards with graded vesting, compensation expenses is recognized over the vesting term of each separately vesting portion. Over the performance period, the number of shares that will be issued will be adjusted upward or downward based upon the probability of achievement of the performance targets. The ultimate number of shares issued and the related compensation cost recognized as expense will be based on a comparison of the final performance metrics to the specified targets.

A summary of PUs activity during the six months ended June 30, 2011 is set out below:

	Six months ended June 30, 2011		
	Number of Performance Units	Weighted Average Grant Date Fair Value	Maximum Shares Eligible to Receive
Outstanding as of January 1, 2011	895,333	$ 15.38	1,343,000
Granted	1,682,196	15.05	2,346,995
Vested and allotted	—	—	—
Forfeited	(66,714)	16.39	(97,143)
Outstanding as of June 30, 2011	2,510,815	$ 15.13	3,592,853
Performance Units expected to vest	2,205,071		

As of June 30, 2011, the total remaining unrecognized stock-based compensation costs related to PUs amounted to $27,935 which will be recognized over the weighted average remaining requisite vesting period of 2.14 years.

In the first quarter of 2011, the compensation committee of the board of directors of the Company modified the performance metrics for the performance unit grants made to employees in March 2010 from revenue and EBITDA growth to revenue and adjusted operating income growth.

	Original Performance Target		Modified Performance Target	
Performance Level	Revenue Growth	EBITDA Growth	Revenue Growth	Adjusted Income from Operation growth
Outstanding	20.0%	20.0%	20.0%	20.0%
Target	15.0%	15.0%	15.0%	15.0%
Threshold	10.0%	10.0%	10.0%	10.0%

For the August 2010 performance unit grant to the former CEO, who changed his role to Non-Executive Vice-Chairman as of June 17, 2011, in addition to the modification made to the performance metrics from revenue and EBITDA growth to revenue and adjusted operating income growth, because the award vests based on annual performance targets whereas the awards to the other employees vest based on average performance over three years, revision has been made to the performance targets in order to make the performance targets consistent with performance unit grants made to employees in the first quarter of 2011.

GENPACT LIMITED AND ITS SUBSIDIARIES
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12. Stock-based compensation (Continued)

	Original Performance Target		Modified Performance Target	
Performance Level	Revenue Growth	EBITDA Growth	Revenue Growth	Adjusted Income from Operation growth
Outstanding	20.0 %	20.0 %	17.0 %	16.0 %
Target	15.0 %	15.0 %	12.5 %	12.5 %
Threshold	10.0 %	10.0 %	8.0 %	7.0 %

As a result of the above mentioned modifications, 45 employees were affected and incremental compensation cost of $4,109 is to be recognized over a period of 21.5 months starting from March 2011 to December 31, 2012. Out of the total incremental compensation cost, $2,878 and $ 1,231 is to be recognized over the years 2011 and 2012 respectively.

Employee Stock Purchase Plan (ESPP)

On May 1, 2008, the Company adopted the Genpact Limited U.S. Employee Stock Purchase Plan and the Genpact Limited International Employee Stock Purchase Plan (together, the “ESPP”).

The ESPP allowed eligible employees to purchase the Company’s common shares through payroll deduction at 95% of the fair value per share on the last business day of each purchase interval ending on or prior to August 31, 2009. The purchase price has been reduced to 90% of the fair value per share on the last business day of each purchase interval commencing with effect from September 1, 2009. The dollar amount of common shares purchased under the ESPP shall not exceed the greater of 15% of the participating employee’s base salary or $25 per calendar year. With effect from September 1, 2009, the offering periods commence on the first business day in March, June, September and December of each year and end on the last business day in the subsequent May, August, November and February of each year. 4,200,000 common shares have been reserved for issuance in the aggregate over the term of the ESPP.

During the six months ended June 30, 2010 and 2011, common shares issued under ESPP were 20,648 and 23,579 respectively.

The ESPP was considered as non compensatory under the FASB guidance on Compensation-Stock Compensation until the purchase interval ending on or prior to August 31, 2009. As a result of the change in the discount rate, the ESPP is being considered compensatory with effect from September 1, 2009.

The compensation expenses for the employee stock purchase plan is recognized in accordance with the FASB guidance on Compensation-Stock Compensation. The compensation expense for ESPP during the six months ended June 30, 2010 and 2011, were $34 and $40, respectively, and for the three months ended June 30, 2010 and 2011, were $19 and $22 respectively, and has been allocated to cost of revenue and selling, general, and administrative expenses.

13. Earnings per share

The Company calculates earnings per share in accordance with FASB guidance on Earnings per share. Basic and diluted earnings per common share give effect to the change in the number of common shares of the Company. The calculation of earnings per common share was determined by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the respective periods. The potentially dilutive shares, consisting of outstanding options on common shares, restricted share units, common shares to be issued under employee stock purchase plan and performance units have been included in the computation of diluted net earnings per share and the weighted average shares outstanding, except where the result would be anti-dilutive.

The number of stock options outstanding but not included in the computation of diluted earnings per common share because their effect was anti-dilutive is 10,001,706 and 7,337,228 for the six months ended June 30, 2010 and 2011, respectively, and is 9,621,198 and 6,894,891 for the three months ended June 30, 2010 and 2011, respectively.

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13. Earnings per share (Continued)

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
Net income attributable to Genpact Limited common shareholders	$ 27,847	$ 39,009	$ 56,021	$ 75,129
Weighted average number of common shares used in computing basic earnings per common share	218,955,223	221,297,842	218,455,684	221,153,301
Dilutive effect of stock based awards	5,991,952	4,848,546	6,003,933	4,691,538
Weighted average number of common shares used in computing dilutive earnings per common share	224,947,174	226,146,388	224,459,617	225,844,839
Earnings per common share attributable to Genpact Limited common shareholders				
Basic	$ 0.13	$ 0.18	$ 0.26	$ 0.34
Diluted	$ 0.12	$ 0.17	$ 0.25	$ 0.33

14. Short-term borrowings

The Company has the following borrowing facilities:

(a) fund-based and non-fund-based credit facilities with banks which are available for operational requirements in the form of overdrafts, letters of credit, guarantees, short-term loans excluding forward hedging. As of June 30, 2011, the limits available was $17,417 and an amount of $3,990 was outstanding for non-funded facility.

(b) fund-based and non-fund-based revolving credit facilities of $260,000 for operational requirements expiring May 2015. This was initially used for the acquisition of Headstrong Corporation. As of June 30, 2011, a total of $259,000 was utilized, representing a funded drawdown of $ 252,000 and non-funded drawdown of $7,000. These facilities bear interest at LIBOR plus a margin 1.65%. Indebtedness under these facilities is secured by certain assets. The agreement contains certain covenants including a restriction on further indebtedness of the Company.

15. Long-term debt

The Company obtained credit facilities aggregating $380,000 from a consortium of financial institutions to finance in part the acquisition of Headstrong and general corporate purposes of the Company and its subsidiaries, including working capital requirements. The credit agreement provides for a $120,000 term loan and a $260,000 revolving credit facility. The Company has an option to increase the commitment under the Credit Agreement by up to an additional $100,000 subject to certain approvals and conditions as set forth in the credit agreement.

The outstanding term loan amounting to $120,000 bears interest at LIBOR plus a margin of 1.65%. The interest rate as of June 30, 2011 was 1.90%. Indebtedness under the loan agreement is secured by certain assets, and the agreement contains certain covenants including a restriction on further indebtedness of the Company. The entire amount remains outstanding as of June 30, 2011. This will be repaid over four years through semi – annual repayments of $15,000 commencing six months from the initial drawdown on May 3, 2011.

The maturity profile of the term loan, net of debt amortization expense is as follows:

Year	Amount
2011	$ 14,377
2012	29,003
2013	29,328
2014	29,648
2015	14,945
	$117,301

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16. Cost of revenue

Cost of revenue consists of the following:

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
Personnel expenses	$ 121,340	$ 168,132	$ 236,311	$ 311,873
Operational expenses	56,443	72,527	105,830	130,087
Depreciation and amortization	13,318	13,371	25,645	26,557
	$ 191,101	$ 254,030	$ 367,786	$ 468,517

17. Selling, general and administrative expenses

Selling, general and administrative expenses consist of the following:

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
Personnel expenses	$ 52,624	$ 59,438	$ 103,943	$ 106,958
Operational expenses	19,902	25,276	38,558	43,418
Depreciation and amortization	2,751	2,010	5,667	3,789
	$ 75,277	$ 86,724	$ 148,168	$ 154,165

18. Other operating (income) expense, net

Other operating (income) expense, net consists of the following:

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
Other operating (income) expense	$ (1,111)	$ (800)	$ (3,941)	$ (1,756)
Impairment of capital work in progress	—	1,465	—	1,465
Other operating (income) expense, net	$ (1,111)	$ 665	$ (3,941)	$ (291)

19. Other income (expense), net

Other income (expense), net consists of the following:

	Three months ended June 30,		Six months ended June 30,	
	2010	2011	2010	2011
Interest income	$ 702	$ 3,605	$ 2,044	$ 7,163
Interest expense	(530)	(1,934)	(1,105)	(2,599)
Secondary offering expenses	—	—	(591)	—
Other income	672	1,355	1,766	1,560
Other income (expense), net	$ 844	$ 3,026	$ 2,114	$ 6,124

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20. Income taxes

As of December 31, 2010, the Company had unrecognized tax benefits amounting to $20,016 including an amount of $19,860 that, if recognized would impact the effective tax rate.

The following table summarizes the activities related to our unrecognized tax benefits for uncertain tax positions from January 1, 2011 to June 30, 2011:

Opening balance at January 1, 2011	$20,016
Increase related to prior year tax positions, including recorded against Goodwill	2,225
Increase related to current year tax positions, including recorded against Goodwill	1,700
Decrease related to prior year tax positions	(111)
Effect of exchange rate changes	191
Closing balance at June 30, 2011	$24,021

The unrecognized tax benefits as of June 30, 2011 include an amount of $ 23,860 that, if recognized, would impact the effective tax rate. As of December 31, 2010 and June 30, 2011, the Company has accrued approximately $2,020 and $ 2,573 respectively, in interest relating to unrecognized tax benefits.

21. Related party transactions

The Company has entered into related party transactions with GE and companies in which GE has a majority ownership interest or on which it exercises significant influence (collectively referred to as “GE” herein). The Company has also entered into related party transactions with its non-consolidating affiliates, a customer in which one of the Company’s directors has a controlling interest and a customer which has a significant interest in the Company.

The related party transactions can be categorized as follows:

Revenue from services

Prior to December 31, 2004, substantially all of the revenues of the Company were derived from services provided to GE entities. In connection with the 2004 Reorganization, GE entered into a Master Service Agreement, or MSA, with the Company. The GE MSA, as amended, provides that GE will purchase services in an amount not less than a minimum volume commitment, or MVC, of $360,000 per year for seven years beginning January 1, 2005, $270,000 in 2012, $180,000 in 2013 and $90,000 in 2014. Revenues in excess of the MVC can be credited, subject to certain limitations, against shortfalls in the subsequent years.

On January 26, 2010, the Company extended its MSA, with GE by two years, through the end of 2016, including the minimum annual volume commitment of $360,000. The MSA also provides that the minimum annual volume commitment for each of the years 2014, 2015 and 2016 is $250,000, $150,000 and $90,000, respectively.

For the six months ended June 30, 2010 and 2011, the Company recognized net revenues from GE of $231,118 and $ 235,411 respectively, representing 39% and 32%, respectively, of the consolidated total net revenues.

For the three months ended June 30, 2010 and 2011, the Company recognized net revenues from GE of $117,780 and $ 122,629 respectively, representing 38% and 31%, respectively, of the consolidated total net revenues.

For the six months ended June 30, 2010 and 2011, the Company recognized net revenues of $134 and $157, respectively, and for the three months ended June 30, 2010 and 2011, the Company recognized net revenues of $134 and $81, respectively, from a customer in which one of the Company’s directors has a controlling interest.

For the six months ended June 30, 2010 and 2011, the Company recognized net revenues of $0 and $176, respectively, and for the three months ended June 30, 2010 and 2011, the Company recognized net revenues of $0 and $73, respectively, from a customer which has a significant interest in the Company.

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21. Related party transactions (Continued)

Cost of revenue from services

The Company purchases certain services from GE mainly relating to communication and leased assets, which are included as part of operational expenses included in cost of revenue. For the six months ended June 30, 2010 and 2011, cost of revenue, net of recovery, included amounts of $2,582 and $2,067, respectively, and for the three months ended June 30, 2010 and 2011, cost of revenue, net of recovery, included amounts of $1,296 and $756, respectively relating to services procured from GE. For the six months ended June 30, 2010 and 2011, cost of revenue from services also include training and recruitment cost of $579 and $357 respectively, and $236 and $124 for the three months ended June 30, 2010 and 2011, respectively, from its non-consolidating affiliates

Selling, general and administrative expenses

The Company purchases certain services from GE mainly relating to communication and leased assets, which are included as part of operational expenses included in selling, general and administrative expenses. For the six months ended June 30, 2010 and 2011, selling, general and administrative expenses, net of recovery, included amounts of $314 and $282, respectively, and for the three months ended June 30, 2010 and 2011, selling, general and administrative expenses, net of recovery, included amounts of $111 and $100, respectively, relating to services procured from GE. For the six months ended June 30, 2010 and 2011, selling, general, and administrative expenses also include training and recruitment cost and cost recovery, net, of $300 and $(4), respectively, and for the three months ended June 30, 2010 and 2011, selling, general, and administrative expenses also include training and recruitment cost and cost recovery, net, of $78 and $15, respectively, from its non-consolidating affiliates.

Other operating (income) expense, net

The Company provides certain shared services such as facility, recruitment, training, and communication to GE. Recovery for such services has been included as other operating income in the Consolidated Statements of Income. For the six months ended June 30, 2010 and 2011, income from these services was ($1,242) and ($1,100), respectively, and for the three months ended June 30, 2010 and 2011, income from these services was ($457) and ($587), respectively.

Interest income

The Company earned interest income on short-term deposits placed with GE. For the six months ended June 30, 2010 and 2011, interest income earned on these deposits was $118 and $0, respectively, and for the three months ended June 30, 2010 and 2011, interest income earned on these deposits was $25 and $0, respectively.

Interest expense

The Company incurred interest expense on finance lease obligations from GE. For the six months ended June 30, 2010 and 2011, interest expense relating to such related party debt amounted to $142 and $191, respectively, and for the three months ended June 30, 2010 and 2011, interest expense relating to such related party debt amounted to $30 and $88, respectively.

Investment in equity affiliates

During the six months ended June 30, 2010 and 2011, the Company has made an investment of $2,324 and $0, respectively, in its non-consolidating affiliates and for the three months ended June 30, 2010 and 2011, the Company has made an investment of $324 and $0, respectively, in its non-consolidating affiliates.

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22. Commitments and contingencies

Capital commitments

As of December 31, 2010 and June 30, 2011, the Company has committed to spend $3,041 and $6,804, respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of these purchases.

Bank Guarantees

The Company has outstanding bank guarantees including letters of credit amounting to $12,745 and $10,952, as of December 31, 2010 and June 30, 2011, respectively. Bank guarantees are generally provided to government agencies, excise and customs authorities for the purposes of maintaining a bonded warehouse. These guarantees may be revoked by the governmental agencies if they suffer any losses or damage through the breach of any of the covenants contained in the agreements.

Other commitments

The Company's business process Delivery Centers in India are 100% Export Oriented units or Software Technology Parks of India units ("STPI") under the STPI guidelines issued by the Government of India. These units are exempted from customs, central excise duties, and levies on imported and indigenous capital goods, stores, and spares. The Company has executed legal undertakings to pay custom duty, central excise duty, levies, and liquidated damages payable, if any, in respect of imported and indigenous capital goods, stores, and spares consumed duty free, in the event that certain terms and conditions are not fulfilled.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with our Consolidated Financial Statements and related Notes included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2010 and with the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2010. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including but not limited to those listed below and under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010.

Special Note Regarding Forward-Looking Statements

We have made statements in this Quarterly Report on Form 10-Q (the "Quarterly Report") in, among other sections, this Part 1 Item 2—"Management's Discussion and Analysis of Financial Condition and Results of Operations", that are forward-looking statements. In some cases, you can identify these statements by forward-looking terms such as "expect", "anticipate", "intend", "plan", "believe", "seek", "estimate", "could", "may", "shall", "will", "would" and variations of such words and similar expressions, or the negative of such words or similar expressions. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, which in some cases may be based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks outlined in Part I, Item 1A—"Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010. These forward-looking statements include, but are not limited to, statements relating to:

- our ability to retain existing clients and contracts;
- our ability to win new clients and engagements;
- the expected value of the statements of work under our master service agreements;
- our beliefs about future trends in our market;
- political or economic instability in countries where we have operations;
- worldwide political, economic or business conditions;
- political, economic or business conditions where our clients operate;
- expected spending on business process services by clients;
- foreign currency exchange rates;
- our rate of employee attrition;
- our effective tax rate; and
- competition in our industry.

Factors that may cause actual results to differ from expected results include, among others:

- our ability to grow our business and effectively manage growth and international operations while maintaining effective internal controls;
- our relative dependence on GE;
- our dependence on revenues derived from clients in the United States;
- our ability to hire and retain enough qualified employees to support our operations;
- our ability to successfully consummate or integrate strategic acquisitions;
- our dependence on favorable tax legislation and tax policies that may be amended in a manner adverse to us or be unavailable to us in the future;
- increases in wages in locations in which we have operations;
- restrictions on visas for our employees traveling to North America and Europe;
- our ability to maintain pricing and asset utilization rates;

- fluctuations in exchange rates between U.S. dollars, euros, U.K. pounds sterling, Chinese renminbi, Hungarian forint, Japanese yen, Indian rupees, Australian dollars, Philippines peso, Guatemala quetzal, Mexican peso, Moroccan dirham (DH), Polish zloty, Romanian leu, South African rand, Hong Kong dollar, Singapore dollar and Brazilian real;
- our ability to retain senior management;
- the selling cycle for our client relationships;
- our ability to attract and retain clients and our ability to develop and maintain client relationships based on attractive terms;
- legislation in the United States or elsewhere that adversely affects the performance of business process services offshore;
- increasing competition in our industry;
- telecommunications or technology disruptions or breaches, or natural or other disasters;
- our ability to protect our intellectual property and the intellectual property of others;
- further deterioration in the global economic environment and its impact on our clients;
- regulatory, legislative and judicial developments, including the withdrawal of governmental fiscal incentives;
- the international nature of our business;
- technological innovation;
- our ability to derive revenues from new service offerings; and
- unionization of any of our employees.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements. We are under no obligation to update any of these forward-looking statements after the date of this filing to conform our prior statements to actual results or revised expectations. You are advised, however, to consult any further disclosures we make on related subjects in our Form 10-K, Form 10-Q and Form 8-K reports to the SEC.

Overview

We are a global leader in business process and technology management, offering a broad portfolio of enterprise and industry-specific services. We manage over 4,500 processes and projects for more than 600 clients worldwide. Putting process in the forefront, we couple our deep process knowledge and insights with focused information technology capabilities, targeted analytics, business consulting, domain consulting and pragmatic reengineering to deliver comprehensive solutions for clients. Lean and Six Sigma are an integral part of our culture and we view the management of business processes as a science. We have developed Smart Enterprise Processes (SEP℠), a groundbreaking, rigorously scientific methodology for managing business processes, which focuses on optimizing process effectiveness in addition to efficiency to deliver superior business outcomes. Services are seamlessly delivered from a global network of centers to meet a client's business objectives, cultural and language needs and cost reduction goals.

We have a unique heritage. We built our business by meeting the demands of the leaders of the General Electric Company, or GE, to increase the productivity of their businesses. We began in 1997 as the India-based captive business process services operation for General Electric Capital Corporation, or GE Capital, GE's financial services business. As the value of offshoring was demonstrated to the management of GE, it became a widespread practice at GE and our business grew in size and scope. We took on a wide range of complex and critical processes and we became a significant provider to many of GE's businesses, including Consumer Finance (GE Money), Commercial Finance, Healthcare, Industrial, NBC Universal and GE's corporate offices.

Our leadership team, our methods and our culture have been deeply influenced by our eight years as a captive operation of GE. Many elements of GE's success—the rigorous use of metrics and analytics, the relentless focus on improvement, a strong emphasis on the client and innovative human resources practices—are the foundations of our business.

