Thinksoft Global Services Limited

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QUALITY

Software Testing Specialists for the Global Financial Sector

Treasury	Wealth Management
Credit Cards	Capital Markets
Mobile Payments	Brokerages
Core Banking	Trading
Life Insurance	Central Banking

Thinksoft
Trust the Experts

ANNUAL REPORT
2011-12

DNA (deoxyribonucleic acid) is the hereditary material, containing the genetic instructions used in the development and functioning in humans and most other organisms. The DNA segments carrying this genetic information are called genes. Along with RNA and proteins, DNA is one of the three major macromolecules that are essential for all known forms of life.

An amalgam of domain knowledge, structured testing methodologies, and testing technology expertise constitutes the DNA of Business Requirements Assurance. This is precisely what enables Thinksoft, an Independent Testing Specialist to help its clients reduce software product life cycle costs and develop 'business ready software' within compressed timelines, without sacrificing quality.

BOARD OF DIRECTORS

DR. S. RAJAGOPALAN

VANAJA ARVIND

MOHAN PARVATIKAR

K. KUMAR

A. V. ASVINI KUMAR

RAJIV KUCHHAL

CORPORATE INFORMATION

BOARD OF DIRECTORS	VANAJA ARVIND Executive Director RAJIV KUCHHAL Non-Executive and Independent Director Dr. S RAJAGOPALAN Non-Executive and Independent Director MOHAN PARVATIKAR Whole Time Director K KUMAR Non-Executive and Independent Director A V ASVINI KUMAR Chairman and Managing Director
COMPANY SECRETARY	A THANIKAINATHAN
AUDITORS	PKF Sridhar and Santhanam Chartered Accountants, Chennai-600004
INTERNAL AUDITORS	A Murali & Associates Chartered Accountants, Chennai-600094
BANKERS	The Lakshmi Vilas Bank Ltd. Cathedral Road, Chennai-600086 ICICI Bank Ltd T. Nagar, Chennai-600017 Citi Bank NA Club house Road, Chennai-600002
LEGAL ADVISORS	SRS Associates, Chennai-600004
REGISTRAR AND SHARE TRANSFER AGENTS	Karvy Computershare Private Limited Cyber Villa, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500081
FACILITATORS	Madras Export Processing Zone (MEPZ) Tambaram, Chennai-600045 Software Technology Park (STPI) Chennai-600041 Tidel Park Limited Taramani, Chennai -600113 Velankani Tech Park Electronic City, Bengaluru-560100
REGISTERED OFFICE	Type II, Unit-5, Dr. V.S.I Estate Thiruvanmiyur, Chennai-600041
WEBSITE	www.thinksoftglobal.com

Contents

Letter to Shareholders

Dear Shareholders,

It gives me great pleasure to report the highlights of the Company’s performance and achievements for the year 2011-12 just gone by.

Our consolidated revenues, at INR 1,214 million, were up 46% over the previous year and Net profit at INR 113 million, grew 508% over the previous year. The performance was all the more creditable as it came against the backdrop of two years of flat growth primarily due to the general economic conditions. In view of this performance the Board of Directors decided to announce a final dividend of INR 3 / share, taking the total dividend to INR 5 / share.

To put things into perspective, it is pertinent to note that the company has demonstrated a 24.72 % CAGR of revenues over the past 10 years (2002-2012) and also maintained an unbroken dividend record. This has been achieved in the face of stiff competition from the “scale“ players, buyer behavior biased towards favoring “mega“ vendors and periodic market unresponsiveness arising out of dot com bust in the year 2000, the 9/11 attacks and the financial crisis of 2008/09.

From all accounts the IT services market seems to be evolving in the direction of demanding increasing “quality” levels and also of rewarding “value” delivered. This is taking many forms including independent testing services becoming part of the mainstream value chain and by the fact that many specialist players are being invited to hitherto forbidden bidding tables. Our company will definitely benefit from this, as it plays into our conventional strengths. Anticipating this, we had triggered a number of initiatives in the past one year and have expanded our specialist offering space (building testing expertise and Centre of Excellences in BFSI mobile app testing, and for the much larger and complex payments processing area). The Company has also successfully completed pilot projects in the area of mobile testing using the concept of working with “cloud platforms“ and using remote test centres.

It is not surprising therefore, that the Company has been selected by the Reserve Bank of India, through a rigorous selection process to be its preferred testing partner for the countrywide rollout of one of its major transformational initiatives. We are also participating in bidding for comprehensive testing of a strategic payment platform being undertaken by an apex body. The Specialist BFSI testing space is growing at 30% annually and we are well positioned to be a significant player with a good market share. We are cementing sales partnerships with “domain” specialist firms to address mid tier clients and working on our new branding strategy to capitalize on these trends.

We also view our investment in building functional expertise and associated technology skills as a key strategic differentiator in how we deliver our services. With our constant focus on efficiency and productivity, we have eliminated redundant steps from our business processes, and thus maximized the efficiency of our services which helps our clients derive cost savings.

The past year witnessed the uncovering of a number of mega scams and citizens discontent at the endemic corruption and poor quality of governance in many spheres affecting daily life. The regulatory policy and environment has also been very ambiguous and confusing for the business sector. While responding to these challenges, your company has been maintaining the highest standards of corporate governance by implementing clear and transparent corporate policies and following all the norms and guidelines laid down by RBI, SEBI, Stock Exchanges, CBDT and other regulatory bodies both in letter and in spirit. We are proud to be counted among the companies which have this kind of track record.

The Company has also initiated the process of implementing an ERP system and is in the final stage of cutting over to “live“ status for the finance and associated functions. We have also increased our investment in our training and talent management processes, adding to and improving our capabilities for imparting critical industry, product and process training.

Before I conclude, I would like to mention that our focus remains on sustaining the momentum we have achieved this year and building on the traction that the business has seen from different quarters. We are confident that the investment in people, process and technology would propel your Company to greater heights in the forthcoming years.

On behalf of the Board of Directors’, I take this opportunity to express our gratitude to all our stakeholders, who have reposed trust in us and look forward to your continued support to help keep the company on the growth path in the coming years.

Yours Sincerely,

A V Asvini Kumar

June 15, 2012

Performance Highlights - Consolidated

Decade at a Glance

(INR in Million)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Gross Revenue	1,214.42	829.27	828.63	922.62	749.24	588.62	366.91	217.37	123.79	156.01
E B I D T A	224.20	60.87	105.08	178.73	122.16	122.36	48.59	27.04	-0.56	38.22
Profit Before Tax	185.00	32.04	90.64	160.62	108.15	103.57	40.07	18.90	-11.91	28.02
Profit After Tax	113.77	18.72	82.33	144.89	99.65	94.61	36.22	15.62	-11.87	24.94
Fixed Assets: Gross Block	224.84	194.18	101.16	90.15	88.51	69.89	63.78	44.19	41.53	28.54
Fixed Assets: Net Block	108.74	111.50	42.44	33.49	28.17	22.13	27.73	11.44	11.16	6.58
Share Capital	100.52	100.52	100.52	87.02	76.63	72.45	70.68	70.68	70.68	70.66
Reserves and surplus	654.57	599.17	592.17	381.94	246.55	160.03	82.05	53.89	43.11	59.77
Networth	755.09	699.68	692.68	468.96	328.99	232.48	152.73	124.57	113.79	130.43
Sundry Debtors	235.77	228.96	159.31	238.57	203.70	186.43	98.50	59.80	24.61	55.24
Cash and Bank Balances	404.47	400.33	513.95	265.60	147.25	76.56	47.36	58.40	116.67	70.24
Current Assets	905.51	762.18	789.18	600.34	419.98	291.00	184.08	139.25	164.03	145.49
Current Liabilities	263.12	183.32	149.27	171.09	122.58	81.98	59.84	25.09	18.18	21.49
Working Capital	642.39	578.87	639.90	429.24	297.40	209.02	124.24	113.26	145.85	124.00
No of Equity Shares ('000)	10,052	10,052	10,052	8,702	7,663	7,245	7,068	7,068	7,068	7,066
Earnings Per Share (Diluted) (Rs.)	11.30	1.86	8.83	17.62	13.38	13.21	5.12	2.21	-1.68	3.53
Book Value per Share (Rs.)	75.12	69.61	68.91	53.89	42.93	32.09	21.61	17.63	16.10	18.46

E B I D T A : Earnings before Interest, Depreciation & Taxes + Other Income.

Directors' Report

To the Members,

We are presenting herewith, the report on our business and operations for the year ended March 31, 2012.