As of June 30, 2011, we have approximately 51,300 employees with operations in fourteen countries. In the second quarter of 2011, we had net revenues of $397.6 million, of which 69.2% was from clients other than GE, which we refer to as Global Clients.

Our registered office is located at Canon's Court, 22 Victoria Street, Hamilton HM, Bermuda.

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The Company

The 2004 Reorganization

Prior to December 30, 2004, our business was conducted through various entities and divisions of GE. On December 30, 2004, in a series of transactions we refer to as the "2004 Reorganization," GE reorganized these operations by placing them all under Genpact Global Holdings SICAR S.à.r.l., or GGH, a newly formed company. GE's affiliate, GE Capital International (Mauritius) also sold an indirect 60% interest in GGH to Genpact Investment Co. (Lux) SICAR S.à.r.l., an entity owned in equal portions by General Atlantic LLC and Oak Hill Capital Partners. Since the 2004 Reorganization, GE, through its affiliates, sold a portion of its equity in us pursuant to several separate transactions. As of June 30, 2011, GE, through its affiliates, owned 9.0% of our outstanding equity.

The 2007 Reorganization and IPO

On March 29, 2007, we formed Genpact Limited in Bermuda to be the new holding company for our business. It was initially a wholly-owned subsidiary of GGH. On July 13, 2007, we effectuated a transaction that resulted in Genpact Limited owning 100% of the capital stock of GGH. This transaction together with other related transactions is referred to as the "2007 Reorganization." As part of the 2007 Reorganization, GGH became a Bermuda company and changed its name to Genpact Global Holding (Bermuda) Limited. We use the terms "Genpact", "Company", "we" and "us" to refer to both GGH and its subsidiaries prior to July 13, 2007 and Genpact Limited and its subsidiaries after such date.

On August 1, 2007, we commenced an initial public offering of our common shares, pursuant to which we and certain of our existing shareholders each sold 17.65 million common shares at a price of $14 per share. The offering resulted in gross proceeds of $494.1 million and net proceeds to us and the selling shareholders of approximately $233.5 million each after deducting underwriting discounts and commissions. Additionally, we incurred offering-related expenses of approximately $9.0 million. On August 14, 2007, the underwriters exercised their option to purchase 5.29 million additional common shares from us at the initial offering price of $14 per share to cover over-allotments resulting in additional gross proceeds of $74.1 million and net proceeds of approximately $70.0 million to us, after deducting underwriting discounts and commissions.

Secondary Offering

On March 24, 2010, we completed a secondary offering of our common shares, pursuant to which certain of our shareholders sold 38.64 million common shares at a price of $15 per share, which included the underwriters exercise of their option to purchase an additional 5.04 million common shares from selling shareholders at the offering price of $15 per share to cover over-allotments. All of the common shares were sold by our shareholders and, as a result, we did not receive any of the proceeds from the offering. We incurred offering-related costs of approximately $0.6 million expensed and classified as other income (expense), net in the interim consolidated financial statements. Upon completion of the secondary offering, GE's shareholding declined to 9.1% and it ceased to be a significant shareholder although it continues to be a related party in accordance with the provisions of Regulation S-X Rule 1-02(s).

Acquisitions

From time to time we may make acquisitions or engage in other strategic transactions if suitable opportunities arise, and we may use cash, securities or other assets as consideration.

In January 2010, we finalized an arrangement with Walgreens, the largest drug store chain in the U.S., to acquire a delivery center in Danville, Illinois for cash consideration of $16.3 million. At the same time, we entered into a ten year master professional service agreement, or MPSA, with Walgreens. Pursuant to the terms of the MPSA, approximately 500 Walgreens accounting employees in Danville were transferred to Genpact in May 2010. This transaction was consummated in the second quarter of 2010 upon completion of certain closing conditions and has been accounted for as a business combination in accordance with the acquisition method.

In February 2010, we acquired Symphony Marketing Solutions, Inc., or Symphony, a leading provider of analytics and data management services with domain expertise in the retail, pharmaceutical and consumer packaged goods industries for cash consideration of $29.3 million and acquired short term liabilities of $5.4 million. The acquisition of Symphony was accounted for as a business combination in accordance with the acquisition method.

In March 2011, we acquired Akritiv Technologies, Inc., or Akritiv, a provider of cloud-based order-to-cash (OTC) technology solutions with domain expertise in providing Software As A Service (SAAS) solutions for working capital optimization, for a cash

consideration of $1.6 million and a contingent consideration with an estimated fair value of $1.7 million. The acquisition of Akritiv was accounted for as a business combination in accordance with the acquisition method.

In May 2011, we acquired Headstrong Corporation, or Headstrong, a global provider of comprehensive consulting and IT services with a specialized focus in capital markets and healthcare, for cash consideration of $550 million subject to adjustment based on closing date net working capital, funded indebtedness, seller expenses and amount of cash and cash equivalents. The purchase price for the acquisition was funded with a combination of existing cash on hand and borrowings under a new credit facility.

The acquisition has been accounted for under the acquisition method of accounting in accordance with ASC 805, Business Combinations in the second quarter of 2011. The following table summarizes the preliminary allocation of the preliminary estimated purchase price based on the fair value of the assets acquired and the liabilities assumed at the date of acquisition:

	(dollars in millions)
Preliminary estimated cash consideration	$ 565.1
Acquisition related costs included in selling, general and administrative expenses	5.6
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	$ 25.9
Current assets	62.2
Tangible fixed assets	14.6
Intangible assets	91.0
Deferred tax assets, net	18.4
Other non-current assets	12.0
Current liabilities	(42.7)
Long term liabilities	(6.3)
Total identifiable net assets assumed	$ 175.1
Goodwill	390.0
Total	**$ 565.1**

2011 Credit Facility

We obtained credit facilities aggregating $380.0 million from a consortium of financial institutions to finance in part the acquisition of Headstrong and to provide funds for general corporate purposes, including certain working capital requirements. The credit agreement provides for a $120.0 million term loan and a $260.0 million revolving credit facility. We have an option to increase the commitment under the credit agreement by up to an additional $100.0 million subject to certain approvals and conditions as set forth in the credit agreement.

Critical Accounting Policies and Estimates

For a description of our critical accounting policies, see Note 2—“Summary of significant accounting policies” under Item 1—“Financial Statements” above and Part-II Item—7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” in our Annual Report on Form 10-K for the year ended December 31, 2010.

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Results of Operations

The following table sets forth certain data from our income statement for the three months and six months ended June 30, 2010 and 2011:

	Three months ended June 30,		Six months ended June 30,		% Change Increase/(Decrease)	
	2010	2011	2010	2011	Three months ended June 30, 2011 Vs. 2010	Six months ended June 30, 2011 Vs. 2010
	(dollars in millions)		(dollars in millions)			
Net revenues—GE	$ 117.8	$ 122.6	$ 231.1	$ 235.4	4.1%	1.9%
Net revenues—Global Clients	189.8	275.0	364.7	492.8	44.9%	35.1%
Total net revenues	307.6	397.6	595.8	728.2	29.3%	22.2%
Cost of revenue	191.1	254.0	367.8	468.5	32.9%	27.4%
Gross profit	**116.5**	**143.6**	**228.1**	**259.7**	23.2%	13.9%
Gross profit Margin %	**37.9%**	**36.1%**	**38.3%**	**35.7%**		
Operating expenses						
Selling, general and administrative expenses	75.3	86.7	148.2	154.2	15.2%	4.0%
Amortization of acquired intangible assets	4.1	5.1	8.3	8.2	26.4 %	(0.8)%
Other operating (income) expense, net	(1.1)	0.7	(3.9)	(0.3)	(159.9)%	(92.6)%
Income from operations	**38.3**	**51.1**	**75.5**	**97.6**	33.3%	29.1%
Income from operations % of Net revenues	**12.4%**	**12.8%**	**12.7%**	**13.4 %**		
Foreign exchange (gains) losses, net	4.9	(1.1)	5.6	(2.7)	123.3%	148.3%
Other income (expense), net	0.8	3.0	2.1	6.1	258.5%	189.7%
Income before share of equity in loss of affiliates and income tax expense	**34.3**	**55.2**	**72.1**	**106.4**	61.1%	47.6%
Equity in loss of affiliates	0.3	0.1	0.6	0.3	(50.7)%	(55.9)%
Income before income tax expense	**34.0**	**55.1**	**71.5**	**106.1**	62.0%	48.5%
Income tax expense	4.9	14.4	12.1	27.5	195.1%	127.4%
Net Income	**29.1**	**40.7**	**59.4**	**78.6**	39.7%	32.4%

Net income attributable to noncontrolling interest	1.3	1.7	3.4	3.5	32.3%	4.3%
Net income attributable to Genpact Limited shareholders	**$27.8**	**$39.0**	**$56.0**	**$75.1**	**40.1%**	**34.1%**
Net income attributable to Genpact Limited shareholders % of Net revenues	**9.1%**	**9.8%**	**9.4%**	**10.3%**		

"Net revenues-related party" disclosed in the Consolidated Statements of Income includes revenue earned from GE and its affiliates; a client in which one of our directors has a controlling interest; and a client which has a significant interest in the Company. The revenue earned from these clients is included in "Net revenues-Global Clients" in the table above.

Three Months Ended June 30, 2011 Compared to Three Months Ended June 30, 2010

Net revenues. Our net revenues increased by $90.0 million, or 29.3%, in the second quarter of 2011 to $397.6 million compared to $307.6 million in the second quarter of 2010. Our growth in net revenues is primarily a result of an increase in Genpact business process management services for Global Clients as well as the acquisition of Headstrong. Growth in net revenues also reflects the strengthening of the Australian dollar, euro and the Japanese yen against the U.S. dollar, as a portion of our revenues are received in such currencies. Our average headcount increased by 14.2% to approximately 46,000 employees in the second quarter of 2011 up from approximately 40,300 employees in the second quarter of 2010. Our average revenue per employee increased to approximately $35.0 thousand in the second quarter of 2011 from approximately $30.5 thousand in the second quarter of 2010. Approximately two-thirds of the increase in average revenue per employee is attributable to the acquisition of Headstrong.

Revenues from business process management services as a percentage of total net revenues decreased to 78.1% in the second quarter of 2011 from 85.9% in the second quarter of 2010. Revenues from business process management grew 17.5% to $310.6 million in the second quarter of 2011 from $264.4 million in the second quarter of 2010, primarily led by growth in revenues from Global Clients including revenues from Headstrong business consulting services. In addition, our service offerings for GE Corporate, GE Commercial Finance and GE Infrastructure grew in the second quarter of 2011 compared to the second quarter of 2010. Revenue from our information technology business increased by $43.7 million, or 101.0%, in the second quarter of 2011 compared to the second quarter of 2010, primarily driven by the acquisition of Headstrong. Non-Headstrong information technology services revenue increased by 4.8% in the second quarter of 2011 compared to the second quarter of 2010. As a percentage of net revenues, revenue from our information technology business increased to 21.9% in the second quarter of 2011 up from 14.1% in the second quarter of 2010.

Net revenues from GE increased by $4.8 million, or 4.1%. As described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview — Classification of Certain Net Revenues” in our Annual Report on Form 10-K for the year ended December 31, 2010, certain businesses in which GE ceased to be a 20% shareholder are classified as GE net revenues for part of the year until the divesture by GE and as Global Clients net revenues after the divesture by GE. GE revenues for the second quarter of 2011 increased by 4.9% over the second quarter of 2010 after excluding such dispositions by GE in 2010. This increase was driven by growth in business process management services across GE businesses. As a result of higher growth in revenues from Global Clients, GE net revenues declined as a percentage of our total net revenues from 38.3% in the second quarter of 2010 to 30.8% in the second quarter of 2011.

Net revenues from Global Clients increased by $85.1 million, or 44.9%, compared to the second quarter of 2010. 53.0% of the increase in net revenues from Global Clients is attributable to Headstrong. $28.2 million, or 33.1%, of the increase in net revenues from Global Clients was from clients in the consumer product goods, retail, business services, pharmaceutical and healthcare industries. $13.2 million, or 15.5%, of the increase in net revenues from Global Clients was from clients in the banking, financial services and insurance industries. This increase in net revenues from Global Clients was partially offset by a marginal decline in net revenues from clients in the auto industry. A portion of the increase in net revenues from Global Clients was also related to GE ceasing to be a 20% shareholder in certain businesses and the reclassification of related net revenues of $0.9 million as described above. As a percentage of total net revenues, net revenues from Global Clients increased from 61.7% in the second quarter of 2010 to 69.2% in the second quarter of 2011.

Cost of revenue. The following table sets forth the components of our cost of revenue:

	Three Months Ended June 30,		% Change Increase/(Decrease)
	2010	2011	2011 vs. 2010
	(dollars in millions)		
Personnel expenses	$ 121.3	$ 168.1	38.6%
Operational expenses	56.4	72.5	28.5
Depreciation and amortization	13.3	13.4	0.4
Cost of revenue	**$ 191.1**	**$ 254.0**	**32.9%**
Cost of revenue as a % of total net revenues	**62.1%**	**63.9%**	

Cost of revenue increased by $62.9 million, or 32.9%. The increase in cost of revenue is attributable to increased personnel and operational expenses as a result of the acquisition of Headstrong as well as due to the general growth of our business.

Approximately 43.0% of the increase in cost of revenue relates to the acquisition of Headstrong. $11.0 million, or 17.4%, of the increase in cost of revenue relates to higher facility and infrastructure related expenses, consultancy charges recoverable from clients, travel and living, communication and other expenses. It also reflects a higher allocation of such costs to cost of revenue instead of selling, general and administrative expenses due to the growth in operations personnel compared to a decline in support personnel. The remaining increase in cost of revenue was due to an increase in personnel expenses on account of increased headcount and wage inflation partially offset by a decrease in cost of revenue on account of higher realization on our contracted India rupee-U.S. dollar hedges in the second quarter of 2011 compared to the second quarter of 2010. As a result, our cost of revenue as a percentage of net revenues increased from 62.1% in the second quarter of 2010 to 63.9% in the second quarter of 2011.

The largest component of the increase in cost of revenue was personnel expenses, which increased by $46.8 million, or 38.6%. 40.0% of the increase in personnel expenses relates to the acquisition of Headstrong. The increase in personnel expenses was also due to the hiring of new resources to manage growth, overall wage inflation and an increase in the number of onshore resources which are generally more expensive than offshore resources. In addition, revenues from our re-engineering, analytics and risk consulting business, which has higher compensation and benefit costs, increased faster than revenues from other businesses and the increase in costs for such businesses was in line with the increase in revenues. This increase was partially offset by foreign exchange volatility as described above. Our average operational headcount increased by approximately 6,700 employees, or 19.7%, in the second quarter of 2011 compared to the second quarter of 2010, as discussed above. As a result, our personnel expenses as a percentage of net revenues increased from 39.4% in the second quarter of 2010 to 42.3% in the second quarter of 2011.

Operational expenses increased by $16.1 million, or 28.5%. Approximately half of the increase in operational expenses relates to the acquisition of Headstrong. The increase in operational expenses in the second quarter of 2011 was also due to higher infrastructure costs in the second quarter of 2011 as a result of the expansion of infrastructure and IT related facilities over the last twelve months in Gurgaon and Kolkata, India, the Americas and the Philippines. The increase was also on account of the increase in consultancy charges recoverable from clients, communication costs, business related travel costs, and higher allocation of such costs to cost of revenue due to the growth in operations personnel compared to a decline in support personnel, partially offset by the foreign exchange volatility as described above. As a result, the operational expenses as a percentage of net revenues decreased marginally from 18.3% in the second quarter of 2010 to 18.2% in the second quarter of 2011.

Depreciation and amortization expenses increased marginally by $0.1 million, or 0.4%. This increase was largely due to the acquisition of Headstrong. This increase was partially offset by the foreign exchange volatility as described above. As a percentage of net revenues, depreciation and amortization expenses declined to 3.4% in the second quarter of 2011 from 4.3% in the second quarter of 2010.

As a result of the foregoing, our gross profit increased by $27.1 million, or 23.2%, and our gross margin decreased from 37.9% in the second quarter of 2010 to 36.1% in the second quarter of 2011.

Selling, general and administrative expenses. The following table sets forth the components of our selling, general and administrative expenses:

	Three Months Ended June 30,		% Change Increase/(Decrease)
	2010	2011	2011 vs. 2010
	(dollars in millions)		
Personnel expenses	$ 52.6	$ 59.4	12.9%
Operational expenses	19.9	25.3	27.0
Depreciation and amortization	2.8	2.0	(26.9)
Selling, general and administrative expenses	**$ 75.3**	**$ 86.7**	**15.2%**
SG&A as a % of total net revenues	**24.5%**	**21.8%**	

Selling, general and administrative expenses, or SG&A expenses, increased by $11.4 million, or 15.2%. This increase in SG&A expenses was primarily due to the acquisition of Headstrong in the second quarter of 2011 contributing approximately 86.7% of the increase in selling, general and administrative expenses, and expenses relating to the acquisition amounting to $4.7 million. This increase was partially offset by higher realization on our contracted Indian rupee-U.S. dollar hedges in the second quarter of 2011 compared to the second quarter of 2010. As a result, as a percentage of net revenues, SG&A expenses decreased from 24.5% in the second quarter of 2010 to 21.8% in the second quarter of 2011.

Personnel expenses increased by $6.8 million, or 12.9%. The increase in personnel expenses is due to the acquisition of Headstrong. This was partially offset by the foreign exchange volatility as described above. As a percentage of net revenues, personnel expenses decreased from 17.1% in the second quarter of 2010 to 14.9% in the second quarter of 2011.

The operational expenses component of SG&A expenses increased by $5.4 million, or 27.0%. Approximately one-third of the increase in operational expenses is attributable to Headstrong. In addition, we incurred approximately $4.7 million of expenses related to the acquisition of Headstrong. This increase has been partially offset by cost rationalization measures in overhead expenses and foreign exchange volatility as described above, and a decline in support personnel compared to an increase in operations personnel in the second quarter of 2011 resulting in reduced allocation to SG&A expenses. As a result, operational expenses as a percentage of net revenues decreased from 24.5% in the second quarter of 2010 to 21.8% in the second quarter of 2011.

Depreciation and amortization expenses as a component of SG&A expenses decreased by $0.7 million to $2.0 million in the second quarter of 2011. This decrease in depreciation and amortization expenses is due to a decline in support personnel forming part of SG&A expenses compared to increase in operations personnel forming part of cost of revenues in the second quarter of 2011, and consequent reduced allocation to SG&A expenses. This decrease has been partially offset by an increase in depreciation and amortization expenses relating to the acquisition of Headstrong.

Amortization of acquired intangibles. In the second quarter of 2010 and 2011, we incurred non-cash charges of $4.1 million and $5.1 million, respectively. As a result of the acquisition of Headstrong, amortization of acquired intangibles increased by $2.0 million and this increase was partially offset by $1.0 million decline in the amortization of acquired intangibles resulting from the 2004 Reorganization, consistent with the amortization schedule.

Other operating (income) expense, net. Other operating income, consisting primarily of income from shared services from GE for the use of our Delivery Centers and certain support functions that GE manages and operates with its own employees, decreased to $0.7 million loss in the second quarter of 2011 compared to $1.1 million income in the second quarter of 2010. The decline was primarily due to impairment of certain capital work in progress items. We do not recognize the shared services income as net revenues because it is not currently one of our primary service offerings; however, our costs are included in cost of revenue and SG&A.

Income from operations. As a result of the foregoing factors, income from operations increased by $12.8 million to $51.1 million in the second quarter of 2011. As a percentage of net revenues, income from operations increased from 12.4% in the second quarter of 2010 to 12.8% in the second quarter of 2011.

Foreign exchange (gains) losses, net. We recorded a foreign exchange gain of $1.1 million in the second quarter of 2011, primarily due to the re-measurement of our foreign currency assets and liabilities and related foreign exchange contracts resulting from movements in the Indian rupee and U.S. dollar exchange rates in the second quarter of 2011 compared to a foreign exchange loss of $4.9 million in the second quarter of 2010.