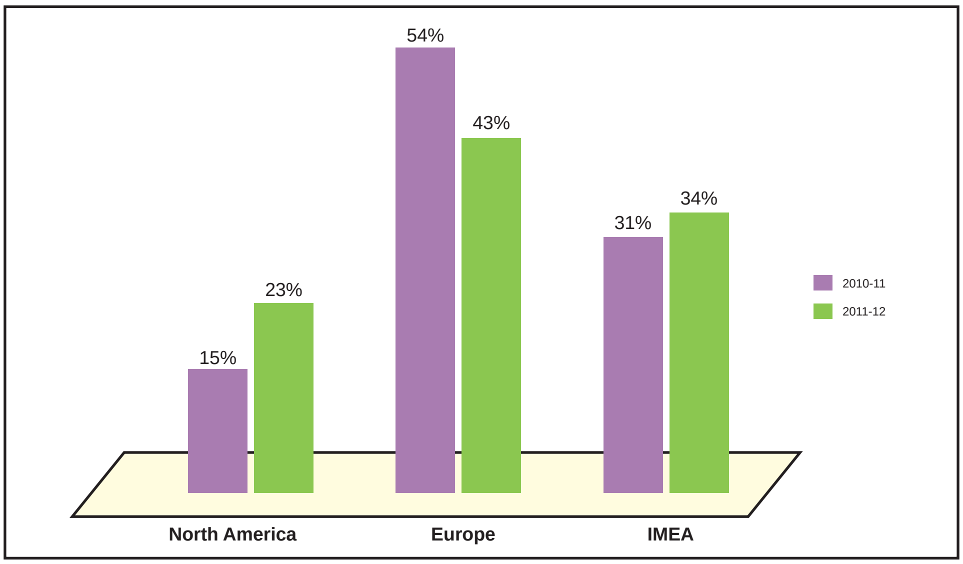
1) Financial Highlights for the year ended March 31, 2012

(INR In Million)	Consolidated		Stand Alone	
Description	2011-12 Current Year	2010-11 Previous Year	2011-12 Current Year	2010-11 Previous Year
Export Revenue	1,121.27	775.39	1,025.84	559.25
Domestic Revenue	93.15	53.88	93.15	53.88
Total Revenue	1,214.42	829.27	1,118.99	613.13
Delivery expenses	813.28	557.10	852.74	432.50
Funds from Operations	401.14	272.17	266.24	180.63
Selling and Marketing expenses	147.81	119.16	51.06	44.31
General and Administrative expenses	126.28	125.64	110.31	109.11
Profit before Interest, Depreciation & Taxes	127.05	27.37	104.87	27.21
Less: Depreciation	37.40	27.88	37.17	27.56
Less: Interest	0.26	-	0.26	-
Operating Profit Before Taxes	89.39	(0.51)	67.43	(0.35)
Other Income	95.61	32.55	88.91	26.44
Net profit before taxes	185.00	32.04	156.34	26.09
Provision for taxation	(65.88)	(12.30)	(60.28)	(7.62)
Deferred Tax	(5.35)	(1.02)	(5.35)	(1.02)
Net Profit after tax	113.77	18.72	90.71	17.45
Profit brought forward from previous year	420.34	413.34	384.76	379.02
Profit available for appropriation	534.11	432.06	475.47	396.48
Appropriations : Interim Dividend	20.10	-	20.10	-
Transfer to General Reserve	9.10	-	9.10	-
Proposed Final Dividend	30.16	10.05	30.16	10.05
Tax on Dividend	8.11	1.67	8.11	1.67
Profit carried to Balance sheet	466.64	420.34	408.00	384.76
EPS basic	11.32	1.86	9.03	1.74
EPS diluted	11.30	1.86	9.01	1.74