Other income (expense), net. The following table sets forth the components of other income (expense), net:

	Three Months ended June 30,		% Change Increase/(Decrease)
	2010	2011	2011 vs. 2010
	(dollars in millions)		
Interest income	$ 0.7	$ 3.6	413.8%
Interest expense	(0.5)	(1.9)	264.7
Other income	0.7	1.4	101.6
Other income (expense), net	$ 0.8	$ 3.0	258.8%
Other income (expense), net as a % of total net revenues	**0.3%**	**0.8%**	

We recorded interest and other income, net of interest expense, of $3.0 million in the second quarter of 2011 compared to $0.8 million in the second quarter of 2010. The change was driven by an increase in interest income due to increased investment in higher interest bearing bank deposits in the second quarter of 2011 compared to the second quarter of 2010, interest income on an income tax refund received in the second quarter of 2011 and certain incentives given by the Chinese government in the second quarter of 2011. This increase in interest and other income was partially offset by an increase in interest expense due to borrowings under our new credit facility. As a result of these borrowings, the weighted average rate of interest with respect to outstanding debt under our credit facility increased from 1.0% in the second quarter of 2010 to 1.8% in the second quarter of 2011.

Income before share of equity in loss of affiliates and income tax expense. As a result of the foregoing factors, income before share of equity in loss of affiliates and income tax expense increased by $20.9 million. As a percentage of net revenues, income before share of equity in loss of affiliates and income tax expense increased from 11.1% in the second quarter of 2010 to 13.9% in the second quarter of 2011.

Equity in loss of affiliates. This represents our share of loss from our non-consolidated affiliates, NGEN Media Services Private Limited, a joint venture with NDTV Networks Plc., NIIT Uniqua, a joint venture with NIIT, one of the largest training institutes in Asia, and High Performance Partners.

Income before income tax expense. As a result of the foregoing factors, income before income tax expense increased by $21.1 million. As a percentage of net revenues, income before income tax expense increased from 11.1% of net revenues in the second quarter of 2010 to 13.9% of net revenues in the second quarter of 2011.

Income tax expense. Our income tax expense increased from $4.9 million in the second quarter of 2010 to $14.4 million in the second quarter of 2011. This increase is primarily driven by the complete sunset of the India tax holiday under the STPI regime for remaining exempt locations effective March 31, 2011 and by higher tax rates applicable to Headstrong as a result of its jurisdictional mix of income.

Net income. As a result of the foregoing factors, net income increased by $11.6 million from $29.1 million in the second quarter of 2010 to $40.7 million in the second quarter of 2011. As a percentage of net revenues, our net income was 9.5% in the second quarter of 2010 and 10.2% in the second quarter of 2011.

Net income attributable to noncontrolling interest. The noncontrolling interest is primarily due to the acquisition of E-Transparent B.V. and certain related entities, or ICE, in 2007. It primarily represents the apportionment of profits to the minority partners of ICE. The net income attributable to noncontrolling interest increased from $1.3 million in the second quarter of 2010 to $1.7 million in the second quarter of 2011.

Net income attributable to Genpact Limited shareholders. As a result of the foregoing factors, net income attributable to Genpact Limited shareholders increased by $11.2 million from $27.8 million in the second quarter of 2010 to $39.0 million in the second quarter of 2011. As a percentage of net revenues, our net income was 9.1% in the second quarter of 2010 and 9.8% in the second quarter of 2011.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net revenues. Our net revenues increased by $132.3 million, or 22.2%, in the first half of 2011 to $728.2 million compared to $595.8 million in the first half of 2010. Our growth in net revenues is primarily a result of an increase in Genpact business process management services for Global Clients as well as the acquisition of Headstrong. Growth in net revenues also reflects the strengthening of the Australian dollar, Japanese yen and euro against the U.S. dollar, as a portion of our revenues are received in such currencies. Our average headcount increased by 13.4% to approximately 44,700 employees in the first half of 2011 up from approximately 39,400 employees in the first half of 2010. Our average revenue per employee increased to approximately $34.5 thousand in the first half of 2011 from approximately $30.3 thousand in the first half of 2010. Approximately three-fourths of the increase in average revenue per employee is contributed by the acquisition of Headstrong.

Revenues from business process management services as a percentage of total net revenues decreased to 82.2% in the first half of 2011 from 85.6% in the first half of 2010. Revenues from business process management grew 17.4% to $598.7 million in the first half of 2011 from $510.0 million in the first half of 2010, primarily led by growth in revenues from Global Clients including revenues from Headstrong business consulting services. Revenue from our information technology business increased by $43.6 million, or 50.8%, in the first half of 2011 compared to the first half of 2010, primarily driven by the acquisition of Headstrong. Non-Headstrong information technology services revenue increased by 2.3% in the first half of 2011 compared to the first half of 2010. As a percentage of net revenues, revenue from our information technology business increased to 17.8% in the first half of 2011 up from 14.4% in the first half of 2010.

Net revenues from GE increased by $4.3 million, or 1.9%. As described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview — Classification of Certain Net Revenues” in our Annual Report on Form 10-K for the year ended December 31, 2010, certain businesses in which GE ceased to be a 20% shareholder are classified as GE net revenues for part of the year until the divesture by GE and as Global Clients net revenues after the divesture by GE. GE revenues for the first half of 2011 increased by 2.9% over the first half of 2010 after excluding such dispositions by GE in 2010. This increase was primarily driven by growth in business process management services and the remaining increase is on account of growth in information technology services across GE businesses. As a result of the higher growth in revenues from Global Clients, GE net revenues declined as a percentage of our total net revenues from 38.8% in the first half of 2010 to 32.3% in the first half of 2011.

Net revenues from Global Clients increased by $128.0 million, or 35.1% compared to the first half of 2010. $57.7 million, or 45.1%, of the increase in net revenues from Global Clients was from clients in the consumer product goods, retail, business services, pharmaceutical and healthcare industries. 35.3% of the increase in net revenues from Global Clients is attributable to Headstrong. $26.6 million, or 20.8%, of the increase in net revenues from Global Clients was from clients in the banking, financial services and insurance industries. This increase in net revenues from Global Clients was partially offset by a marginal decline in net revenues from clients in the auto industry. A portion of the increase in net revenues from Global Clients was also related to GE ceasing to be a 20% shareholder in certain businesses and the reclassification of related net revenues of $2.3 million as described above. As a percentage of total net revenues, net revenues from Global Clients increased from 61.2% in the first half of 2010 to 67.7% in the first half of 2011.

Cost of revenue. The following table sets forth the components of our cost of revenue:

	Six Months Ended June 30,		% Change Increase/(Decrease)
	2010	2011	2011 vs. 2010
	(dollars in millions)		
Personnel expenses	$ 236.3	$ 311.9	32.0%
Operational expenses	105.8	130.1	22.9
Depreciation and amortization	25.6	26.6	3.6
Cost of revenue	**$ 367.8**	**$ 468.5**	**27.4%**
Cost of revenue as a % of total net revenues	**61.7%**	**64.3%**	

Cost of revenue increased by $100.7 million, or 27.4%. This increase in cost of revenue is due to higher personnel and operational expenses on account of increased headcount and infrastructure costs. The increase also relates to the general growth of our business, cost of headcount and facilities acquired due to the acquisition of Headstrong in the second quarter of 2011 and another business comprising of facility and staff acquired in Danville, Illinois in the second quarter of 2010.

Approximately 37.0% of the increase in cost of revenue relates to acquisitions as mentioned above. $17.6 million, or 17.5%, of the increase in cost of revenue relates to higher facility and infrastructure related expenses, business related travel and communication expenses. It also reflects a higher allocation of such costs to cost of revenue instead of selling, general and administrative expenses due to the growth in operations personnel compared to a decline in support personnel. The remaining increase in cost of revenue was due to an increase in personnel expenses on account of increased headcount and wage inflation partially offset by a decrease in cost of revenue on account of higher realization on our contracted India rupee-U.S. dollar hedges in the first half of 2011 compared to the first half of 2010. As a result, our cost of revenue as a percentage of net revenues increased from 61.7% in the first half of 2010 to 64.3% in the first half of 2011.

The largest component of the increase in cost of revenue was personnel expenses, which increased by $75.6 million, or 32.0%. 35.8% of the increase relates to acquisitions as mentioned above. The increase was also due to the hiring of new resources to manage growth, overall wage inflation and an increase in the number of onshore resources which are generally more expensive than offshore resources. In addition, revenues from our re-engineering, analytics and risk consulting business, which has higher compensation and benefit costs, increased faster than revenues from our other businesses and the increase in costs for such businesses was in line with the increase in revenues. The increase in cost of revenue was partially offset by foreign exchange volatility as described above. Our average operational headcount increased by approximately 6,700 employees, or 20.4%, in the first half of 2011 compared to the first half of 2010. As a result, our personnel expenses as a percentage of net revenues increased from 39.7% in the first half of 2010 to 42.8% in the first half of 2011.

Operational expenses increased by $24.3 million, or 22.9%. Approximately 37.7% of the increase in operational expenses is on account of acquisitions as mentioned above. The increased operational expenses in the first half of 2011 were also on account of higher infrastructure costs compared to the first half of 2010, as a result of a one time benefit we received in the first half of 2010 on renegotiation of certain contracts related to facilities in India, and expansion of infrastructure and IT related facilities over the last twelve months in Gurgaon and Kolkata, India, the Philippines and the Americas. The increase was also on account of the increase in communication costs, business related travel costs and higher allocation to cost of revenue due to the growth in operations personnel compared to a decline in support personnel, partially offset by the foreign exchange volatility as described above. As a result, the operational expenses as a percentage of net revenues increased from 17.8% in the first half of 2010 to 17.9% in the first half of 2011.

Depreciation and amortization expenses increased by $0.9 million, or 3.6%. This increase was largely due to acquisitions as mentioned above. The increase was also on account of expansion of existing Delivery Centers, infrastructure and IT related facilities in India, the Philippines and the Americas to support growth, offset by foreign exchange volatility as described above. As a percentage of net revenues, depreciation and amortization expenses declined to 3.6% in the first half of 2011 from 4.3% in the first half of 2010.

As a result of the foregoing, our gross profit increased by $31.6 million, or 13.9%, and our gross margin decreased from 38.3% in the first half of 2010 to 35.7% in the first half of 2011.

Selling, general and administrative expenses. The following table sets forth the components of our selling, general and administrative expenses:

	Six Months Ended June 30,		% Change Increase/(Decrease)
	2010	2011	2011 vs. 2010
	(dollars in millions)		
Personnel expenses	$ 103.9	$ 107.0	2.9%
Operational expenses	38.6	43.4	12.6
Depreciation and amortization	5.7	3.8	(33.1)
Selling, general and administrative expenses	**$ 148.2**	**$ 154.2**	**4.0%**
SG&A as a % of total net revenues	**24.9%**	**21.2%**	

Selling, general and administrative expenses, or SG&A expenses, increased by $6.0 million, or 4.0%. This increase in SG&A expenses was due to the acquisition of Headstrong in the second quarter of 2011 and another business comprising of facility and staff acquired in Danville, Illinois in the second quarter of 2010. This increase in SG&A expenses was partially offset by cost reduction measures such as restriction on travel, recruitment, thereby more effective utilization and deployment of support personnel. The increase in SG&A expenses was also partially offset by the reduced allocation to SG&A expenses on account of decline in the support personnel compared to increase in operations personnel and higher realization on our contracted Indian rupee-U.S. dollar hedges in the first half of 2011 compared to the first half of 2010. In addition, our average support headcount decreased in the first half of 2011 in comparison to the first half of 2010. As a result, as a percentage of net revenues, SG&A expenses decreased from 24.9% in the first half of 2010 to 21.2% in the first half of 2011.

Personnel expenses increased by $3.0 million, or 2.9%. The increase in personnel expenses is due to the above mentioned acquisitions and this was partially offset by the decrease in support personnel and foreign exchange volatility as described above. The increase in personnel expenses has also been partially offset by a reduction in stock based compensation from $8.7 million in the first half of 2010 to $6.6 million in the first half of 2011, due to an adjustment made in the first half of 2011for higher forfeitures. As a percentage of net revenues, personnel expenses decreased from 17.4% in the first half of 2010 to 14.7% in the first half of 2011.

The operational expenses component of SG&A expenses increased by $4.9 million, or 12.6%. Approximately 58.6% of the increase in operational expenses is attributable to the acquisitions as mentioned above. In addition, we incurred approximately $5.6 million in expenses related to the acquisition of Headstrong. This increase has been partially offset by cost rationalization measures in overhead expenses and foreign exchange volatility as described above and a decline of support personnel compared to an increase in operations personnel in the first half of 2011 resulting in reduced allocation to SG&A expenses. As a result, operational expenses as a percentage of net revenues decreased from 6.5% in the first half of 2010 to 6.0% in the first half of 2011.

Depreciation and amortization expenses as a component of SG&A expenses decreased by $1.9 million to $3.8 million in the first half of 2011. This decrease in depreciation and amortization expenses is primarily due to a decline in support personnel forming part of SG&A expenses compared to an increase in operations personnel forming part of cost of revenue in the first half of 2011, and consequent reduced allocation to SG&A expenses.

Amortization of acquired intangibles. In the first half of 2010 and 2011, we incurred non-cash charges of $8.3 million and $8.2 million, respectively. As a result of the acquisition of Headstrong in the second quarter of 2011, amortization of acquired intangibles

increased by $2.0 million and this increase was offset by a decline in the amortization of acquired intangibles resulting from the 2004 Reorganization, consistent with the amortization schedule.

Other operating (income) expense, net. Other operating income, consisting primarily of income from shared services from GE for the use of our Delivery Centers and certain support functions that GE manages and operates with its own employees, decreased to $0.3 million in the first half of 2011 compared to $3.9 million in the first half of 2010. This decline was due to reversal of the provision of $1.3 million in the first half of 2010 for employee related statutory liabilities in one of our subsidiaries and impairment of capital work in progress of $1.5 million in the second quarter of 2011. We do not recognize the shared services income as net revenues because it is not currently one of our primary service offerings; however, our costs are included in cost of revenue and SG&A.

Income from operations. As a result of the foregoing factors, income from operations increased by $22.0 million to $97.6 million in the first half of 2011. As a percentage of net revenues, income from operations increased from 12.7% in the first half of 2010 to 13.4% in the first half of 2011.

Foreign exchange (gains) losses, net. We recorded a foreign exchange gain of $2.7 million in the first half of 2011, primarily due to the re-measurement of our foreign currency assets and liabilities and related foreign exchange contracts resulting from movements in the Indian rupee and U.S. dollar exchange rates in the first half of 2011 compared to a foreign exchange loss of $5.6 million in the first half of 2010, which also included the impact of the discontinuance of certain cash flow hedges in the first half of 2010.

Other income (expense), net. The following table sets forth the components of other income (expense), net:

	Six Months ended June 30,		% Change Increase/(Decrease)
	2010	2011	2011 vs. 2010
Interest income	$ 2.0	$ 7.2	250.5%
Interest expense	(1.1)	(2.6)	135.3
Secondary offering expenses	(0.6)	—	(100.0)
Other income	1.8	1.6	(11.7)
Other income (expense), net	$ 2.1	$ 6.1	189.7%
Other income (expense), net as a % of total net revenues	**0.4%**	**0.8%**	

We recorded other income, including interest income, net of interest expense, of $6.1 million in the first half of 2011 compared to $2.1 million in the first half of 2010. The change was driven by an increase in interest income due to increased investment in higher interest bearing bank deposits in the first half of 2011 compared to the first half of 2010, interest income on an income tax refund received in the first half of 2011 and certain incentives given by the Chinese government in the first half of 2011. This increase in interest income was partially offset by increase in interest expense due to borrowings under our new credit facility. As a result of these borrowings, the weighted average rate of interest with respect to outstanding debt under our credit facility increased from 1.0% in the first half of 2010 to 1.8% in the first half of 2011.

Income before share of equity in loss of affiliates and income tax expense. As a result of the foregoing factors, income before share of equity in loss of affiliates and income tax expense increased by $34.3 million. As a percentage of net revenues, income before share of equity in loss of affiliates and income tax expense increased from 12.1% in the first half of 2010 to 14.6% in the first half of 2011.

Equity in loss of affiliates. This represents our share of loss from our non-consolidated affiliates, NGEN Media Services Private Limited, a joint venture with NDTV Networks Plc., NIIT Uniqua, a joint venture with NIIT, one of the largest training institutes in Asia, and High Performance Partners.

Income before income tax expense. As a result of the foregoing factors, income before income tax expense increased by $34.7 million. As a percentage of net revenues, income before income tax expense increased from 12.0% of net revenues in the first half of 2010 to 14.6% of net revenues in the first half of 2011.

Income tax expense. Our income tax expense increased from $12.1 million in the first half of 2010 to $27.5 million in the first half of 2011. This increase is primarily driven by the complete sunset of the India tax holiday under the STPI regime for remaining

exempt locations effective March 31, 2011 and by higher tax rates applicable to Headstrong as a result of its jurisdictional mix of income.

Net income. As a result of the foregoing factors, net income increased by $19.3 million from $59.4 million in the first half of 2010 to $78.6 million in the first half of 2011. As a percentage of net revenues, our net income was 10.0% in the first half of 2010 and 10.8% in the first half of 2011.

Net income attributable to noncontrolling interest. The noncontrolling interest is primarily due to the acquisition of E-Transparent B.V. and certain related entities, or ICE, in 2007. It primarily represents the apportionment of profits to the minority partners of ICE. The net income attributable to noncontrolling interest increased from $3.4 million in the first half of 2010 to $3.5 million in the first half of 2011.

Net income attributable to Genpact Limited shareholders. As a result of the foregoing factors, net income attributable to Genpact Limited shareholders increased by $19.1 million from $56.0 million in the first half of 2010 to $75.1 million in the first half of 2011. As a percentage of net revenues, our net income was 9.4% in the first half of 2010 and 10.3% in the first half of 2011.

Liquidity and Capital Resources

Overview

Information about our financial position as of December 31, 2010 and June 30, 2011 is presented below:

	As of December 31, 2010	As of June 30, 2011	% Change Increase/(Decrease)
	(dollars in millions)		
Cash and cash equivalents	$ 404.0	$ 336.4	(16.7)%
Short-term investment	77.0	—	(100.0)
Short-term borrowings	—	252.0	100.0
Long-term debt due within one year	25.0	28.8	15.6
Long-term debt other than the current portion	—	88.5	100.0
Genpact Limited total shareholders' equity	$ 1,478.7	$ 1,627.0	10.0%

Financial Condition

We finance our operations and our expansion with cash from operations and short-term borrowing facilities. We also incurred $120.0 million of long-term debt to finance in part the acquisition of Headstrong.

Our cash and cash equivalents were $336.4 million as of June 30, 2011 compared to $404.0 million as of December 31, 2010. Our cash and cash equivalents as of June 30, 2011 were comprised of (a) $132.3 million in cash in current accounts across all operating locations to be used for working capital and immediate capital requirements, (b) $203.4 million in term deposits with banks to be used for medium term planned expenditure and capital requirements, and (c) $0.7 million as restricted cash balance.

We sold $129.5 million of U.S. Treasury bills in the second quarter of 2011 to finance in part the acquisition of Headstrong and do not have any balance in U.S. treasury bills as of June 30, 2011 compared to $77.0 million of U.S. Treasury bills held as of December 31, 2010 and $129.5 million of U.S. Treasury bills as of March 31, 2011.

We expect that in the future our cash from operations, cash reserves and debt capacity will be sufficient to finance our operations as well as our growth and expansion. Our working capital needs are primarily to finance our payroll and other related administrative and information technology expenses in advance of the receipt of accounts receivable. Our capital requirements include the opening of new Delivery Centers, as well as financing acquisitions.

Cash flows from operating, investing and financing activities, as reflected in our consolidated statements of cash flows, are summarized in the following table:

	Six Months Ended June 30,		% Change Increase/(Decrease)
	2010	2011	
	(dollars in millions)		
Net cash provided by (used in)			
Operating activities	$ 10.0	$ 82.0	723.4%
Investing activities	18.1	(495.7)	(2831.5)
Financing activities	(14.6)	340.0	2427.0
Net increase (decrease) in cash and cash equivalents	**$ 13.5**	**$ (73.7)**	**(646.0)%**

Cash flows from operating activities. Our net cash generated from operating activities was $82.0 million in the first half of 2011 compared to $10.0 million in the first half of 2010. Our net income adjusted for amortization and depreciation and other non-cash items increased by $23.5 million. The increase was also on account of better collections of accounts receivable by $10.6 million primarily due to improved receivables management and relatively consistent days sales outstanding in the first half of 2011 compared to increasing days sales outstanding in the first half of 2010. In addition, $30.4 million of the increase was attributable to better management of vendor payables including an increase in payable days and changes in employee related accruals primarily attributable to the Headstrong acquisition and incentives. Further, this increase was also due to reduction in payables in the first half of 2010 attributable to renegotiation of certain vendor contracts and changes in employee programs and policies.