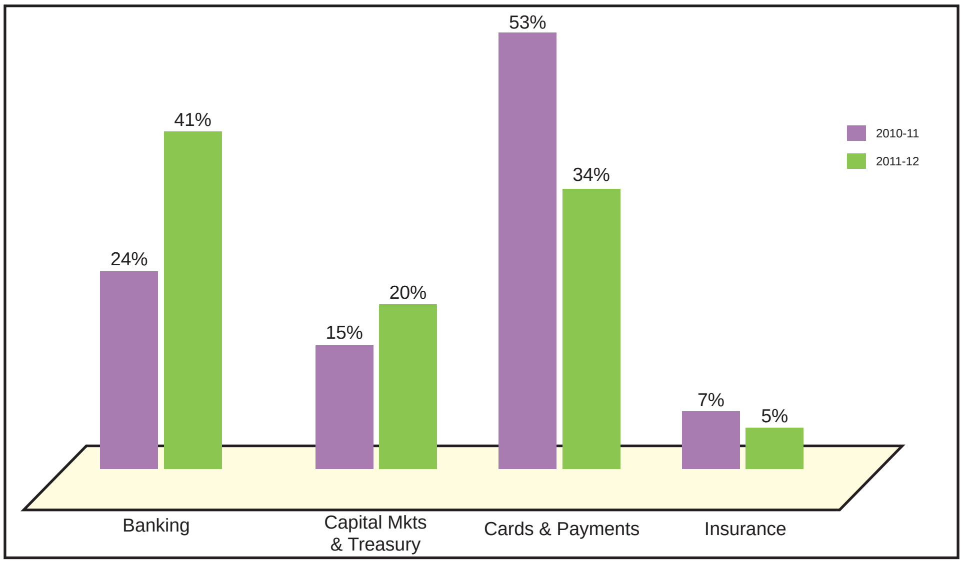
2) Business and Operations Review

- Total revenues increased, in Rupee terms by 46%, to INR 1214.42 million during the current year, from INR 829.27 million in the previous year (In US dollar terms this amounts to an increase in revenues of 38%).

Distribution of Revenue by Geography



Distribution of Revenue by Practice



- Profit after tax at INR 113.77 million constituted 9.37% of revenues as against INR 18.72 million (2.26%) for the previous year. ‘Exchange Gain’ contributed to INR 48.86 million.
- Geographically, 42.69% of the revenues came from Europe (previous year 53.64%), 34.24% from IMEA (previous year 31.11%), 23.07% from America (previous year 15.25%) and the proportion of onsite to offshore revenues stood at 50.54% / 49.46% compared to 44.35% / 55.65% in the previous year. This is reflected in an increase of 67% in onsite Revenue from INR 367.78 million to INR 613.74 million during the current year.
- Delivery expenses have marginally decreased to 66.97% against 67.18% in the previous year. This is a result of a combination of higher proportion of revenues from onsite projects and also lower offshore utilization factors. The overall utilization decreased to 65.4%, compared to 66.9% in the previous year.
- The Gross Profit (Funds from Operations) at INR 401.14 million worked out to 33.03% of total revenues (excluding other income) compared with 32.82% in the previous year, while the PBITDA was at 10.46% as against 3.30% for the previous year. After Tax profits (including other income) increased to 9.37% (previous year 2.26%).
- General and Admin Expenses registered a marginal increase in absolute terms. It is INR 126.28 million and 10.40% during the current year as against INR 125.64 million and 15.15% in the previous year.
- The company increased its investments in S&M activity, consequently, sales and marketing costs increased in absolute terms at INR 147.81 million and 12.17% versus INR 119.16 million and 14.37% recorded in the previous year.
- Revenues from repeat business marginally decreased to 87% compared to 90% in the previous year.
- Employee strength was 742 (women 27.8%) at the end of the year compared to 661 in the previous fiscal. The attrition rate decreased to 17.2% for the current year ended March 2012, compared to 31.2% during the previous year.

3) Capital Expenditure

During the current year, we capitalized INR 61.82 million to our gross block comprising of INR 13.69 million on technology infrastructure, INR 46.39 million on physical infrastructure, INR 1.74 million addition on intangible assets.

4) Utilization of IPO proceeds

Out of INR 1531.51 lakhs (net of issue expenses) raised through IPO, INR 679.23 lakhs has been utilized for setting up the testing facility at TIDEL Park and MEPZ, Chennai as on March 31, 2012 and INR 632.80 lakhs utilized for normal capital expenditure and balance INR 219.48 lakhs is available in bank as fixed deposits.

5) Liquidity

The company continues to maintain sufficient cash to meet its strategic objectives. The liquid assets at the end of the current year stood at INR 636.42 million (as against INR 629.29 million in the previous year). Year end Account Receivables stood at INR 235.77 million (71 days sales) as against INR 228.96 million in the previous year (101 days sales).

6) Share Capital

As at the end of the financial year the Company's Equity Share Capital stands at INR 100.52 million, consisting of 10,051,581 fully paid up Equity Shares of INR 10 each. During the year, the Company has granted 339,000 options under Thinksoft ESOP Scheme 2011. The disclosure in compliance with the Clause 12 of the SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines 1999, as amended is attached to this report as Annexure 3.

7) Net Worth

The net worth of the Company rose to INR 755.09 million as at 31st March 2012 from INR 699.68 million at the end of the previous fiscal. This works out to a per share net worth of INR 75.12.

8) Dividend

For the financial year ended 31st March 2012, your Board has recommended a final dividend of Rs. 3/- per equity share (30% on face value of Rs.10/- each), subject to the approval of the Shareholders in the ensuing Annual General Meeting.

Your Board has also declared an interim dividend of Rs.2/- per equity share (20% on face value of Rs.10/- each) on 3rd November 2011. This would result in a total dividend of Rs.5/- per equity share (50% on face value of Rs.10/- each) for the financial year ended 31st March 2012. (Previous year Rs.1/- per equity share of face value of Rs.10/- each).

9) Subsidiaries

The company is having its global presence through its subsidiaries, branches and places of business.

The company has the following five wholly owned subsidiaries

a) Thinksoft Global Services Pte. Ltd., Singapore

b) Thinksoft Global Services Inc., USA

c) Thinksoft Global Services (Europe) GmbH, Germany

d) Thinksoft Global Services UK Limited, UK

e) Thinksoft Global Services FZE, Sharjah, UAE

10) Financial Statement of Subsidiaries

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet, and Profit and Loss account of our subsidiaries. Ministry of Corporate Affairs vide its General Circular no. 02/2011 dated 8th February 2011, exempted Companies from attaching the Financial Statements of Subsidiary Companies (refer Annexure 1). However, as per said circular the Companies are required to provide only the consolidated financial statement in the annual report, accordingly, the Annual Report contains the consolidated financial statements. The Audited Annual Accounts and related information of subsidiaries, whichever applicable, will be made available to shareholders upon request and will also be available for inspection during normal business hours at the Registered Office of the company.

11) Directors

Dr. S Rajagopalan, Director who was appointed as a director on 17th September 2008, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers for re-appointment as Director.

During the year under review Mr. C N Madhusudan, Non- Executive Independent Director had resigned from the Board of Directors with effect from 21st September 2011. The Board records its appreciation of the contribution made by Mr. C N Madhusudan during his tenure as a director of the Company.

During the year under review Mr. Rajiv Kuchhal, was inducted as Additional Director in your Board with effect from 21st September 2011. Mr. Rajiv Kuchhal's term expires on the date of the Annual General Meeting. The Company has received a Notice pursuant to the provisions of Section 257 of the Companies Act, 1956 for appointment of Mr. Rajiv Kuchhal as Director of the Company, liable to retire by rotation.

The Board of Directors recommends the appointment/re-appointment of Directors as mentioned above.

12) Auditors

M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai retire as the Auditors of the Company at conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Audit Committee in their meeting held on 27th April 2012 has recommended the reappointment of M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai.

13) Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under sub-section(1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are provided in the Annexure 2 to the Directors' Report section.

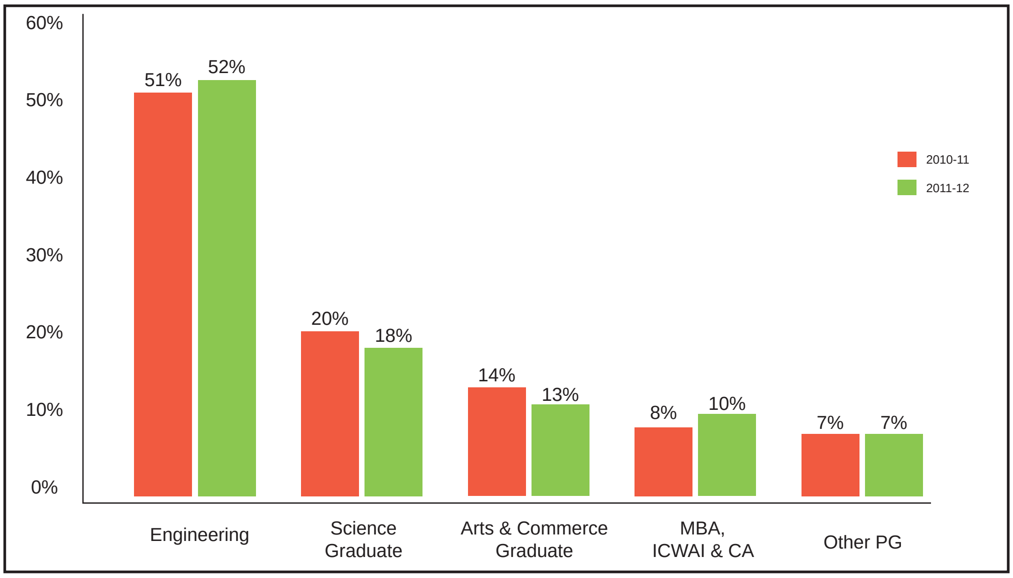
14) Particulars of employees

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956, and the rules framed there under, the required information is annexed and forms part of this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the Shareholders of the Company excluding the said annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

15) Human Potential

The overall employee strength increased from 661 to 742 during the end of the year.

Education profile of the employees



The Company strongly believes that organizational effectiveness can be significantly enhanced by focusing on the human side of the enterprise.