Cash flows from investing activities. Our net cash used in investing activities was $495.7 million in the first half of 2011 compared to $18.1 million of net cash provided by investing activities in the first half of 2010. This was primarily due to payment of $561.1 million, net of cash acquired, for the acquisitions of Headstrong and Akritiv in the first half of 2011 compared to $42.6 million

paid for business acquisitions, net of cash acquired in the first half of 2010. We received $77.0 million from the sale of U.S. treasury bills, net of purchases, during the first half of 2011, compared to net realization of $89.6 million from the sale of U.S. Treasury bills and $9.8 million from redemption of deposits with GE India during the first half of 2010. We sold U.S. treasury bills in the second quarter of 2011 to finance in part the acquisition of Headstrong. In addition, we paid $12.1 million in the first half of 2011 for purchases of property, plant and equipment compared to $36.9 million in the first half of 2010, primarily driven by better planning and utilization of existing infrastructure (including IT) to create capacity.

Cash flows from financing activities. Our net cash provided by financing activities was $340.0 million in the first half of 2011, compared to $14.6 million of cash used in financing activities in the first half of 2010. The increase was primarily due to proceeds received from short term borrowings (net of repayments) of $252.0 million and long-term debt (net of repayment of $25.0 million due under the credit agreement terminated in April 2011) of $95.0 million compared to repayment of $0.2 million of short term debt and $20.0 million of long term debt as part of our scheduled repayments under our credit agreement in the first half of 2010. In addition, we paid the non controlling partners of ICE $3.2 million in the six months ended June 30, 2011 compared to $3.5 million in the six months ended June 30, 2010. We received $6.0 million as proceeds from the issuance of common shares on exercise of employee stock options in the six months ended June 30, 2011 compared to $11.8 million in the six months ended June 30, 2010. We also paid $8.3 million in expenses directly relating to the new credit facility entered into during the second quarter of 2011.

Financing Arrangements

On April 29, 2011, we terminated a credit agreement which had an outstanding term loan of $12.5 million and a revolving credit facility of $145.0 million. On May 3, 2011, we entered into a new credit agreement of $380.0 million consisting of a $120.0 million term loan and a $260.0 million revolving credit facility. Borrowings under the new credit agreement bear interest at a rate equal to LIBOR plus an applicable margin equal to 1.65% per annum. The revolving credit commitments under the credit agreement are subject to a commitment fee equal to 0.70% on the actual daily amount by which the aggregate revolving commitments exceed the sum of outstanding revolving and swing line loans and letter of credit obligations.

Total long-term debt excluding capital lease obligations was $117.3 million as of June 30, 2011 compared to $25.0 million as of December 31, 2010. The increase in long-term debt (net of repayment) is due to new borrowings to finance in part the acquisition of Headstrong. The weighted average rate of interest with respect to outstanding debt under the credit facility was 1.0% and 1.8% for the six months ended June 30, 2010 and 2011, respectively. In addition, we must comply with covenants pertaining to interest coverage, leverage and the positive net worth of our Indian business. This debt is also secured by a pledge on certain of our property and assets including equipment, accounts receivable, bank accounts and other current and non current assets. For the quarter ended June 30, 2011, we are in material compliance with all the covenants and undertakings described above.

We finance our short-term working capital requirements through cash flow from operations and credit facilities from banks and financial institutions. As of June 30, 2011, short-term credit facilities available to us aggregated $260.0 million, which are under the same agreement as our new long-term debt facility. Out of this, a total of $259.0 million was utilized, representing a funded drawdown of $252.0 million and non-funded drawdown of $7.0 million. In addition, we have fund-based and non-fund-based credit facilities of $17.4 million with banks for operational requirements, out of which a total of $4.0 million was utilized which represented non funded drawdown.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements consist of certain operating leases. For additional information, see “Contractual Obligations” below.

Contractual Obligations

The following table sets forth our total future contractual obligations as of June 30, 2011:

	Less than 1 year	1-3 years	3-5 years	After 5 years	Total
Short-term borrowings	$ 252.0	$ —	$ —	$ —	$252.0
Long-term debt	28.8	43.9	44.6	—	117.3
Capital leases	2.2	1.8	0.2	—	4.2
Operating leases	35.0	54.1	40.3	30.4	159.8
Purchase obligations	9.5	—	—	—	9.5
Capital commitments net of advances	6.8	—	—	—	6.8
Other long-term liabilities	23.9	19.7	0.9	—	44.5
Total contractual cash obligations	**$ 358.3**	**$ 119.5**	**$ 86.0**	**$ 30.4**	**$594.2**

Recent Accounting Pronouncements

Recently adopted accounting pronouncements

For a description of recently adopted accounting pronouncements, see Note 2—"Recently adopted accounting pronouncements" under Item 1—"Financial Statements" above and Part-II Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2010.

Recently issued accounting pronouncements

In May 2011, the FASB issued amendments to the existing guidance on fair value measurement in Accounting Standards Update No. 2011-04 — "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs". The amendments are intended to create consistency between U.S. generally accepted accounting standards and International Financial Reporting Standards on measuring fair value and disclosing information about fair value measurements. The amendments clarify the application of existing fair value measurement requirements including (i) the application of the highest and best use valuation premise concepts, (ii) measuring the fair value of an instrument classified in a reporting entity's shareholders' equity, and (iii) quantitative information required for fair value measurements categorized within Level 3. In addition, the amendments require additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The amendments in this Update are effective for fiscal years, and interim periods beginning on or after December 15, 2011, which for the Company is the first quarter of 2012. These changes are required to be applied prospectively. The Company does not expect a significant impact upon adoption of the provisions of the FASB guidance on the Company's consolidated financial statements

In June 2011, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update No. 2011-05 – "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" an amendment to the existing guidance on the presentation of comprehensive income. Under the amended guidance, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This ASU eliminates the option in U.S. GAAP to present other comprehensive income in the statement of changes in equity. The amendments in this Update are effective on a retrospective basis for fiscal years, and interim periods within those years, beginning on or after December 15, 2011, which for the Company is the first quarter in 2012. The adoption of this amendment will result in a change to the Company's current presentation of comprehensive income.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the six months ended June 30, 2011, there were no material changes in our market risk exposure. For a discussion of our market risk associated with foreign currency risk, interest rate risk and credit risk, see Item 7A "Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2010.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are the Company's controls and other procedures which are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer along with the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to the Exchange Act Rule 13a-15(b). Based upon that evaluation, the Company's Chief Executive Officer along with the Company's Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal controls over financial reporting during the quarter ended June 30, 2011, other than those controls that were added by virtue of our acquisition of Headstrong, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

In making its assessment of the changes in internal control over financial reporting during the quarter ended June 30, 2011, our management excluded an evaluation of the disclosure controls and procedures of Headstrong, a company we acquired on May 3, 2011. See Note 3 to the Consolidated Financial Statements for a discussion of the acquisition.

PART II

Item 1. Legal Proceedings

There are no legal proceedings pending against us that we believe are likely to have a material adverse effect on our business, results of operations and financial condition.

Item 1A. Risk Factors

We have disclosed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2010 the risk factors that materially affect our business, financial condition or results of operations. You should carefully consider the “Risk Factors” set forth in our Annual Report on Form 10-K for the year ended December 31, 2010 and the other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us also may materially adversely affect our business, financial condition and/or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Use of Proceeds

On August 1, 2007, we commenced an initial public offering of our common shares, pursuant to which the Company and our selling shareholders each sold 17,647,059 common shares at a price of $14 per share. On August 14, 2007, the underwriters exercised their option to purchase 5,294,118 additional common shares from the Company at the initial offering price of $14 per share to cover over-allotments. The sales were made pursuant to a registration statement on Form S-1 (File No. 333-142875), which was declared effective by the SEC on August 1, 2007. The managing underwriters in the offering were Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. The underwriting discounts and commissions and offering expenses payable by us aggregated $9.0 million, resulting in net proceeds to us of $294.5 million. We did not receive any proceeds from common shares sold by the selling shareholders.

We used $98.1 million of the net proceeds from our initial public offering to repay revolving loan indebtedness outstanding under our credit facility. In addition, we used $130.0 million of the net proceeds from our initial public offering partially to repay long term indebtedness outstanding under our credit facility in accordance with the regular payment schedule for such indebtedness.

We paid $16.3 million in January 2010 for the arrangement with Walgreens, acquired Symphony for $29.3 million in February 2010 and acquired Akritiv for $1.6 million in March 2011. The remaining proceeds of $19.2 million were used as part of the consideration to acquire Headstrong. There has been no material change in the planned use of proceeds from our initial public offering as described in our final prospectus filed with the SEC pursuant to Rule 424(b) on August 2, 2007.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 3. Defaults Upon Senior Securities

None.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibit Number	Description
3.1	Memorandum of Association of the Registrant (incorporated by reference to Exhibit 3.1 to Amendment No. 2 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on July 16, 2007).
3.3	Bye-laws of the Registrant (incorporated by reference to Exhibit 3.3 to Amendment No. 4 of the Registrant's Registration Statement on Form S-1 (File No. 333-142875) filed with the SEC on August 1, 2007).
10.1	Amendment Restatement and Syndication Agreement, dated June 16, 2011, by and among the Registrant, Genpact International, Inc., Headstrong Corporation, Bank of America, N.A., as administrative agent and collateral agent, and the other existing lenders and new lenders party thereto.*
10.2	Master Services Agreement dated October 10, 2009 between Genpact India and Carnation Auto India Pvt. Ltd.*
23.1	Consent of Ernst & Young.*
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document (1)
101.SCH	XBRL Taxonomy Extension Schema Document (1)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (1)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (1)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (1)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (1)

* Filed with this Quarterly Report on Form 10-Q.

(1) Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2010 and June 30, 2011, (ii) Consolidated Statements of Income for the three months and six months ended June 30, 2010 and June 30, 2011, (iii) Consolidated Statement of Equity and Comprehensive Income (Loss) for the six months ended June 30, 2010 and June 30, 2011, (iv) Consolidated Statements of Cash Flows for the six months ended June 30, 2010 and June 30, 2011, and (v) Notes to Consolidated Financial Statements. Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities and Exchange Act of

1934, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 9, 2011

GENPACT LIMITED

By: /S/ NV Tyagarajan
NV Tyagarajan
Chief Executive Officer

By: /S/ Mohit Bhatia
Mohit Bhatia
Chief Financial Officer

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Exhibit 10.1

AMENDMENT, RESTATEMENT AND SYNDICATION AGREEMENT

dated as of June 16, 2011

among

GENPACT INTERNATIONAL, INC.,

HEADSTRONG CORPORATION
(as successor in interest to Hawk International Corporation),
each as a Borrower,

GENPACT LIMITED,
as Holdings,

BANK OF AMERICA, N.A.,
as Administrative Agent,

BANK OF AMERICA, N.A.,
as Swing Line Lender and
L/C Issuer,

the Existing Lenders and New Lenders party hereto
and

BANK OF AMERICA, N.A.,
BNP PARIBAS HONG KONG BRANCH,
CITIGROUP GLOBAL MARKETS ASIA LIMITED,
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
DBS BANK LTD., LOS ANGELES AGENCY,
JPMORGAN CHASE BANK, N.A., HONG KONG BRANCH,
NATIXIS, HONG KONG BRANCH,
STANDARD CHARTERED BANK,
STATE BANK OF INDIA,
SUMITOMO MITSUI BANKING CORPORATION, SINGAPORE BRANCH,
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
UBS AG HONG KONG BRANCH and
CHINATRUST COMMERCIAL BANK,
as Mandated Lead Arrangers and Bookrunners

RELATING TO A CREDIT AGREEMENT
DATED as of May 3, 2011

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AMENDMENT, RESTATEMENT AND SYNDICATION AGREEMENT (the "Agreement") dated as of June 16, 2011, among GENPACT INTERNATIONAL, INC., a Delaware corporation ("GII"), HEADSTRONG CORPORATION (as successor in interest to Hawk International Corporation), a Delaware corporation ("Headstrong" and with GII, the "Borrowers" and each a "Borrower"), GENPACT LIMITED, an exempted limited liability company organized under the laws of Bermuda ("Holdings"), the Existing Lenders (as defined below) and the New Lenders (as defined below), BANK OF AMERICA, N.A., as Swing Line Lender and L/C Issuer, BANK OF AMERICA, N.A., as Administrative Agent and Collateral Agent, the Mandated Lead Arrangers (as defined below) and the Bookrunners (as defined below).

WHEREAS, reference is made to that certain Credit Agreement, dated as of May 3, 2011 (the "Original Credit Agreement"), among (among others) Holdings, GII, Hawk International Corporation (succeeded by merger on the Closing Date by Headstrong), the Lenders from time to time party thereto, Bank of America, N.A., as Swing Line Lender and L/C Issuer and Bank of America, N.A., as Administrative Agent and Collateral Agent; and

WHEREAS, the parties to the Original Credit Agreement desire to amend and restate the Original Credit Agreement for the purpose of (1) adding one or more additional Mandated Lead Arrangers and Bookrunners, (2) amending the schedule of Lenders and their respective Revolving Credit Commitments and outstanding Loans and (3) Such other changes (including allowing GII to request Letters of Credit) as are set forth in the Credit Agreement attached hereto;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. In this Agreement:

"Assigned Interest" shall have the meaning assigned to such term in Section 4.01.

"Bookrunners" means, collectively, Bank of America, N.A., BNP Paribas Hong Kong Branch, Citigroup Global Markets Asia Limited, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Los Angeles Agency, JPMorgan Chase Bank, N.A., Hong Kong Branch, NATIXIS, Hong Kong Branch, Standard Chartered Bank, State Bank of India, Sumitomo Mitsui Banking Corporation, Singapore Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd., UBS AG Hong Kong Branch and Chinatrust Commercial Bank in their capacities as bookrunners for the Facilities (other than the Incremental Term Facilities).

"Credit Agreement" means the Original Credit Agreement, as amended and restated in the manner attached hereto as Annex 1.

"Existing Lender" means each financial institution party to the Original Credit Agreement as a Lender on the date of this Agreement.

"Mandated Lead Arrangers" means, collectively, Bank of America, N.A., BNP Paribas Hong Kong Branch, Citigroup Global Markets Asia Limited, Crédit Agricole Corporate and Investment Bank, DBS Bank Ltd., Los Angeles Agency, JPMorgan Chase Bank, N.A., Hong Kong Branch, NATIXIS, Hong Kong Branch, Standard Chartered Bank, State Bank of India, Sumitomo Mitsui Banking Corporation, Singapore Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd., UBS AG Hong Kong Branch and Chinatrust Commercial Bank in their capacities as mandated lead arrangers for the Facilities (other than the Incremental Term Facilities).

"New Lender" means each financial institution listed on Schedule 2.01 to the Credit Agreement other than an Existing Lender.

"Original Credit Agreement" shall have the meaning given in the first recital hereto.

"Syndication Date" means June 22, 2011.

Section 1.02. Incorporation of Defined Terms.

(a) Unless a contrary indication appears, a term defined in the Original Credit Agreement has the same meaning in this Agreement.

(b) The principles of construction set out in the Original Credit Agreement shall have effect as if set out in this Agreement.

Section 1.03. Section. In this Agreement any reference to a "Section" or a "Schedule" is, unless the context otherwise requires, a reference to a Section or a Schedule to this Agreement.

Section 1.04. Designation. Each of parties hereto designates this Agreement as a Loan Document.

ARTICLE II

EFFECTIVENESS

Other than Articles I, II, VI and Article VIII, this Agreement shall be effective on the Syndication Date. Articles I, II VI and VIII are effective on the date of this Agreement.

ARTICLE III

AMENDMENT AND RESTATEMENT

With effect from the Syndication Date, the Original Credit Agreement shall be amended and restated in its entirety so that it shall be read and construed for all purposes as set out in Annex 1 hereto.

ARTICLE IV

ASSIGNMENT

Section 4.01. Assignment. On the Syndication Date (whether or not a Default or Event of Default is continuing) each Existing Lender shall assign all or part of its Revolving Credit Commitments, outstanding Loans and related rights and obligations under the Loan Documents (an "Assigned Interest") to a New Lender, so that (prior to giving effect to any Credit Extension (if any) to be made on the Syndication Date):

(a) each New Lender will become a Lender under the Credit Agreement with:

(i) a Term Loan and/or a Revolving Credit Commitment as set out in the relevant column opposite its name in Schedule 2.01 of the Credit Agreement;

(ii) a Revolving Credit Loan in an amount equal to the aggregate Revolving Credit Loans outstanding immediately prior to the Syndication Date multiplied by the fraction borne by such New Lender's Revolving Credit Commitment (as set forth in Schedule 2.01 of the Credit Agreement) to the aggregate Revolving Credit Commitments of the Lenders;

(iii) a participation in each Letter of Credit in an amount equal to such New Lender's Applicable Revolving Credit Percentage times the amount of such Letter of Credit from time to time (without prejudice to the provisions of Section 3.07(a)(ii) of the Credit Agreement), such participation being a risk participation (or, to the extent that the Existing Lenders' participation in such Letter of Credit constitutes a funded participation, a funded participation); and

(iv) a participation in each Swing Line Loan in an amount equal to such New Lender's Applicable Revolving Credit Percentage times the amount of such Swing Line Loan from time to time (without prejudice to the provisions of Section 3.07(a)(ii) of the Credit Agreement), such participation being a risk participation (or, to the extent that the Existing Lenders' participation in such Swing Line Loan constitutes a funded participation, a funded participation);

(b) each Existing Lender's Revolving Credit Commitment, Term Loan and/or Revolving Credit Loan(s) shall be reduced such that:

(i) such Existing Lender's Term Loan and/or Revolving Credit Commitment shall be equal to the respective amount set out in the relevant column opposite its name in Schedule 2.01 to the Credit Agreement;

(ii) such Existing Lender shall hold a Revolving Credit Loan in an amount equal to the aggregate Revolving Credit Loans outstanding immediately prior to the Syndication Date multiplied by the fraction borne by such Existing Lender's Revolving Credit Commitment (as set forth in Schedule 2.01 of the Credit Agreement) to the aggregate Revolving Credit Commitments of the Lenders;

(iii) such Existing Lender shall hold a participation in each Letter of Credit in an amount equal to such Existing Lender's Applicable Revolving Credit Percentage times the amount of such Letter of Credit from time to time (without prejudice to the provisions of Section 3.07(a)(ii) of the Credit Agreement), such participation being a risk participation (or, to the extent that such Existing Lender's participation in such Letter of Credit immediately prior to the Syndication Date constitutes a funded participation, a funded participation); and

(iv) a participation in each Swing Line Loan in an amount equal to such Existing Lender's Applicable Revolving Credit Percentage times the amount of such Swing Line Loan from time to time (without prejudice to the provisions of Section 3.07(a)(ii) of the Credit Agreement), such participation being a risk participation (or, to the extent that such Existing Lender's participation in such Swing Line Loan immediately prior to the Syndication Date constitutes a funded participation, a funded participation),

it being acknowledged that (A) all of the Term Loans of the Existing Lenders and the New Lenders shall (as at the Syndication Date) constitute a single Term Borrowing and (B) all of the Revolving Credit Loans of the Existing Lenders and the New Lenders shall (as at the Syndication Date) constitute a single Revolving Credit Borrowing.