As part of its ongoing regular training programs, during the current year, about 137 training programs were conducted for the employees, clocking an average of 38 hours training per employee per year.

The company further endeavours through its special talent management initiatives, to make its key employees result oriented and business savvy.

A Resource Management group is mandated with the task of optimising the deployment of resources across practices and geographies.

16) Quality, Technology and Systems

Enterprise Resource Planning (ERP):

The company plans to move towards a more structured, organization wide integrated application covering Finance, Sales, Order tracking, Customer service and Human resources.

The Company has selected and is in the process of implementing Netsuite, a cloud based Software-as-a-Service (SaaS) ERP system which would be completed during the financial year 2012-13. The enterprise applications are delivered over internet and managed as service by the application provider, and would be implemented to manage and co-ordinate all the resources information and functions from a shared data store. The Company already initiated the process towards implementation of an ERP system.

PCI DSS (Payment Card Industry Data Security Standard):

Thinksoft's offshore TCoE (Testing Centre of Excellence) in Tidel Park, Chennai is compliant of PCI DSS during the financial year 2011-12.

PCI DSS is a worldwide information security standard defined by the Payment Card Industry Security Standards Council. Thinksoft's compliance with PCI DSS implies Completely Secured Physical/Logical Work Environments, Multilayer Encryption for data at Receipt, Processing and Storage, Comprehensive Privacy Framework, Detailed Risk Assessment Methodology, Wireless Intrusion and Prevention System, Enhanced HR Security Controls, Intensive Vulnerability Management Program by Authorized Scan Vendors (ASV), Business Continuity Program meeting BS 25999 standards.

Thinksoft Global is currently one of the few companies that can count this among its achievements. Through this compliance and certification the company has reinforced its commitment to its BFSI customers of its ability to meet the stringent global standards on of information security, data privacy, data security and business continuity in its offshore delivery centres. As pioneer in Independent Testing services Thinksoft has proven that it is ahead of the market in proactively meeting client's expectations.

17) Environmental awareness

The Company continues its 'go green' initiatives to conserve resources and also reduce its carbon footprint and create sustainable alternatives wherever feasible.

All steps required for conserving power across all delivery centres are being undertaken. During the current year Desktop power management configuration has been extended to almost 50% of the desktops used in the delivery centres.

Video conferencing (VC) usage has increased steadily this year, which in turn has reduced the travel cost and improved energy savings.

Continues initiatives within its office buildings to reduce our electrical power, water and paper consumption.

Towards contributing for Green IT for a safe environment, the e-waste generated in-house are being discarded through vendors who adopt "Safe disposal practices", recycle and re-manufacture the used e-waste like printers, toners and cartridges. These initiatives will be taken forward at a sustained pace.

18) Corporate Governance

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's auditors confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with National Stock Exchange of India (NSE) and Bombay Stock Exchange of India (BSE) are included in the Annual Report.

19) Status of Application money refund

Your company already sent three reminders for the refund of application money. The money lying in the account as on 31st March 2012 is Rs. 86,250/- for 90 members. The members who had not availed the refund may please write to the Registrar and Transfer Agent.

20) Fixed deposits

We have not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

21) Corporate Social Responsibility

Involvement:

- Thinksoft works closely with Vidya Sagar (formerly known as the Spastic Society of India), an NGO dedicated to the welfare and development of Spastics Children
- The Company has been organizing Blood bank campaign in its premises in collaboration with Jeevan Blood Bank and Research Centre
- The Company has been working with the Premavasam, an orphanage for special and less fortunate children in which our employees were encouraged to participate and donate gifts.

Contributions:

As a part of Corporate Social Responsibility during the current year the company contributed

- INR 0.30 million to the 'Sadhya' Program & INR 0.48 Million to Vidhya Sagar's Spastics society, an NGO dedicated to the welfare and development of Spastics Children.
- INR 0.10 million to Ability foundation for India International Disability Film Festival.
- INR 0.025 million to Narthan Academy of Dance, Bengaluru for the Medical support of Musician and Dancer through Sumangali Seva Ashrama
- INR 0.01 million to Premavasam, an orphanage for special and less fortunate children.
- INR 0.028 million to Health First India to medical support for leprosy treatment.

22) Directors' responsibility statement as required under Section 217 (2AA) of the Companies Act, 1956

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

(i) They accept responsibility for the integrity and objectivity of these accounting statements.

(ii) The financial statements are prepared in accordance with the guidelines and standards of the ICAI and Companies Act 1956, to the extent applicable. There are no material departures from the above mentioned standards.

(iii) Such standard accounting policies have been applied consistently, except as otherwise stated.

(iv) The judgments and estimates have been made on a reasonable and prudent basis so that the financial statements provide a true and fair view of the state of affairs of the Company at the end of the financial year.

(v) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(vi) The Annual Accounts are prepared on a going concern basis and on an accrual basis.

23) Acknowledgments

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the governments of various countries where we have operations. We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Customs and Excise Departments, the Income Tax Department, the Ministry of Commerce, the Ministry of Finance, the Reserve Bank of India, the State Governments, the Madras Export Processing Zone (MEPZ), the Software Technology Parks (STPs) and other Government Agencies for their support, and look forward to their continued support in the future.

For and on behalf of Board of Directors of
Thinksoft Global Services Limited

Place: Bengaluru
Date: June 15, 2012

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Annexure 1

Statement of Subsidiaries under Section 212 of the Companies Act, 1956

Name of the Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	Thinksoft Global Services Inc, USA	Thinksoft Global Services (Europe) GmbH, Germany	Thinksoft Global Services (UK) Limited,UK	Thinksoft Global Services FZE, Sharjah, UAE
The Financial Year of the Subsidiary company ended on	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
Holding Company	Thinksoft Global Services Limited	Thinksoft Global Services Limited	Thinksoft Global Services Limited	Thinksoft Global Services Limited	Thinksoft Global Services Limited
Holding Company interest	100%	100%	100%	100%	100%
Shares held by the Holding company in the Subsidiary	100,000 equity shares of SGD 1/- each fully paid up	3,000 equity shares of USD 0.01/- each fully paid up	Euro 50,000/-	35,000 equity shares of GBP 1/- each fully paid up	AED 600,000/-
Net aggregate amount of Profit of the subsidiary so far as it concerns the members of holding company and is not deal with in the Accounts of Holding Company					
for the financial year ended on March 31, 2012 (Rs. Mn)	5.77	5.59	-0.31	10.77	1.24
for the previous financial years of the subsidiary since it became a Subsidiary (Rs. Mn)	21.92	0.85	5.66	7.13	NA
Net aggregate amount of profit / (Losses) of the subsidiary so far as it concerns the members of holding company and is dealt with in the Accounts of Holding Company					
for the financial year ended on March 31, 2012 (Rs. Mn)	NIL	NIL	NIL	NIL	NIL
for the previous financial years of the subsidiary since it became a Subsidiary (Rs. Mn)	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors of
Thinksoft Global Services Limited

Place: Bengaluru
Date: June 15, 2012

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

A Thanikainathan
Company Secretary

Annexure 2

Particulars Pursuant to Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988

A. Details of conservation of energy	The Company's current operations do not require high energy consumption and the company continues its drive in taking up various measures to optimize energy usage, for example, a) consolidation of operations through reduction in the number of Data centers b) reduced number of network devices for multiple clients c) replacement of flat monitors in the place of CRT monitors d) optimization of storage devices switching over to CFL lightings e) switching off the air conditioners on a budgeted hours basis.
B. Technology absorption	
1) Special Areas in which R & D carried out by the Company	The company continues its efforts in the areas of enhancing its existing repositories, test automation frameworks and methodologies through constant innovations and enhancing its offerings to the customers. The company also is practicing consistent internal process automation to improve internal methodologies and productivity.
2) Benefits derived as a result of the above R & D	• Improved throughput • Enhanced productivity • Greater accuracy • Increased Customer satisfaction • Higher Functional coverage • Effective resource utilization • More reliable planning and tracking • Sharpened competitive advantage in the market
3) Future plan of action	We will continue to focus on creation more automated test framework and use of tools for such testing environment, which would enhance our intellectual asset base and also improve our offering on client specific requirements.
4) Expenditure on R & D	Nil
C. Foreign Exchange earnings and outgo	
1) Activities relating to export initiatives taken to increase exports developments of new markets for product and services and export plans.	In a move to leverage the growing demand for testing services, Thinksoft had adopted a slew of measures. The company participated in several events across the globe and in varying capacities; to enhance brand visibility, increase pipeline for the different practices. The participation included many domain-specific events viz., Cards, Banks and Payment Systems. These events were held in different regions like India, Singapore, Europe, Asia and United States. Some of the premier events that we took part in the previous year include European Cards Acquiring event, European Banking Forum, Asian Financial Services Congress, CIO Financial services Forum and Banking Technology Conference. As a branding exercise, the company also sponsored an award in the following category: "Best Use of IT in Retail Banking (International)" at an international event that witnessed the participation of top-notch BFSI institutions. Process and systems were in place and demonstrated consistent improvement as evident in the yearly audits conducted by Underwriter Laboratories for our certifications (ISO 27001:2005 and ISO 9001:2008).
2) Total Foreign exchange used and earned FOB	(a) Total Foreign Exchange Earned INR 1025.92 million. (b) Total Foreign Exchange used INR 209.67 million.