Section 4.02. Procedure for Assignment. The assignment set out in Section 4.01 shall take effect on the Syndication Date so that:

(a) on the Syndication Date, each New Lender shall pay to the Existing Lenders (free from any withholding, deduction, set-off or counterclaim) an aggregate amount (in US Dollars) equal to the sum of (i) the amount of the Term Loan of such New Lender (as determined in accordance with Section 4.01(a)(i)), (ii) the amount of the Revolving Credit Loan of such New Lender (as determined in accordance with Section 4.01(a)(ii)) and (iii) the amount of any funded participation of such New Lender in any Letter of Credit and/or any Swing Line Loan (as determined in accordance with Sections 4.01(a)(iii) and (iv)), and such payment shall be allocated among the Existing Lenders pro rata according to the sum of their respective Term Loan, Revolving Credit Loan(s) and participation(s) in Letter(s) of Credit and/or Swing Line Loan(s) immediately prior to the Syndication Date; and

(b) upon such payment referred to in sub-clause (a):

(i) to the extent that in Section 4.01 each Existing Lender seeks to assign its rights and obligations under the Loan Documents, each of the Loan Parties and each Existing Lender shall be released from further obligations towards one another under the Loan Documents and their respective rights against one another under the Loan Documents shall be cancelled (being the "Discharged Rights and Obligations");

(ii) each of the Loan Parties and each New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Loan Party and the relevant New Lender have assumed and/or acquired the same in place of that Loan Party and such Existing Lender;

(iii) the Agents, the Mandated Lead Arrangers, the Bookrunners, each New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had such New Lender been an Existing Lender with the rights and/or obligations acquired or assumed by it as a result of such assignment and to that extent the Agents, the Mandated Lead Arrangers, the Bookrunners and the relevant Existing Lenders shall each be released from further obligations to each other under the Loan Documents;

(iv) each New Lender shall become a Party as a "Lender"; and

(v) the L/C Issuer, the Swingline Lender and each New Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had such New Lender been an Existing Lender with the rights and/or obligations acquired or assumed by it as a result of such assignment and to that extent the L/C Issuer, the Swingline Lender and the relevant Existing Lenders shall each be released from further obligations to each other under the Loan Documents.

Section 4.03. Amounts Due on or Before the Syndication Date. Any amounts payable to any or all of the Existing Lenders by the Loan Parties pursuant to any Loan Document on or before the Syndication Date (including, without limitation, all interest and fees payable on the Syndication Date) in respect of any period ending on or prior to the Syndication Date shall be for the account of such Existing Lenders and none of the New Lenders shall have any interest in, or any rights in respect of, any such amount.

Section 4.04. Limitation of Responsibility of Existing Lenders.

(a) Each New Lender confirms to each Existing Lender that it:

(i) has received a copy of the Credit Agreement together with such other information as it has required in connection with this transaction;

(ii) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Loan Party and its related

entities in connection with its participation in this Agreement, the Credit Agreement and/or the other Loan Documents and has not relied exclusively on any information provided to it by any Existing Lender in connection with any Loan Document; and

(iii) will continue to make its own independent appraisal of the creditworthiness of each Loan Party and its related entities while any amount is or may be outstanding under the Loan Documents or any Commitment is in force.

(b) Unless expressly agreed to the contrary, the Existing Lenders make no representation or warranty and assume no responsibility to the New Lenders for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Loan Documents or any other documents;

(ii) the financial condition of any Loan Party;

(iii) the performance and observance by any Loan Party of its obligations under the Loan Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with the Loan Documents or any other document,

and any representations or warranties implied by law are excluded.

(c) Nothing in any Loan Document obliges any Existing Lender to:

(i) accept a re-assignment from any New Lender of any of the rights and obligations assigned under this Agreement; or

(ii) support any losses directly or indirectly incurred by a New Lender by reason of the non-performance by any Loan Party of its obligations under the Loan Documents or otherwise.

Section 4.05. Administrative Details. Each New Lender confirms that it has delivered to the Administrative Agent an Administrative Questionnaire in the form required by the Administrative Agent and such forms or other documentation required pursuant to Section 3.01(e) of the Credit Agreement.

Section 4.06. Lenders' Participations.

(a) Each New Lender shall make the payments set forth in Section 4.02(a) by the Syndication Date through its Lending Office to the Administrative Agent, for distribution by the Administrative Agent to the Existing Lenders in the manner set forth in Section 4.02(a).

(b) Each New Lender required to make a payment under this Agreement shall make the same available to the Administrative Agent for value on the due date at the time and in such

funds specified by the Administrative Agent. Payment shall be made to such account with such bank as the Administrative Agent specifies.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01. Loan Parties. Each of Holdings and each Borrower represents and warrants to each of the Finance Parties that:

(a) The representations and warranties set forth in the Loan Documents are true and correct in all material respects as of the date of this Agreement and as of the Syndication Date, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date).

(b) As of the date of this Agreement and as of the Syndication Date, no Event of Default or Default has occurred and is continuing.

Section 5.02. Existing Lenders. Each Existing Lender (a) represents and warrants to the New Lenders that (i) it is the legal and beneficial owner of the relevant Assigned Interest expressed to be assigned by it, (ii) such Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Holdings, any Borrower or any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Holdings, any Borrower or any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

Section 5.03. New Lenders. Each New Lender (a) represents and warrants to the Existing Lenders, the Administrative Agent and the Collateral Agent that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an Eligible Assignee, (iii) from and after the Syndication Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the relevant Assigned Interest assigned to it, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising

discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been given the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Agreement and to purchase such Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender or Secured Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and to purchase such Assigned Interest, and (vii) if it is a Foreign Lender, it has delivered, or will, within the period required under the Credit Agreement, deliver to the Administrative Agent any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by such New Lender; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, any Existing Lender or any other Lender or Secured Party, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

ARTICLE VI

FEES, COSTS AND EXPENSES

Section 11.04(a) of the Credit Agreement shall apply *mutatis mutandis* to this Agreement.

ARTICLE VII

CONSENTS AND WAIVERS

Section 7.01. Consents. Each of the Loan Parties, the L/C Issuer, the Swingline Lender and the Administrative Agent:

(a) consent to the New Lenders becoming Lenders; and

(b) waive the requirements of Sections 11.06(b)(i), (ii) and (iv) of the Credit Agreement for the purposes of this Agreement and for the assignments effected pursuant to this Agreement.

Section 7.02. Administrative Agent's Waiver. The Administrative Agent waives the requirement for the payment of the processing and recordation fee referred to in Section 11.06(b)(iv) of the Credit Agreement in respect of the assignments effected pursuant to this Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Incorporation of Terms. The provisions of Sections 11.02, 11.03, 11.12, 11.14, 11.15 and 11.16 of the Credit Agreement shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in those clauses to “this Agreement” or the Loan Documents or any of them are references to this Agreement and as if references in those clauses to any “Lender” include the New Lenders.

Section 8.02. Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.

Section 8.03. Execution in Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Receipt by the Administrative Agent of a counterpart signature page hereto by facsimile or e-mail shall be effective as receipt of a manually-signed original counterpart hereof.

Section 8.04. Governing Law. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[*Remainder of page left blank intentionally; signature pages follow.*]

GENPACT INTERNATIONAL, INC.

By: /s/ Heather White
Name: Heather White
Title: Authorized Representative

HEADSTRONG CORPORATION

By: /s/ Heather White
Name: Heather White
Title: Authorized Representative

GENPACT LIMITED

By: /s/ Heather White
Name: Heather White
Title: Authorized Representative

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Susana Yen
Name: Susana Yen
Title: SVP

BANK OF AMERICA, N.A., as Collateral Agent

By: /s/ Susana Yen
Name: Susana Yen
Title: SVP

BANK OF AMERICA, N.A., as L/C Issuer

By: /s/ Asish Sharma
Name: Ashish Sharma
Title: Director

BANK OF AMERICA, N.A., as Swing Line Lender

By: /s/ Asish Sharma
Name: Ashish Sharma
Title: Director

BANK OF AMERICA, N.A., as Mandated Lead Arranger and Bookrunner

By: ______________________________
Name:
Title:

BNP PARIBAS HONG KONG BRANCH, as Mandated Lead Arranger and Bookrunner

By: /s/ Martin McGovern
Name: Martin McGovern
Title: Head of Acquisition & Leveraged Finance, Asia Pacific

By: /s/ Didier Leblanc
Name: Didier Leblanc
Title: Head of Loan Syndication, Asia Pacific

CITIGROUP GLOBAL MARKETS ASIA LIMITED, as Mandated Lead Arranger and Bookrunner

By: /s/ Vincent Yeung
Name: Vincent Yeung
Title: Director

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Mandated Lead Arranger and Bookrunner

By: /s/ Antoine Nguyen
Name: Antoine Nguyen
Title: Director

By: /s/ Jean-Pierre Raynaud
Name: Jean-Pierre Raynaud
Title: Senior Country Officer

DBS BANK LTD., LOS ANGELES AGENCY as Mandated Lead Arranger and Bookrunner

By: /s/ James McWalters
Name: James McWalters
Title: General Manager

JPMORGAN CHASE BANK, N.A., HONG KONG BRANCH,
as Mandated Lead Arranger and Bookrunner

By: /s/ Sonia Li
Name: Sonia Li
Title: Managing Director

NATIXIS, HONG KONG BRANCH, as Mandated Lead Arranger and Bookrunner

By: /s/ Eva Fung
Name: Eva Fung
Title: Acquisition & Strategic Finance

By: /s/ Nicolas Farman
Name: Nicolas Farman
Title: Acquisition & Strategic Finance

STANDARD CHARTERED BANK, as Mandated Lead Arranger and Bookrunner

By: /s/ Anuj Mathur
Name: Anuj Mathur
Title: Director, OCC

STATE BANK OF INDIA, as Mandated Lead Arranger and Bookrunner

By: /s/ Gopal Chakrapani
Name: Gopal Chakrapani
Title: Vice-President & Head (Credit)

SUMITOMO MITSUI BANKING CORPORATION, SINGAPORE BRANCH, as Mandated Lead Arranger and Bookrunner

By: /s/ Yukihiro Fujikawa
Name: Yukihiro Fujikawa
Title: General Manager

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as
Mandated Lead Arranger and Bookrunner

By: /s/ Elsie Choo
Name: Elsie Choo
Title: Senior Vice President &
Head of Loan Syndications, South East Asia
Asian Investment Banking Division

UBS AG HONG KONG BRANCH, as Mandated Lead Arranger and Bookrunner

By: /s/ Guy Wylie
Name: Guy Wylie
Title: Managing Director

By: /s/ Mohamed Atwani
Name: Mohamed Atwani
Title: Executive Director

CHINATRUST COMMERCIAL BANK, as Mandated Lead Arranger and Bookrunner

By: /s/ James Yu
Name: James Yu
Title: Senior Vice President

By: /s/ Angel Chen
Name: Angel Chen
Title: Vice President

BANK OF AMERICA, N.A., as an Existing Lender

By: /s/ Ashish Sharma
Name: Ashish Sharma
Title: Director

CITIBANK, N.A., as an Existing Lender

By: /s/ Benjamin Ng
Name: Benjamin Ng
Title: Authorized Signatory

JPMORGAN CHASE BANK, N.A., HONG KONG BRANCH,
as an Existing Lender

By: /s/ Richard Desai
Name: Richard Desai
Title: Executive Director

UBS AG, SINGAPORE BRANCH, as an Existing Lender

By: /s/ Guy Wylie
Name: Guy Wylie
Title: Managing Director

By: /s/ Mohamed Atwani
Name: Mohamed Atwani
Title: Executive Director

BNP PARIBAS HONG KONG BRANCH, as a New Lender

By: /s/ Martin McGovern
Name: Martin McGovern
Title: Head of Acquisition & Leveraged Finance, Asia Pacific

By: /s/ Didier Leblanc
Name: Didier Leblanc
Title: Head of Loan Syndication, Asia Pacific

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a New Lender

By: /s/ Antoine Nguyen
Name: Antoine Nguyen
Title: Director

By: /s/ Jean-Pierre Raynaud
Name: Jean-Pierre Raynaud
Title: Senior Country Officer

DBS BANK LTD., LOS ANGELES AGENCY as a New Lender

By: /s/ James McWalters
Name: James McWalters
Title: General Manager

NATIXIS, HONG KONG BRANCH, as a New Lender

By: /s/ Eva Fung
Name: Eva Fung
Title: Acquisition & Strategic Finance

By: /s/ Nicolas Farman
Name: Nicolas Farman
Title: Acquisition & Strategic Finance

STANDARD CHARTERED BANK, as a New Lender

By: /s/ Anuj Mathur
Name: Anuj Mathur
Title: Director, OCC

STATE BANK OF INDIA, as a New Lender

By: /s/ Gopal Chakrapani
Name: Gopal Chakrapani
Title: Vice-President & Head (Credit)

SUMITOMO MITSUI BANKING CORPORATION,
SINGAPORE BRANCH, as a New Lender

By: /s/ Yukihiro Fujikawa
Name: Yukihiro Fujikawa
Title: General Manager

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
SINGAPORE BRANCH, as a New Lender

By: /s/ R. K. Mangla
Name: R. K. Mangla
Title: Corporate Finance & Business Promotion

CHINATRUST COMMERCIAL BANK, as a New Lender

By: /s/ James Yu
Name: James Yu
Title: Senior Vice President

By: /s/ Angel Chen
Name: Angel Chen
Title: Vice President

ANNEX 1

AMENDED AND RESTATED CREDIT AGREEMENT

Exhibit 10.2

Master Services Agreement

between

Carnation

and

Genpact India

Dated as of: 26th October, 2009

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MASTER SERVICES AGREEMENT

This Master Services Agreement (**"Agreement"**), dated as of 10th Oct, 2009 ("**Effective Date**"), is by and between

(1) Carnation Auto India Ltd., a company incorporated under the Companies Act 1956, having its registered office at 3/16, 2nd Floor, Shanti Niketan, New Delhi – 110 021 ("**Carnation**"); and

(2) Genpact India, a company incorporated under the Companies Act, 1956 having its registered office at Delhi Information Technology Park, Shastri Park, New Delhi – 110 053 and corporate office at Sector Road, Sector 53, Phase V, DLF City, Gurgaon – 122 002, Haryana ("**Genpact**").

RECITALS

(A) WHEREAS, Carnation has agreed to engage Genpact to provide various services to Carnation relating to business process outsourcing and Genpact has agreed to provide such services on the terms and conditions set forth in this Agreement and Statements of Work entered into by the Parties from time to time pursuant to this Agreement;

(B) NOW, THEREFORE, in consideration of the foregoing and the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS; INTERPRETATION; ASSUMPTIONS

1.1 Definitions.

Capitalised terms used in this Agreement shall have their respective meanings set forth below (Definitions).

"**Account Representatives**" shall mean Carnation Account Representative and Genpact Account Representative.

"**Affiliate**" shall mean any Person which, directly or indirectly, Controls, is Controlled by, or is under common Control with another entity. The foregoing definition includes any entity that conforms to the definition as of the Effective Date hereof, as well as any entity that conforms to the definition anytime after the Effective Date hereof, provided that any entity shall only be deemed to be an Affiliate hereunder for such period of time that it conforms to the definition during the Term.

"**Agreement**" shall mean this Master Services Agreement by and between Carnation and Genpact.

"**Applicable Legislation**" shall mean any Legislation at any time relating or applicable to the Parties in the usual course of their business.

"**Business Day**" shall mean any day other than a Saturday, Sunday, bank or public holiday in India.

"**Change Assessment**" shall have the meaning set forth in Clause 6(c).

"**Change Control Procedures**" shall have the meaning set forth in Clause 6(a).

“**Change Order Proposal**” shall have the meaning set forth in Clause 6(b).

“**Change Order**” shall have the meaning set forth in Clause 6(d).

“**Change**” shall have the meaning set forth in Clause 6(a).

“**Claim**” shall mean any civil, criminal, administrative, arbitral or investigative action, suit or proceeding.

“**Confidential Information**” shall mean Genpact Confidential Information and/or Carnation Confidential Information, as the case may be.

“**Control**” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through record or beneficial ownership of voting securities, by contract, or otherwise.

“**Carnation**” shall mean Carnation Auto India Ltd., having its registered office at 3116, 2nd Floor, Shanti Niketan, New Delhi – 110 021 and corporate office at Studio 205, IHDP, Plot 7, Sec 127, Noida 201301, Delhi NCR

“**Carnation Account Representative**” shall have the meaning set forth in Clause 8.2.

“**Carnation Agents**” shall mean the agents, subcontractors and representatives of Carnation, other than Genpact and Genpact Agents.

“**Carnation Applicable Legislation**” shall mean any Applicable Legislation other than the Genpact Applicable Legislation, which Carnation is required to inform Genpact of.

“**Carnation Confidential Information**” shall mean any information of Carnation not generally known to the public (i) which Carnation marks as, or notifies Genpact to be, trade secret or confidential information, or (ii) trade secrets or proprietary information concerning Carnation, its sales, personnel or accounting procedures, accounts, operations, devices, techniques, methods, business plans, Software (regardless of its state of completion or form of recordation), data processing programs, data bases, models, product proposals, internally devised technology, system or network architecture or topology, secret processes, products, capacities, systems, security practices, research, development, machines, inventions, and research projects, and other means used by Carnation in the provision of services to Carnations and in the conduct of business, whether developed, acquired or compiled by Carnation.

“**Carnation Data**” shall mean all data and information including personally identifiable information submitted to Genpact by or on behalf of Carnation or other data and information of Carnation to which Genpact has access in connection with the provision of the Services.

“**Carnation Materials**” shall mean the computer systems and networks, Software and Documentation owned, licensed or leased by Carnation which Genpact is required to access or use in connection with providing the Services and includes Carnation Data.

“**Carnation Obligations**” shall have the meaning set forth in Clause 4.7(a).

“**Carnation Service Location(s)**” shall mean any Carnation service location set forth in the relevant Statement of Work any other service location owned or leased by Carnation for which

Genpact has received Carnation's approval in accordance with Clause 5.

"**Carnation Transition Obligations**" shall have the meaning set forth in Clause 3.1(c).

"**Deliverables**" shall mean the final output to be delivered by Genpact to Carnation under any Project SOW.

"**Developed Work Product**" shall mean any work product or other item developed exclusively for and paid for by Carnation, as specially identified in this Agreement or a SOW. Developed Work Product shall include Deliverables which shall mean the final output to be delivered by Genpact to Carnation under any Project SOW.

"**Disclosing Party**" shall mean the Party furnishing its Confidential Information to the other Party.

"**Dispute Date**" shall have the meaning set forth in Clause 8.4.

"**Documentation**" shall mean literary works, including manuals, training materials and documentation.

"**Effective Date**" shall have the meaning set forth in the Title clause of this Agreement.

"**Fees**" shall have the meaning set forth in Clause 9.1.

"**Force Majeure Event**" shall have the meaning set forth in Clause 18.4(a).

"**Genpact**" shall mean Genpact India having its registered office at Delhi Information Technology Park, Shastri Park, New Delhi – 110 053 and corporate office at Sector Road, Sector 53, Phase V, DLF City, Gurgaon – 122 002, Haryana.

"**Genpact Account Representative**" shall have the meaning set forth in Clause 8.1.

"**Genpact Agents**" shall mean the agents, subcontractors and representatives of Genpact.

"**Genpact Applicable Legislation**" shall mean any Legislation in any jurisdiction from which Genpact is providing the Services.

"**Genpact Confidential Information**" shall mean (a) any information of Genpact not generally known to the public (i) which Genpact marks as, or notifies Carnation to be, trade secret or confidential information, or (ii) trade secret or confidential information, including the Genpact Materials , Standard Operating Procedures and any other proprietary information concerning Genpact, its sales, personnel or accounting procedures, accounts, operations, devices, techniques, methods, business plans, Software (regardless of its state of completion or form of recordation), data processing programs, data bases, models, product proposals, internally devised technology, system or network architecture or topology, secret processes, products, capacities, systems, security practices, research, development, machines, inventions, and research projects and other means used by Genpact in the provision of services to Carnations and in the conduct of business, whether developed, acquired or compiled by Genpact and (b) Genpact's product proposals, financial information, data, source or object code, documentation, manuals, studies, Carnation and product development plans and any other materials or information based thereon and information regarding Genpact, Genpact's businesses plans, Genpact's other Carnations, policies, procedures, and products.

“**Genpact Materials**” shall mean the computer systems and networks, Software, Documentation and pre-existing Intellectual Property Rights owned, licensed or leased by Genpact that are used by Genpact to provide the Services including any processes, techniques, technology, methodologies, toolkits, tools, modules, manuals, business methods, data or database.

“**Genpact Service Location(s)**” shall mean any Genpact service location set forth in the relevant Statement of Work and any other service location owned or leased by Genpact that is used to provide the Services.

“**Genpact Transition Obligations**” shall have the meaning set forth in Clause 3.1(c).

“**Governmental Authority**” shall mean any central, state, municipal, local, territorial, or other governmental department, regulatory authority, judicial or administrative body.

“**Indemnified Party**” shall have the meaning set forth in Clause 16.4.

“**Indemnifying Party**” shall have the meaning set forth in Clause 16.4.

“**Indication of Arbitration**” shall have the meaning set forth in Clause 8.5(a).

“**Insolvency Event**” means:

(a) a court making an order for the winding-up, bankruptcy, dissolution, liquidation, administration, reorganisation or rehabilitation of the relevant Party, or a liquidator or administrator or equivalent (but not a receiver, manager, or equivalent appointed by the holder of a security) is appointed to the relevant Party; or

(b) the relevant Party assigning its assets for the benefit of its creditors or entering into any composition or arrangement with its creditors generally or any arrangement being ordered or declared whereby its affairs and/or its assets are submitted to the control of, or are protected from, its creditors, including pursuant to any moratorium;

“**Intellectual Property Rights**” shall mean any right that is granted or recognized regarding intellectual property, including patents, utility models, trade and service marks, trade or business names, domain names, right in designs, copyrights, neighbouring rights, moral rights, topography rights, and rights in databases and trade secrets , in all cases whether or not registered or registrable in any country for the full term of such rights including any extension to or renewal of the terms of such rights and including registrations and applications for registration of any of these and rights to apply for the same and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world.

“**Legislation**” shall mean any statute or subordinate legislation or other result of the exercise of legislative powers and any legally enforceable right including any regulation, decision or authorisation having the force of law of any body having jurisdiction, (including the regulations and decisions of any body, regulator or authority which regulates any stock exchange or the listing of share capital or its equivalent) from time to time in force,

“**Losses**” shall mean any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments) and expenses (including interest, court costs, reasonable fees and expenses of attorneys, accountants and other experts and professionals or other reasonable fees and expenses of litigation or other proceedings or of any Claim, default or

assessment).

“**Milestones**” shall mean certain targets in the development of the Deliverables to be mutually agreed upon by Carnation and Genpact in any Project SOW.

“**Non-Defaulting Party**” shall have the meaning set forth in Clause 15.3.

“**Non-Genpact Fault Event**” shall mean:

(a) any act or omission of Carnation or any third party (for the avoidance of doubt, including any failure by Carnation to comply with any Carnation Obligation);

(b) any Force Majeure Event;

(c) any unauthorised change to Carnation’s environment or requirements, or any other change which has not been agreed in accordance with this Agreement;

(d) any inaccurate or incomplete data, information or documentation provided by the Carnation;

(e) any defects in or non-availability of Carnation Data, Carnation Software, Carnation Materials or Carnation Agents;

(f) any inaccuracy or non-occurrence of the Dependencies; or

(g) any delay caused by Carnation

“**Parties**” shall mean Carnation and Genpact.

“**Party**” shall mean either Carnation or Genpact, as applicable.

“**Pass-Through Costs**” shall have the meaning set forth in Clause 9.3(a).

“**Person**” shall mean any consumer and/or corporation, partnership or other entity located within or outside India and its territories.

“**Process Statement of Work**” or “**Process SOW**” shall mean those Statements of Work pertaining to certain services to be provided by Genpact on an ongoing basis for Carnation and such Statements of Work shall be expressly marked as such.

“**Project Statement of Work**” or “**Project SOW**” shall mean those Statements of Work pertaining to particular projects (e.g. software developments) to be developed by Genpact for Carnation and such Statements of Work shall be expressly marked as such.

“**Project Staff**” shall mean the personnel of Genpact and Genpact Agents who provide the Services.

“**Receiving Party**” shall mean the Party which receives Confidential Information from the other Party.

“**Service Commencement Date**” shall mean, for a Statement of Work, the date upon which Genpact begins to provide the applicable Services, as such date is set forth in the applicable

Transition Plan.

"**Services**" shall have the meaning set forth in Clause 4.1(a).

"**Software**" shall mean any applications programs, operating system software, computer software languages, utilities, other computer programs and related documentation, in whatever form or media, including the tangible media upon which such applications programs, operating system software, computer software languages, utilities, other computer programs and related documentation are recorded or printed, together with all corrections, improvements, updates and releases thereof.

"**Standard Operating Procedures**" shall mean a document which describes the processes and procedures applicable to the Designated Service.

"**Statement of Work**" or "**SOW**" shall mean an order for Services agreed to and entered into by the Parties under the terms of this Agreement as provided in Clause 4.1 and which describes the obligations of the Parties with respect to such Services, including a description of the Services, Carnation Obligations, Service Levels, assumptions, Fees, reports, disaster recovery Services, and Termination Assistance Services.

"**Steering Committee**" shall have the meaning set forth in Clause 8.3.

"**Term**" shall have the meaning set forth in Clause 2.1.

"**Termination Assistance Fees**" shall have the meaning set forth in Clause 15.4(b).

"**Termination Assistance Period**" shall have the meaning set forth in Clause 15.4(a).

"**Termination Assistance Services**" shall have the meaning set forth in Clause 15.4(a).

"**Transition Plan**" shall have the meaning set forth in Clause 3.1(b).

"**Transition Schedule**" shall have the meaning set forth in Clause 3.1(b).

"**Transition Services**" shall have the meaning set forth in Clause 3.1(c).

1.2 References.

In this Agreement and the Exhibits hereto and thereto:

(a) the Exhibits shall be incorporated into and deemed part of this Agreement and all references to this Agreement shall include the Exhibits to this Agreement;

(b) the Attachments (or Appendices) to an Exhibit shall be incorporated into and deemed part of such Exhibit and all references to such Exhibits shall include the Attachments (or Appendices);

(c) references to any Applicable Legislation shall mean references to such Applicable Legislation in changed or supplemented form or to a newly adopted Applicable Legislation; and

(d) use of the word “including” or the phrase “e.g.” shall mean “including, without limitation”.

1.3 Headings.

The Article, Clause and Exhibit headings, and the Table of Exhibits, are for reference and convenience only and shall not be considered in the interpretation of this Agreement.

1.4 Interpretation of Documents.

In the event of a conflict between (a) this Agreement (excluding any Exhibits thereto) and any Exhibit or any Standard Operating Procedure, the terms of this Agreement shall prevail, (b) any Exhibit to this Agreement and any Standard Operating Procedure, the terms of the Exhibit shall prevail, (c) this Agreement and any Statement of Work, the terms of that Statement of Work shall prevail, but only if it expressly overrides the relevant term in this Agreement and otherwise this Agreement will prevail, or (d) any Statement of Work and any exhibits or attachments to such Statement of Work, the terms of such Statement of Work shall prevail.

2. TERM

2.1 Term.

The term of this Agreement shall commence on the Effective Date and continue until the later of (a) five (5) years from the Effective Date and (b) the expiration or termination of the last remaining Statement of Work in effect under such Agreement, unless the Agreement is terminated earlier pursuant to its terms (“**Term**”).

2.2 Extension of the Term.

Any extension of the Term shall be agreed between the Parties at least 12 (twelve) months prior to expiry, subject to agreement between the Parties on all relevant terms including pricing and services.

3. TRANSITION

3.1 Transition Plan.

(a) This Clause 3 shall apply only to Process SOWs.

(b) For each Process SOW, the Genpact shall develop a written implementation plan that shall include (i) the overall approach of the implementation, (ii) a schedule of implementation milestones and other activities (“**Transition Schedule**”), (iii) a detailed description of the respective implementation tasks and responsibilities of Carnation and Genpact and (iv) any other relevant information ((i) through (iv) collectively referred to as the “**Transition Plan**”). Such Transition Plan shall be agreed with the Carnation.

(c) Genpact shall perform its obligations described in each Transition Plan to enable Genpact to commence its provision of, and Carnation’s receipt of, the Services (“**Genpact Transition Obligations**”) and Carnation shall perform its obligations described in each Transition Plan to enable Genpact to commence its provision, and Carnation’s receipt, of

the Services ("**Carnation Transition Obligations**"; together with the Genpact Transition Obligations, the "**Transition Services**").

(d) Genpact shall update and modify each Transition Plan, from time to time, as appropriate or as requested by the Carnation in accordance with the Change Control procedure.

3.2 Transition Services.

(a) Genpact shall plan and prepare for the Transition Services in consultation with Carnation and with Carnation's reasonable assistance in order to (i) minimise disruption to Carnation's applicable operations during the relevant period and (ii) complete the Transition Services in all material respects no later than the completion date specified in the Transition Schedule.

(b) Prior to commencing the Transition Services, the Parties shall discuss all known Carnation-specific material risks and shall not proceed with the Transition Services until Carnation is reasonably satisfied with the plans with regard to such risks.

(c) Genpact shall be responsible for overall management of the Transition Services and to the extent within its control, shall keep the Transition Services on schedule. Carnation shall cooperate with Genpact and provide to Genpact such reasonable assistance, resources, information and other input to coordinate the Transition Services and to complete the Transition Services in accordance with the applicable Transition Plan. Upon identification of any issues that would reasonably be expected to delay or otherwise adversely effect the completion of any of the Transition Services, Genpact shall promptly notify Carnation and the Parties shall cooperate to establish a plan to minimize the delay or other adverse effect.

(d) Prior to completion of the Transition Services, the Account Representatives and such other appropriate representatives of the Parties, shall periodically review the status of the Transition Services.

(e) If, following the Service Commencement Date, Genpact or Carnation discover any inaccuracies in or incompleteness of the information provided, or any omission to provide the information required under Clause 3.2(c), then the Parties shall amend this Agreement to provide for an equitable adjustment to the Fees, Transition Plan and other terms of the SOW affected by the inaccuracies, incompleteness or omissions, through the Change Control Process.

4. SERVICES

4.1 Scope of Services

(a) From time to time, the Parties shall enter into Statements of Work in the format set forth in Exhibit 1 (Form of Statement of Work) in respect of services to be provided by Genpact to Carnation pursuant to this Agreement (collectively, along with the Genpact Transition Obligations and the Termination Assistance Services, the "**Services**"). Each such Statement of Work shall incorporate, and be subject to, the terms and conditions of this Agreement. As of the applicable Service Commencement Date and during the remainder of the term of the applicable Statement of Work, Genpact shall provide the Services described in such Statement of Work to Carnation, subject to (i) the

Dependencies and (ii) to the performance by Carnation of its obligations under this Agreement.;

(b) If, following the Service Commencement Date, Genpact is requested to perform additional services outside the Services set out in the Transition Plan or Statements of Work described in Clause 4.1 (a) above then the Parties agree to mutually agree the Fees, Transition Plan and other terms of the SOW affected by the request in accordance with the Change Control Procedure.

4.2 Standard Operating Procedures.

(a) This Clause 4.2 shall apply only to Process SOWs.

(b) On or before the Service Commencement Date for any Process SOW, Genpact shall deliver a draft of the Standard Operating Procedures for the Services under such Process Statement of Work. Within thirty (30) days of Carnation's written response to such draft, which shall be taken into account by Genpact, Genpact shall provide Carnation the final version of such Standard Operating Procedures. The Standard Operating Procedures shall be written to enable personnel skilled in the relevant disciplines to use and receive the Services.

(c) Subject to the terms of this Agreement, the Parties shall comply at all times with the Standard Operating Procedures.

(d) Genpact shall in consultation with the Carnation update the Standard Operating Procedures from time to time to reflect changes in the Services.

4.3 Disaster Recovery Services.

Genpact shall provide to Carnation the disaster recovery assistance, cooperation and services, if any, described in a Statement of Work. Genpact has no responsibility for Carnation's business continuity planning or disaster recovery, except as set forth in a Statement of Work.

4.4 Reports.

Genpact shall provide to Carnation the reports set forth in the Statements of Work in accordance with the frequencies set forth therein.

4.5 Records Retention.

Genpact shall retain all books and records relating to the Agreement and the SOWs for a period of three (3) years or such longer period as may be required by Genpact Applicable Legislation.

4.6 Reliance on Instructions.

In performing its obligations under this Agreement, Genpact shall be entitled to reasonably rely upon any routine instructions, authorisations, approvals or other information provided to Genpact in writing by the Carnation Account Representative or by any other Carnation personnel identified by the Carnation Account Representative as having authority to provide such routine instructions, authorisations, approvals or other information on behalf of Carnation.

4.7 Carnation's Obligations.

(a) In addition to its other obligations under this Agreement, Carnation shall, at its own cost and expense, be responsible for (i) the obligations ascribed to Carnation in each Statement of Work and (ii) the Dependencies (collectively, "**Carnation Obligations**"). Carnation shall perform the Carnation Obligations and acknowledges that Genpact's performance of the Services is dependent on Carnation's timely and effective performance of the Carnation Obligations.

(b) If Carnation's failure to perform any Carnation Obligations causes Genpact to fail to perform its obligations under this Agreement, Genpact shall not be liable for any delay caused due to such failure and any failure to perform Genpact's obligations shall be excused. Notwithstanding the foregoing, Genpact shall use reasonable efforts (including emergency fixes and workarounds) to perform its obligations under this Agreement. Genpact shall be entitled to be compensated for any additional costs incurred as a result of any delay or failure to perform on the part of Carnation.

(c) Carnation shall not remarket or sell all or any portion of the Services, or make all or any portion of the Services available to any third party without Genpact's prior consent.

(d) Carnation shall promptly provide Genpact with all facilities, information, assistance and materials that Genpact requests from time to time to facilitate the proper and timely performance of the Services hereunder.

(e) Carnation warrants that all information provided by it to Genpact will be accurate in all material respects, and that Carnation is entitled to provide the information to the Supplier for its use without recourse to any third party.

(f) If and to the extent that the performance of the Services involves or requires the attendance of Genpact's personnel at any of Carnation's premises, Carnation shall ensure that such personnel are allowed access to such premises upon reasonable prior notice during Carnation's normal business hours. Carnation shall take full responsibility for the safety and security of Genpact's personnel whilst at any of Carnation's premises.

(g) If the performance of any Services hereunder requires use of Carnation's equipment, Carnation shall ensure that Genpact's personnel are given such access to the equipment as is necessary to facilitate the performance of the Services. Any equipment which belongs to Carnation and which is used by Genpact, whether at any Carnation premises or elsewhere, shall remain at Carnation's risk and Genpact shall not assume any responsibility or liability for the safety or security of such equipment. Carnation shall take all reasonable precautions to safeguard the health and safety of Genpact's personnel whilst working with equipment which belongs to Carnation or is located at Carnation's premises. Carnation shall ensure that such equipment at all times complies with all relevant statutory regulations and approved codes of practice, including without limitation relevant health and safety legislation.

4.8 Licences and Permits.

(a) Genpact shall, at its own cost, obtain all necessary approvals, consents, permits and grants in its jurisdiction(s) to perform the Services. To the extent so required, Carnation shall at Genpact's request assist Genpact in obtaining approvals, consents, permits and grants; and

(b) Carnation shall, at its own cost, obtain all necessary approvals, consents, permits and grants in its jurisdiction(s) to receive the Services. To the extent so required, Genpact shall at Carnation's request assist Carnation in obtaining approvals, consents, permits and grants.

4.9 Legislative Changes.

(a) Genpact shall notify Carnation in writing of any changes to Genpact Applicable Legislation and Carnation shall notify Genpact in writing of any changes to Carnation Applicable Legislation (which together shall be referred to as "**Legislative Changes**") which do or will become effective during the Term. Following such notification, the Parties shall take such steps as are necessary to modify the Services and any terms relating to provision of the Services in accordance with the Change Control Procedure set out in Clause 6. The charging and other implications shall be dealt with via the Change Control Procedure save that, in the event the Legislative Changes are applicable exclusively to providers of finance business process outsourcing services of an identical nature to the Services as a whole, then Genpact shall bear all costs and expenses associated with implementing consequent modifications to the Services; and (ii) in the event of all other Legislative Changes, Carnation shall bear all costs and expenses associated with implementing consequent modifications to the Services.

(b) Each Party shall take all reasonable steps to minimise the charges or costs and expenses connected with implementing any modifications to the Services as a result of Legislative Changes.

4.10 Facilities. Except as otherwise expressly provided in this Agreement, Genpact shall not be responsible for providing the facilities, personnel, Software and Equipment and other resources as necessary to provide the Services.

5. SERVICE LOCATIONS

5.1 Service Locations.

The Services shall be provided from the Genpact Service Locations and Carnation Service Locations.

5.2 Genpact Service Locations.

During the Term, Genpact may add or remove Genpact Service Locations in its discretion, provided that it does not affect the quality of the Services.

5.3 Carnation Service Locations.

(a) At no cost to Genpact and to the extent necessary for Genpact to provide the Services, Carnation will provide Genpact with:

(i) reasonable access to Carnation Service Locations; and

(ii) suitable office resources (including, but not limited to, access to office equipment and services, office space, parking, furniture, normal office equipment and

support, computer resources, telephone service, facsimile machines, photocopy machines and other reasonable facilities and supplies relating to the Services, heating, air conditioning, electricity, water, security and other maintenance services) which are at least to the standard offered to Carnation's own Personnel;

in each Carnation Service Location reasonably necessary for Genpact to perform its obligations under this Agreement.

(b) Carnation will provide Genpact with a copy of each of Carnation's standard workplace security, administrative, safety and other policies and procedures applicable to Carnation's own employees. While at any Carnation Service Locations, the Project Staff will comply with the policies and procedures provided by Carnation. Any Changes to such policies and procedures will be made using the Change Control Procedure set out in Clause 6.

6. CHANGE CONTROL PROCEDURE

(a) Either Party may propose changes to the scope, terms and/or conditions of the Services ("**Change**") in accordance with the procedures described hereunder in this Clause 6 ("**Change Control Procedures**"). Except as set forth in Clause 6(e), neither Party shall be entitled to or obligated by any such Change until it has been presented and approved by both Parties in accordance with such Change Control Procedures. Once approved, such a Change shall be deemed to supplement or modify, as applicable, the terms and conditions of the Statement of Work to which it pertains.

(b) To propose a Change, the Party's Account Representative shall, at such proposing Party's cost, deliver a written proposal ("**Change Order Proposal**") in the format attached as Exhibit 2 (Form of Change Order Proposal) to the other Party's Account Representative specifying (i) the proposed Change, (ii) the objective or purpose of such Change, (iii) the requirements and specifications of the deliverables, if any, to be delivered pursuant to such Change, (iv) the requested prioritization and schedule for such Change, and (v) the cost impact of such Change.

(c) Within thirty (30) Business Days following receipt of the Change Order Proposal, Carnation and Genpact shall, in good faith, meet to review and discuss the scope and nature of the Change Order Proposal, the availability of Genpact personnel, expertise and resources to provide such Change and the time period in which such Change will be implemented. Within thirty (30) Business Days of such meeting, Genpact shall, at its own cost unless otherwise agreed, prepare and deliver to Carnation a written assessment of the proposal ("**Change Assessment**") (i) describing any changes in products, services, assignment of personnel and other resources that Genpact believes will be required, (ii) specifying the increase or decrease in the Fees that would be required due to such Change, (iii) specifying how the proposed Change would be implemented, (iv) describing the effect, if any, such Change would have on this Agreement, (v) estimating all resources required to implement such Change, (vi) describing the delivery risks and associated risk mitigation plans and (vii) providing such other information as may be relevant to the proposed Change. To the extent that a proposed Change is of such magnitude or complexity that it is not feasible for Genpact to produce a detailed Change Assessment within thirty (30) Business Days, Genpact shall prepare and deliver to Carnation a summary Change Assessment outlining such details regarding the prospective Change as Genpact can ascertain within ten (10) Business Days, and the

Parties shall agree upon a schedule for the production of a more detailed Change Assessment.

(d) Carnation shall review the Change Assessment and respond within ten (10) Business Days of its receipt of the Change Assessment, indicating whether Carnation desires Genpact to implement the Change pursuant to the Change Assessment. Upon the agreement of both Parties, the Parties will execute a change order ("**Change Order**") based upon such Change Assessment. All Change Orders must be approved in writing by both Carnation and Genpact before work on the proposed Change commences.

(e) Notwithstanding the foregoing, Genpact shall have the right in its discretion to designate and make Changes that:

(i) do not have a material adverse impact on the Service Levels; or

(ii) do not cause an increase to the Fees,

without resorting to the Change Control Procedures, provided that Genpact shall notify Carnation of any such Changes.

7. AUDIT

7.1 Financial Audits.

(a) Subject to Clause 7.2, Genpact shall, upon receipt of request from the Customer, provide to Customer's third-party auditors or Customer's internal audit staff, as the case may be, access to such records and supporting documentation as may be reasonably requested by Customer in order for Customer to carry out review and audit of Genpact software, hardware and systems (not being Genpact proprietary material) which have been purchased or used by Genpact for and on behalf of the Customer and at Customer's cost, processes, quality management and to determine that the Fees are accurate, excluding information relating to Genpact internal costing data costs

(b) If, as a result of an audit pursuant to Clause 7.1(a), it is determined that Genpact has overcharged Carnation, Carnation shall notify Genpact of the amount of such overcharge and Genpact shall credit to Carnation the amount of the overcharge in its next monthly invoice.

7.2 General Principles Regarding Audits.

(a) Carnation and its auditors shall use reasonable efforts to conduct any audits pursuant to this Clause, in a manner that shall result in a minimum of inconvenience and disruption to Genpact's business operations. Carnation shall provide Genpact with reasonable prior notice of an audit. Audits may be conducted only during normal business hours of the Supplier and no more frequently than annually, unless material deficiencies are discovered or if otherwise required by any Applicable Legislation. Carnation and its auditors shall not be entitled to audit (i) data or information of other clients of Genpact, (ii) any Genpact proprietary data, including cost information or (iii) any other Genpact Confidential Information that is not relevant for the purposes of the audit. Genpact shall provide reasonable assistance to Carnation and its auditors in connection with an audit. All information learned or exchanged in connection with the conduct of an audit, as well as the results of any audit, constitutes Confidential Information.

(b) Carnation shall not use any competitors of Genpact to conduct audits. Upon the request of Carnation, Genpact shall promptly identify its competitors.

(c) The auditors of Carnation shall execute and deliver such confidentiality and non-disclosure agreements and comply with such security and confidentiality requirements as Genpact may reasonably request in connection with an audit. Audit results shall be deemed to be Confidential Information of Genpact, irrespective of whether a confidentiality or non-disclosure agreement has been entered into.

(d) Carnation shall bear its cost in connection with any audits.

8. GOVERNANCE

8.1 Genpact Account Representative.

Genpact shall designate a senior level individual who shall (a) be the primary contact for Carnation in dealing with Genpact under this Agreement, (b) have overall responsibility for managing and coordinating the delivery of the Services, (c) meet regularly with Carnation Account Representative and (d) have the authority to make decisions with respect to actions to be taken by Genpact in the ordinary course of day-to-day management of Genpact's provision of the Services ("**Genpact Account Representative**").

8.2 Carnation Account Representative.

Carnation shall designate a senior level individual who shall (a) be the primary contact for Genpact in dealing with Carnation under this Agreement, (b) have overall responsibility for managing and coordinating the receipt of the Services, (c) meet regularly with the Genpact Account Representative and (d) have the authority to make decisions with respect to actions to be taken by Carnation in the ordinary course of day-to-day management of Carnation's receipt of the Services ("**Carnation Account Representative**").

8.3 Establishment of Steering Committee.

Genpact and Carnation shall appoint a steering committee made up of a number of key executives from each Party (including the Genpact Account Representative and Carnation Account Representative), which shall meet from time to time and at such time as the Parties deem appropriate to (a) review and analyse the Parties' overall performance under this Agreement, (b) review progress on the resolution of issues, (c) provide a strategic outlook for Carnation's requirements and (d) attempt, to resolve any disputes or disagreements under this Agreement ("**Steering Committee**"). Although the Carnation Account Representative and the Genpact Account Representative shall remain as members of the Steering Committee, either Party may change its other representatives upon notice to the other Party. All actions or decisions of the Steering Committee shall require the unanimous vote of its members.

8.4 Dispute Resolution.

(a) Any dispute arising under this Agreement shall be considered first in person or by telephone by the Account Representatives within ten (10) days of receipt (the date of receipt, "**Dispute Date**") of a notice addressed to the applicable Account Representative from the other Account Representative referencing this Clause and specifying the nature of the dispute. If for any reason, including a failure to meet or communicate, the Account Representatives have not resolved such dispute to the satisfaction of the Parties within ten

(10) days after the Dispute Date, then each of the Account Representatives shall immediately refer such dispute to its designees to the Steering Committee. The Parties' designees to the Steering Committee shall each make a good faith attempt to consider such dispute in person or by telephone within ten (10) days of a dispute being referred to it.

(b) Subject to Clause 8.4(c) below, unless the Parties' designees to the Steering Committee otherwise agree, either Party may pursue its rights and remedies under the Agreement after the earlier of (i) the occurrence of such meeting or telephone conversation of the Parties' designees to the Steering Committee and (ii) the date twenty (20) days after the Dispute Date.

(c) Where the dispute relates to an action for infringement of any Intellectual Property Rights or where the limitation period for bringing the claim will expire within three years of the Dispute Date, neither Party will be prevented from pursuing its rights and remedies under the Agreement earlier than specified in Clause 8.4(b) above.

8.5 Arbitration.

If a dispute cannot be resolved as provided in Clause 8.4, either Party may submit the dispute to arbitration as described in this Clause 8.5.

(a) If either Party opts for resolution of the dispute through arbitration, it will, at the end of the twenty (20) day period indicated in Clause 8.4, indicate the same to the other Party ("**Indication of Arbitration**").

(b) The arbitration shall be conducted in accordance with the Rules of the Indian Arbitration and Conciliation Act 1996 in effect at the time of arbitration. The governing law shall be the laws of the Republic of India. The arbitration shall be held in New Delhi, and the language to be used in the arbitral proceedings shall be English.

(c) The Parties may, upon mutual written agreement, submit the dispute for binding arbitration to a single arbitrator. If, within ten (10) days of receipt of the Indication of Arbitration, the Parties fail to reach an agreement on the single arbitrator then the dispute shall be referred to arbitration by a panel of three (3) arbitrators. Each Party shall be entitled to nominate one (1) arbitrator. Each Party must notify the other Party of their nomination within twenty (20) days following receipt of the Indication of Arbitration.

(d) The two (2) arbitrators shall be entitled to nominate the Chairman within forty (40) days of receipt of the Indication of Arbitration or by such other time as agreed in writing by both Parties.

(e) If for any reason the procedure set out above should fail to result in appointment of the required number of arbitrators, the arbitrators shall be appointed by the competent court in accordance with the Indian Arbitration and Conciliation Act.

(f) The arbitral award shall be in writing, state the reasons for the award, and be final and binding on the Parties. The award may include an award of costs, including reasonable attorneys' fees and disbursements. Any court having jurisdiction thereof or having jurisdiction over the relevant Party or its assets, may enter judgment upon the award.

9. FEES AND PAYMENT TERMS

9.1 Fees.

In consideration for the performance of the Services, Carnation shall pay to Genpact the fees set forth in the applicable Statement of Work ("**Fees**") plus taxes and other amounts described in this Agreement. The fees would be applicable from the date of start of the training and knowledge transfer to the Genpact agents.

9.2 Reimbursement of Expenses.

Carnation shall pay or reimburse Genpact for the reasonable out-of-pocket expenses (including travel and travel-related expenses) incurred by Genpact in connection with Genpact's performance of its obligations under the Statement of Work, in accordance with the terms and conditions identified in the said Statement of Work. Genpact shall separately identify all such reimbursable expenses in the applicable monthly invoice.

9.3 Pass-Through Costs.

(a) Each Statement of Work shall set forth any costs relating to the Services that shall be incurred by Genpact and shall be passed through to Carnation at Genpact's actual, direct cost (i.e., with no handling fees, overhead or other mark-up by Genpact) for payment by Carnation directly to the applicable vendor ("**Pass-Through Costs**"). These costs would be incurred with the consent of Carnation.

(b) After Genpact's receipt of a third-party invoice for Pass-Through Costs, Genpact shall use reasonable efforts to correct any errors therein and provide the invoice to Carnation together with a statement that Genpact has reviewed the invoice and determined that either such invoice appears to be (i) correct and should be paid by Carnation or (ii) incorrect and should be questioned by Carnation. Genpact shall submit all such invoices to Carnation for payment within a reasonable period of time prior to the applicable due date.

9.4 Inflation Adjustments.

The rates identified in a Process SOW shall be subject to adjustment for inflation every 12 months on the contract anniversary date basis mutually agreed methodology.

9.5 Invoices; Method of Payment; Finance Charges.

(a) Genpact shall render a single consolidated invoice for each Statement of Work in arrears for each month's charges under such Statement of Work.

(b) Any amount due to Genpact under an invoice shall be due and payable within thirty (30) days after Carnation's receipt of Genpact's invoice.

(c) All amounts to be paid to Genpact under this Agreement shall be paid after deduction of tax at source, where applicable but are net of Value Added Tax and any other applicable taxes or duties Any amount not paid when due shall bear interest from the original due date until paid at two (2) percent per month.

(d) Periodic charges under a Statement of Work shall be computed on a calendar month basis and shall be pro-rated on a per diem basis for any partial month.

9.6 Taxes.

(a) Each Party shall be responsible for (i) any personal property taxes on property it owns or leases (other than property subleased to the other Party), (ii) employment taxes of its own employees and (iii) taxes based on its net income or gross receipts.

(b) Carnation shall be responsible for sales, use, excise, value-added, services, consumption and other taxes and duties, and any interest thereon, on the provision of the Services (including the reimbursement of expenses), any particular goods or services received by Carnation from Genpact, or the fees paid for such goods or services.

(c) To the extent any payment for service, product or technology provided by Genpact is subject to tax deduction at source, Customer shall issue certificate(s) in respect of such deductions

(d) The Parties shall reasonably cooperate with each other to more accurately determine each Party's tax liability and to minimize such liability to the extent legally permissible. Carnation and Genpact shall provide and make available to the other any resale certificates, withholding tax certificates, information regarding out-of-state sales or use of equipment, materials or services, and other exemption certificates or information reasonably requested by either Party.

10. PROPRIETARY RIGHTS

10.1 Carnation IP.

(a) Carnation retains all rights, title and interest in Carnation Materials. Carnation grants to Genpact a global, royalty-free, fully paid-up, non-exclusive, non-transferable licence to access, use, modify, display and make derivative works of Carnation Materials solely to the extent necessary to provide the Services. Genpact may sublicense to Genpact Agents the said right to access, use, modify, display and make derivative works of Carnation Materials solely to provide those Services that such Genpact Agents are responsible for providing. The licences referred to in this Clause 10.1(a) shall be limited to the duration of the Term and, solely to the extent necessary to provide Termination Assistance Services, during any Termination Assistance Period.

(b) Subject to Clause 10.3, Carnation shall own and have all intellectual property rights in and to modifications, enhancements or derivative works of Carnation Materials. To the extent that Genpact has any right, title or interest in and to such modifications, enhancements or derivative works, Genpact irrevocably assigns, transfers and conveys (and shall cause Genpact Agents and the employees of Genpact and Genpact Agents, to assign, transfer and convey) to Carnation without further consideration all of its (and their) right, title and interest in and to such modifications, enhancements or derivative works. Genpact agrees to execute any documents or take any other actions as may be necessary, or as Carnation may request, to perfect Carnation's ownership in any such modifications, enhancements or derivative works, at Carnation's expense. With respect to any third party Software or Documentation licensed or leased by Carnation, the provisions of this Clause 10.1(b) shall only apply as between Genpact and Carnation.

10.2 Genpact IP.

(a) Genpact retains all rights, title and interest in Genpact Materials. Genpact grants to Carnation a global, royalty-free, fully paid-up, non-exclusive, non-transferable licence to access, use and display the Genpact Materials solely for Carnation's internal use and to the extent necessary for Carnation to receive the Services. The licences granted pursuant to this Clause 10.2 (a) shall be limited to during the Term and, solely to the extent necessary to receive Termination Assistance Services, during any Termination Assistance Period and (ii) with respect to any third party Software or Documentation, are granted solely to the extent permissible under the applicable third party agreement.

(b) Genpact shall own and have all intellectual property rights in and to modifications or enhancements or derivative works of the Genpact Materials made at any time. To the extent that Carnation has any right, title or interest in and to such modifications, enhancements or derivative works, Carnation hereby irrevocably assigns, transfers and conveys (and shall cause Carnation Agents and the employees of Carnation and Carnation Agents to assign, transfer and convey) to Genpact without further consideration all of its (and their) right, title and interest in and to such modifications, enhancements or derivative works; however Carnation shall have a license to use such modifications, enhancements or derivative works in terms of the license to use Genpact Materials granted by Genpact under Clause 10.2 (a). Carnation agrees to execute (and shall cause Carnation Agents, and the employees of Carnation and Carnation Agents, to execute) any documents or take any other actions as may be necessary, or as Genpact may request, to perfect Genpact's ownership in any such modifications or enhancements, at Genpact's expense. With respect to any third party Software or Documentation licensed or leased by Genpact, the provisions of this Clause 10.2(b) shall only apply as between Carnation and Genpact.

10.3 Developed Work Product.

Unless otherwise specified in an SOW, Carnation shall own and have all right, title and interest (including ownership of copyright) in and to the Developed Work Product. Genpact irrevocably assigns, transfers and conveys to Carnation without further consideration all of its (and their) right, title and interest (including ownership of existing and future copyright) in and to all Developed Work Product. Genpact acknowledges (and shall cause Genpact Agents, and the employees of Genpact and Genpact Agents, to acknowledge) that Carnation shall have the right to obtain and hold in its own name any Intellectual Property Rights in and to the Developed Work Product. Genpact agrees to execute any documents or take any other actions as may be necessary, or as Carnation may request, to perfect the ownership of Carnation in the Developed Work Product, at Carnation's expense.

10.4 Residual Knowledge.

Each Party is free to use any generalized ideas, concepts, know-how, or techniques that are developed or provided by the other or jointly by both Parties during the Term, so long as it does not use the Confidential Information of the other Party. Subject to the restrictions set forth herein, Genpact and Carnation are free to enter into similar agreements with third parties, and to develop and provide to such third parties materials or services that are similar to those provided under this Agreement.

11. CONFIDENTIALITY

11.1 Confidential Information.

(a) Receiving Party shall treat Confidential Information with at least the same degree of care as Receiving Party uses for its own confidential information, and in any event not less than reasonable care, and shall not use, disclose, commercially exploit, duplicate, copy, transmit or otherwise disseminate or permit to be used, disclosed, commercially exploited, duplicated, copied, transmitted or otherwise disseminated such Confidential Information at any time prior to or after the termination or expiration of this Agreement, except as expressly permitted under this Agreement. Receiving Party shall use Confidential Information for the purposes authorised by this Agreement and for no other purpose. Receiving Party shall not remove any copyright notice, trademark notice or proprietary legend set forth on, or contained within, any of the Confidential Information. In no event shall Receiving Party (i) acquire any right in or assert any lien against the Confidential Information of the Disclosing Party or (ii) refuse for any reason to promptly provide the Confidential Information of the Disclosing Party to the Disclosing Party upon its request (excluding copies of such Confidential Information as may be necessary to be retained by Applicable Legislation).

(b) In the event of any unauthorised possession, use, knowledge or disclosure of any Confidential Information, the Receiving Party shall:

(i) promptly notify the Disclosing Party;

(ii) promptly provide the Disclosing Party details thereof, and use reasonable efforts to assist the Disclosing Party in investigating or preventing the recurrence thereof;

(iii) use reasonable efforts to cooperate with the Disclosing Party in any litigation and investigation against third parties deemed necessary by the Disclosing Party to protect its proprietary rights in such Confidential Information; and

(iv) promptly use reasonable efforts to prevent a recurrence thereof.

11.2 Disclosure to Employees and other Parties.

Receiving Party shall disclose Confidential Information to employees, independent contractors, subcontractors, attorneys, accountants and investment advisors only to the extent that such disclosure is reasonably necessary for the purposes described in this Agreement, or to advise in relation to it, and provided that:

(a) before disclosure of any Confidential Information to any Recipient, the Receiving Party shall ensure that the Recipient is made aware of the Receiving Party’s obligations of confidentiality under this Agreement;

(b) each Party shall use all reasonable efforts to procure that all Recipients are bound by an undertaking in substantially the same terms as this Agreement;

(c) Receiving Party shall take all reasonable measures to ensure that Confidential Information of the Disclosing Party is not disclosed or duplicated in contravention of the provisions of this Agreement by such officers, agents, subcontractors and employees; and

(d) the Receiving Party shall assume full responsibility for the acts or omissions of the third Party receiving the Confidential Information.

11.3 Exceptions.

(a) The obligations set forth in this Clause shall not apply to information which

(i) is or becomes publicly available through no improper action of the Receiving Party;

(ii) is in the Receiving Party's possession independent of its relationship with the Disclosing Party without an obligation of confidentiality;

(iii) is independently developed by the Receiving Party without use of any Confidential Information; or

(iv) is lawfully or properly obtained without obligation of confidentiality.

(b) This Clause shall not restrict any disclosure by the Receiving Party (i) pursuant to Applicable Legislation or the order of any court or Governmental Authority or (ii) if the Receiving Party, in its judgment, determines that any such disclosure is necessary in order to comply with or avoid violation of any request by a regulatory authority, provided and to the extent legally permissible, that Receiving Party gives prompt notice to the Disclosing Party of such order such that Disclosing Party may (1) interpose an objection to such disclosure, (2) take action to assure confidential handling of the Confidential Information or (3) take such other action as it deems appropriate to protect the Confidential Information. For the avoidance of doubt, where Confidential Information is required to be disclosed by this Clause 11.3(b), for all other purposes that information shall remain subject to the terms of this Clause 11.

11.4 Return of Confidential Information.

Upon termination or expiration of this Agreement or a Statement of Work, or upon Disclosing Party's earlier request, Receiving Party shall promptly deliver to Disclosing Party all (or for a Statement of Work, all applicable) Confidential Information and shall purge any such Confidential Information from all computer and other data storage systems, and certify to the Disclosing Party in writing that it has done so; provided, however, that Receiving Party shall not be required to return or purge any Confidential Information that it is legally required to retain or otherwise for audit purposes or is necessary to defend itself in any legal proceedings brought against it by a third party. Additionally, either Party's legal department may retain one (1) copy of the Confidential Information for archival purposes, subject to the terms and conditions of this Agreement.

11.5 Injunctive Relief.

Each of the Parties (a) acknowledges that any use or disclosure of Confidential Information in violation of this Agreement may cause irreparable injury to the Disclosing Party for which other remedies at law would be inadequate and (b) agrees that a Disclosing Party shall have the right to seek injunctive or other equitable relief as may be necessary or appropriate to prevent any use or disclosure of the Confidential Information in violation of this Agreement.

12. CARNATION INFORMATION

Genpact acknowledges that as between Genpact and Carnation, all Carnation Confidential Information shall be considered proprietary information of Carnation and all right, title and interest in Carnation Confidential Information shall be owned by Carnation. Genpact shall use Carnation Confidential Information solely in connection with performing its obligations under this Agreement. Carnation acknowledges that as between Genpact and Carnation, all Genpact Confidential Information shall be considered proprietary information of Genpact and all right, title and interest in the Genpact Confidential Information shall be owned by Genpact. Carnation shall use Genpact Confidential Information solely in connection with the Services rendered under this Agreement.

13. NON-SOLICITATION

During the Term and for 12 months thereafter, (a) Genpact may not solicit or hire any employees or contractors of any Carnation Entity without the consent of Carnation and (b) Carnation may not solicit or hire any Genpact Personnel without the consent of Genpact. The restriction stated herein shall not apply if any employee of the other Party responds to a general advertisement of employment issued by a Party without the intention of soliciting the other Party’s employees (e.g., through a newspaper, magazine, internet or trade journal advertisement).

14. REPRESENTATIONS AND WARRANTIES

14.1 Genpact Representations and Warranties.

Genpact hereby represents and warrants to Carnation that:

(a) it is an entity validly existing and in good standing under the laws of Republic of India;

(b) it has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;

(c) in entering into and performing the obligations set out in this Agreement it shall not be in breach of any Applicable Legislation;

(d) it is duly licensed, authorised or qualified to do business and is in good standing in every jurisdiction in which a license, authorisation or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it except where the failure to be so licensed, authorised or qualified would not have a material adverse effect on Genpact’ ability to fulfil its obligations under this Agreement;

(e) it shall at all times comply with the laws applicable to Genpact in its capacity as a provider of the Services.

14.2 Carnation Representations and Warranties.

Carnation hereby represents and warrants to Genpact that:

(a) it is a [corporation], validly existing and in good standing under the laws of Republic of India;

(b) it has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;

(c) in entering into and performing the obligations set out in this Agreement it shall not be in breach of any Applicable Legislation;

(d) it is duly licensed, authorised or qualified to do business and is in good standing in every jurisdiction in which a license, authorisation or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it except where the failure to be so licensed, authorised or qualified would not have a material adverse effect on Carnation's ability to fulfil its obligations under this Agreement;

(e) it shall at all times comply with the laws applicable to Carnation in its capacity as a receiver of the Services.

14.3 No Other Warranties.

Save as expressly set out in this Agreement or any Process SOW:

(a) Neither Party makes any representation or warranty express or implied, as to the Services or any software, equipment or systems or that the Services shall be provided error-free or uninterrupted;

(b) Genpact makes no representation or warranty with respect to, and shall not be responsible or liable for, any (i) corruption, damage, loss or mis-transmission of data, (ii) security of data during transmission via public telecommunications facilities or (iii) of the content of any data provided by Carnation or Carnation's representatives; and

(c) All other conditions, warranties, undertakings, representations and other terms of any kind whatsoever, express or implied (whether by statute, common law or otherwise), in respect of the subject matter of this Agreement or any Process SOW, are hereby excluded by both Parties to the fullest extent permitted by law and each Party shall have no other obligation, duty or liability whatsoever to the other Party. Without prejudice to the generality of the foregoing, Genpact specifically excludes all warranties, terms or conditions implied by applicable law concerning satisfactory quality and/or fitness for purpose and/or as to description to the fullest extent permitted by law.

15. TERMINATION

15.1 Termination for Cause.

(a) If Genpact fails to perform any of its material obligations under a Statement of Work in breach of this Agreement and does not cure such failure within thirty (30) days of receipt of this Agreement or a notice of default from Carnation, then Carnation may, by giving written notice to Genpact, terminate the Agreement or such Statement of Work as of the date specified in such notice of termination.

(b) If Carnation fails to perform any of its material obligations under this Agreement or a Statement of Work in breach of this Agreement and does not cure such failure within thirty (30) days of receipt of a notice of default from Genpact (or, in the case of a failure to make undisputed payments, within 15 days of the notice of default), then Genpact

may, by giving written notice to Carnation, terminate the Agreement or such Statement of Work as of the date specified in such notice of termination.

15.2 Termination for convenience

(a) Carnation shall have the right to terminate this Agreement or a Statement of Work hereunder for convenience by giving Genpact at least one hundred and eighty (180) days' notice in writing provided that such notice shall not take effect within the first Thirty (30) months of this Agreement or the relevant Statement of Work (as applicable). In addition, Carnation shall be liable to pay any committed third party costs beyond the first thirty months

(b) Genpact shall have the right to terminate this Agreement or a Statement of Work hereunder for convenience by giving Carnation at least one hundred and eighty (180) days' notice provided that such notice shall not take effect within the first thirty (30) months of this Agreement or the Statement of Work (as applicable).

15.3 Termination for Insolvency.

Either Party ("**Non-Defaulting Party**") may terminate this Agreement by notice to the other Party ("**Defaulting Party**") or to any successor to the Defaulting Party if an Insolvency Event occurs in relation to the Defaulting Party.

15.4 Termination Assistance Services.

(a) Commencing on the later of (i) six (6) months prior to the scheduled expiration date of a Statement of Work and (ii) the delivery of any notice of termination or non-renewal of such Statement of Work (or such other date as agreed by the Parties), and continuing until the effective date of such expiration or termination or the period of six (6) months, whichever is less ("**Termination Assistance Period**"), Genpact shall provide to Carnation at Carnation's cost, such reasonable cooperation, assistance and services as specified in the Statement of Work ("**Termination Assistance Services**") provided that (i) any such cooperation, assistance and services do not interfere with Genpact's ability to provide the Services or Termination Assistance Services; (ii) if Genpact agrees to give Carnation access to Genpact's premises, it shall comply with Genpact's security and confidentiality requirements that are notified in writing to it, including execution of a confidentiality agreement reasonably acceptable to Genpact; and (iii) the exercise of these rights is subject to compliance by Genpact with any confidentiality obligations and all Applicable Legislation.

(b) Genpact shall be relieved from a failure to meet the Service Levels during the Termination Assistance Period to the extent that such failure is the result of the any reduction of support during transition of applicable Services from Genpact or failure of Carnation to perform its material obligations as set out in Clause 15.1. Carnation will continue to provide the required support during the Termination Assistance Period and n such events, SLAs like minimum volume of service shall not be applicable if the actual volume has fallen below the required volumes to be worked upon. Carnation, its employees and its agents shall cooperate in good faith with Genpact in connection with Genpact' obligations under this Clause 15.4. Termination Assistance Services shall be provided by Genpact on a time and materials basis and at the fees set forth in the applicable Statement of Work, which shall be payable by Carnation in advance where

Genpact terminates this Agreement for material breach by Carnation (“**Termination Assistance Fees**”).

16. INDEMNIFICATION

16.1 By Genpact.

Genpact shall indemnify, defend and hold harmless Carnation and its officers, directors and employees from and against any Losses arising out of, or relating to, any Claim against Carnation by a third party:

(a) that any Developed Work Product created by Genpact, Genpact Materials or other resources or items (or the access or other rights thereto) provided by Genpact to Carnation pursuant to this Agreement infringes the intellectual property rights of that third party (except to the extent such infringement is caused by (i) a modification or enhancement, or misuse, by Carnation, (ii) failure by Carnation to use new or corrected versions of such Developed Work Product, Genpact Materials or other resources or items, provided that Carnation is notified that use of such new or correct version is necessary to avoid infringement, (iii) the combination, operation or use by Carnation with products or information not furnished or authorised by Genpact or (iv) information, directions, specifications or materials provided by Carnation) or (v) use of the Developed Work Product or Genpact Materials for any purpose other than what was intended under this Agreement or the relevant SOW; or

(b) for (i) bodily injury, illness or death or (ii) damages to any tangible personal or real property, in each case, resulting from the negligent or wilful acts or omissions of Genpact or Genpact Agents in connection with this Agreement.

16.2 By Carnation.

Carnation shall indemnify, defend and hold harmless Genpact and its officers, directors and employees from and against any Losses arising out of, or relating to, any Claim against Genpact by a third party:

(a) that any Carnation Materials or other resources or items (or the access or other rights thereto) provided by Carnation to Genpact pursuant to this Agreement infringes the intellectual property rights of that third party (except to the extent such infringement is caused by (i) a modification or enhancement, or misuse, by Genpact, (ii) failure by Genpact to use new or corrected versions of such Carnation Materials or other resources or items provided by Genpact, provided that Genpact is notified that use of such new or correct version is necessary to avoid infringement, or (iii) the combination, operation or use by Genpact with products or information not furnished or authorised by Carnation; or

(b) for (i) bodily injury, illness or death or (ii) damages to any tangible personal or real property, in each case, resulting from the negligent or wilful acts or omissions of Carnation or Carnation Agents in connection with this Agreement.

16.3 Obligation to Replace.

If any resource or item (or the access or rights thereto) provided by a Party pursuant to this Agreement is, or in such Party’s reasonable judgment is likely to become, the subject of an infringement Claim, the providing Party, at its expense (and in addition to any indemnification

obligation) shall use reasonable efforts to procure for the other Party the right to use and continue using such resource or item or replace it with a non-infringing equivalent or modify it to make its use non-infringing; provided, however, that any such replacement or modification does not result in a degradation of the performance or quality of the resource or item. If such procurement or replacement is not available on commercially reasonable terms in the providing Party's reasonable judgment, the providing Party shall so notify the other Party, whereupon the other Party shall cease to use such resource or item and return it to the providing Party and the Parties shall equitably adjust the applicable Fees accordingly. In such event, the Parties shall seek to establish acceptable alternative arrangements and to make any appropriate adjustments to their respective obligations under this Agreement though the execution of a Change Order.

16.4 Indemnification Procedures.

If any Claim is commenced against a Party entitled to indemnification under Clause 16.1 or Clause 16.2 (an "Indemnified Party"), written notice thereof shall be given to the entity that is obligated to provide indemnification (the "Indemnifying Party") as promptly as practicable but in no event less than twenty (20) days prior to the date on which the response to such Claim is due (or immediately, if less than twenty (20) days). After such notice, if the Indemnifying Party acknowledges that this Agreement applies with respect to such Claim, then the Indemnifying Party shall be entitled, if it so elects, in a notice delivered to the Indemnified Party not less than ten (10) days prior to the date on which a response to such Claim is due (or as soon as reasonably practicable, if less than ten (10) days), to immediately take control of the defence and investigation of such Claim and to employ and engage attorneys acceptable to the Indemnified Party to handle and defend the same, at the Indemnifying Party's expense. The Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party and its attorneys in the investigation, trial and defence of such Claim and any appeal arising there-from; provided, however, that the Indemnified Party may, at its own expense, participate (through its attorneys or otherwise) in such investigation, trial and defence of such Claim and any appeal arising there-from but shall have no power to settle such Claim without the prior consent of the Indemnifying Party. No settlement of a Claim that involves a remedy other than the payment of money by the Indemnifying Party shall be entered into without the consent of the Indemnified Party.

If the Indemnifying Party does not assume full control over the defence of a Claim, Clause whilst the Indemnifying Party may participate in such defence, at its expense, the Indemnified Party shall have the right to defend the Claim in such manner as it may deem appropriate, at the expense of the Indemnifying Party.

16.5 Mitigation Efforts.

Both Genpact and Carnation agree to use reasonable efforts to mitigate their own, as well as each other's Losses suffered in connection with this Agreement (including where any Losses can be mitigated by lawfully pursuing recovery from third parties) and each of Genpact and Carnation shall conduct or permit reasonable diligent efforts to so recover.

17. LIMITATION OF LIABILITY

17.1 Liability not excluded or limited

Nothing in this Agreement shall exclude or limit the liability of either Party for:

(a) death or personal injury caused by negligence; or

(b) any liability which cannot be excluded or limited by law.

17.2 Types of Losses.

Save as provided in Clause 17.1, neither Party shall have any liability for any of the following losses or damage (whether such losses or damage were foreseen, foreseeable, known or otherwise):

(a) loss of revenue;

(b) loss of actual or anticipated profits (including for loss of profits on contracts);

(c) loss of the use of money;

(d) loss of anticipated savings;

(e) loss of business;

(f) loss of opportunity;

(g) loss of goodwill;

(h) loss of reputation;

(i) loss of, damage to or corruption of data; or

(j) any indirect, punitive, incidental, loss or revenue or profits or consequential loss or damage howsoever caused (including, for the avoidance of doubt, where such loss or damage is of the type specified in Clauses 17.2(a) to 17.2(j)).

17.3 Notice.

Genpact shall not be liable for any failure to provide or delay in providing any of the Services, or for any failure to meet or delay in meeting any Service Levels or the Transition Plan, arising out of or connected with a Non-Genpact Fault Event. The Service Levels and/or the timetable in the Transition Plan shall be adjusted by Genpact to take account of any such failures or delays. Carnation shall be responsible for all costs, expenses and/or losses of any kind suffered or incurred by Genpact arising out of or in connection with Non-Genpact Fault Events.

17.4 Direct Damages.

(a) Save as provided in Clause 17.1, the aggregate cumulative liability of each Party to the other Party for all Losses in any rolling six (6) month period, whether based upon Claim in contract, tort (including negligence), misrepresentation, equity or otherwise shall not exceed an amount equal to the Fees paid to Genpact under the affected Statement of Work during the six (6) month period immediately preceding the most recent event giving rise to such Claim (or if such event occurs in the first six (6) months of the term of such Statement of Work, the amount equal to six (6) times the average monthly Fees paid during such period, provided that in the case of any Statement of Work whose term is less than six (6) months, the amount equal to the total fees payable under such Statement of Work), less any Losses previously paid to the other Party under this Agreement in the said rolling six (6) month period.

(b) The limitation of liability set forth in Clause 17.4(a) shall not apply to (i) either Party's breach of its obligations under relating to Confidential Information or (ii) the failure of either Party to make payments of Fees or issue credits under any Statement of Work.

18. GENERAL PROVISIONS

18.1 Notices.

All notices, consents, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or delivered if (a) delivered personally, (b) sent by pre-paid first-class post, recorded delivery or registered post, or (if the notice is to be served or posted outside the country from which it is sent) sent by registered airmail, (c) delivered by facsimile if a confirmation copy is immediately mailed by the sender by pre-paid first-class post, recorded delivery or registered post, (d) delivered by recognised courier contracting for same day or next day delivery:

Genpact India:
[Sector Road,
Sector 53,
Phase V,
DLF City,
Gurgaon – 122 002
Attn.: [Sanjiv Tandon]

To Carnation:

Carnation Auto India Pvt. Ltd
Studio 205,
IHDP,
Plot 7,
Sec 127,
Noida 201301,
UP, India
Attn.: [Virender Shankar]

or at such other address as the Parties hereto shall have last designated by notice to the other Parties. Any item delivered personally or by recognized courier contracting for same day or next day delivery shall be deemed delivered on the date of delivery. Facsimile deliveries shall be deemed delivered on the date of transmission by the sender provided sender has evidence of successful transmission and receipt. Any item sent by speed post, shall be deemed delivered two (2) Business Days from the date of posting. Any item sent by registered mail shall be deemed delivered five (5) Business Days from the date of posting.

18.2 Assignment, Binding Effect.

Neither this Agreement, nor the rights or obligations of either Party under this Agreement, may be transferred or assigned by either Party without the prior consent of the other Party; provided, however, Genpact may assign this Agreement, with Carnation's prior consent, to any Affiliate of

Genpact and the consent will not be unreasonably withheld by Carnation. Any attempt to assign this Agreement other than as set forth in this Clause shall be invalid. This Agreement shall be binding on the Parties and their respective successors and permitted assigns.

18.3 Subcontracting.

Notwithstanding the foregoing, Genpact shall not be restricted from subcontracting any of the Services to any of its Affiliates or any other subcontractor, provided that Genpact shall be solely liable to Carnation for any breaches due to a default of any such Affiliate or subcontractor.

18.4 Force Majeure.

(a) Neither Genpact nor Carnation shall be liable to the other for any delay or non-performance of its obligations under this Agreement arising from any cause beyond its reasonable control including any act of God, governmental act, act of any regulatory authority, supervening illegality, war, malicious damage, fire, flood, explosion, power blackout, breakdown of plant or machinery, loss of utility, civil commotion, industrial dispute, acts or omissions of telecommunications or data communications operators or carriers or of any other third parties or, in relation to Genpact (to the extent not directly attributable to Genpact's negligence), any technical or other problems affecting any operation of the Services ("**Force Majeure Event**"). The affected Party shall promptly notify the other Party orally or in writing, as the circumstances warrant, of the cause and the Force Majeure Event and its likely duration.

(b) If performance is not resumed within sixty (60) days after the Force Majeure Event, either Party may terminate all affected Statements of Work upon written notice to the other Party.

18.5 Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which taken together shall constitute one single agreement between the Parties.

18.6 Relationship of Parties.

Nothing in this Agreement shall constitute or be deemed to constitute a relationship of employer and employee, agency, joint venture or partnership between the Parties hereto or constitute or be deemed to constitute one Party as agent of the other, for any purpose whatsoever, and except as expressly provided herein, neither Party shall have the authority or power to bind the other, or to contract in the name of or create a liability against the other, in any way or for any purpose.

18.7 Consents, Approvals and Requests.

Except as specifically set forth in this Agreement, all consents and approvals to be given by either Party under this Agreement shall not be unreasonably withheld or delayed and each Party shall make only reasonable requests under this Agreement.

18.8 Good Faith and Fair Dealing.

The performance of all obligations and the exercise of all rights by each Party, except where explicitly stated otherwise (e.g., use of "sole discretion"), shall be governed by the fundamental principle of good faith and fair dealing and by a commercially reasonable standard, including (for

clarity) the use of commercially reasonable efforts in performing obligations.

18.9 Severability.

If a court of competent jurisdiction hereof declares any provision invalid, such provision shall be ineffective only to the extent of such invalidity, so that the remainder of that provision and all remaining provisions of this Agreement shall continue in full force and effect. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision will apply with whatever modification is necessary to give effect to the commercial intention of the Parties.

18.10 Waiver.

Unless expressly agreed, no variation or waiver of any provision or condition of this Agreement shall constitute a general variation or waiver of any provision or condition of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of variation or waiver, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied or waived.

18.11 Remedies Cumulative.

Other than the termination rights set out in this Agreement, which shall be exclusive to any other right or remedy, no right or remedy herein conferred upon or reserved to either Party is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy under this Agreement, or under Applicable Legislation, whether now or hereafter existing.

18.12 Entire Agreement; Amendments.

(a) This Agreement constitutes the entire agreement between the Parties relating to the subject matter covered and supersedes any previous agreements, arrangements, undertakings or proposals, written or oral, between the Parties in relation to such matters.

(b) The Parties acknowledge that, other than those which are expressly incorporated into this Agreement, no representations were made prior to the entering into of this Agreement and that, in entering into this Agreement, it has not relied on any statement or representation (whether written or oral) made by, or on behalf of the other Party.

(c) Neither Party shall have a remedy in respect of any statement, representation, warranty, condition, term or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement. Without prejudice to the foregoing, the only remedy of the Parties for breach of any representation which is incorporated into this Agreement shall be for breach of contract.

(d) Nothing in this Agreement shall exclude the liability of either of the Parties for any fundamental misrepresentation, including any misrepresentation as to a matter fundamental to the maker’s ability to perform its obligations under this Agreement, but such liability shall be subject to the limit set out in Clause 17.4(b).

(e) All amendments to this Agreement (including, for the sake of clarity, any SOW or any other document hereunder) must be made in writing with the mutual agreement of the Parties.

18.13 Survival.

The provisions of Clause 8.4 (Dispute Resolution), Clause 9 (Fees and Payment Terms), Clause 10 (Proprietary Rights), Clause 11 (Confidentiality), Clause 15.4 (Termination Assistance Services), Clause 16 (Indemnification), Clause 17 (Limitation of Liability), and Clause 13 (Non-solicitation) shall survive any termination or expiration of this Agreement.

18.14 Third Party Beneficiaries.

The Parties do not intend to create any obligations of or any rights, causes of action or benefits in favour of any person or entity other than Carnation or Genpact.

18.15 Governing Law. This Agreement shall be governed by and construed in accordance with laws of the Republic of India.

18.16 Nondisclosure of Terms.

Each Party agrees for itself, its agents, and representatives that the terms of this Agreement are confidential, and neither Party shall disclose any of the terms hereof to any third Party (except for disclosure reasonably made to legal representatives and accountants) without the prior consent of the other Party or as may be required by either Party to comply with applicable Legislation.

18.17 Publicity.

Neither Party shall utilise the name, trademark or proprietary indicia of the other Party or any Affiliate thereof in any advertising, press releases, reports, publicity, presentation, marketing or other materials, letters or communications, in written, oral or electronic form, without the prior consent of such other Party, other than Genpact shall have the right to use the name of the Carnation in its list of its Carnations.

IN WITNESS WHEREOF, the Parties hereto have caused duly authorised representatives of their respective companies to execute this Agreement on the date or dates set forth below.

GENPACT INDIA

By: /s/ Harpreet Duggal
(Signature)

Name: Harpreet Duggal
Title: SVP
Date: October 10, 2009

CARNATION

By: /s/ Virender Shankar
(Signature)

Name: Virender Shankar
Title: CFO
Date: October 10, 2009

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements on Forms S-8 (Nos. 333-153113 and 333-145152) and Form S-3 (No. 333-165481) of Genpact Limited of our report dated March 26, 2011 (except for note 17, as to which the date is July 15, 2011) with respect to the consolidated financial statements and schedules of Headstrong Corporation, which report appears in the Current Report on Form 8-K/A (No.001-33626) filed by Genpact Limited on July 18, 2011.

/s/ Ernst & Young

Gurgaon, India

August 4, 2011

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, NV Tyagarajan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Genpact Limited for the period ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

/s/ NV Tyagarajan
NV Tyagarajan
Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Mohit Bhatia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Genpact Limited for the period ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

/s/ MOHIT BHATIA
Mohit Bhatia
Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Genpact Limited (the “Company”) on Form 10-Q for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, NV Tyagarajan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2011

/s/ NV Tyagarajan
NV Tyagarajan
Chief Executive Officer
Genpact Limited

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Genpact Limited (the "Company") on Form 10-Q for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mohit Bhatia, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2011

/s/ MOHIT BHATIA
Mohit Bhatia
Chief Financial Officer
Genpact Limited