For and on behalf of Board of Directors of
Thinksoft Global Services Limited

Place: Bengaluru
Date: June 15, 2012

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Annexure 3

Disclosure in Compliance with the Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, as Amended

Sl No.	Description	Thinksoft – Employee Stock Option Scheme 2011
1	Total Number of options under the Plan	1,005,100
2	Options approved during the year	339,000
3	Pricing formula	Market price on the date of grant or such price as the Board of Directors may determine in accordance with the regulations and guidelines prescribed by SEBI or other relevant authority from time to time
4	Options Vested during the year	Nil
5	Options Exercised during the year	Nil
6	Total number of shares arising as a result of exercise of option (as of March 31, 2012)	Nil
7	Options lapsed/forfeited during the year	Nil
8	Variation of terms of options up to March 31, 2012	Nil
9	Money realised by exercise of options during the year (in Rs.)	Nil
10	Total number of options in force at the end of the year (granted, vested and unexercised/unvested and unexercised)	339,000
11	Employee wise details of options granted to :	
	(a) Senior Management during the year	
	Name	**No. of options**
	(i) Vaidyanathan N	40,000
	(ii) Srinivasan R	40,000
	(iii) Nandkishore D	40,000
	(b) Employees holding 5% or more of the total number of options granted during the year	
	Name	**No. of options**
	(i) Meera Krishnan	22,000
	(ii) Murali P	27,000
	(iii) Nandkishore D	40,000
	(iv) Phani Tangirala	27,000
	(v) Srinath P	27,000
	(vi) Srinivasan R	40,000
	(vii) Sudha Kiran P	22,000
	(viii) Taral Shah	22,000
	(ix) Vaidyanathan N	40,000
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
12	Diluted Earning per Share pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20	9.01
13	A description of method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	The fair value has been calculated using the Black Scholes Option Pricing model
	(a) risk free interest rate (b) expected life (c) expected volatility (d) expected dividends (e) the price of the underlying share in market at the time of option grant	8.28% 4.4 years 76.03 2.63% 38.05

14.	(i) Weighted average Fair Value of Options granted during the year whose	
	(a) Exercise price equals market price	38.05
	(b) Exercise price is greater than market price	Nil
	(c) Exercise price is less than market price	Nil
	(ii) Weighted average Exercise price of options granted during the year whose	
	(a) Exercise price equals market price	21.03
	(b) Exercise price is greater than market price	Nil
	(c) Exercise price is less than market price	Nil
15.	The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2011 to March 31, 2012 is NIL. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognized in the financial statements for the period April 1, 2011 to March 31, 2012 would be Rs.1,969,964. The effect of adopting the fair value method on the net income and earnings per share is presented below:	
	Pro Forma Adjusted Net Income and Earning Per Share	
	Particulars	**INR**
	Net Income as reported	90,716,103
	Add: Intrinsic Value Compensation Cost	Nil
	Less: Fair Value Compensation Cost	1,969,964
	Adjusted Pro Forma Net Income	88,746,139
	Earning Per Share: Basic	
	As Reported	9.03
	Adjusted Pro Forma	8.83
	Earning Per Share: Diluted	
	As Reported	9.01
	Adjusted Pro Forma	8.82

For and on behalf of Board of Directors of
Thinksoft Global Services Limited

Place: Bengaluru
Date: June 15, 2012

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Management Discussion and Analysis

Industry Outlook

The year gone by was a tough one for the global economy and despite the volatility in economic environment, 2011 recorded steady growth for the technology and related services sector, with worldwide spending exceeding 1.7 trillion. Software products, IT and BPO continued to lead, accounting for over 1 trillion of the total spend.

As far as the Indian IT-BPO sector is concerned, FY 2012 is a landmark year as the industry is set to achieve a significant milestone of exceeding US$ 100 billion in aggregate revenue. Despite stiff competition from other locations, India still retains its leadership position as the world's leading global outsourcing destination for IT-BPO services with a global share of 58 percent in 2011. Key factors contributing to this leadership position would include unparalleled human capital, continued focus on optimal cost efficiency, unique customer centricity, scalable and secure environment and supportive ecosystem.

The last two years have seen the burgeoning of new technology at a much faster pace and we believe that this will continue to grow faster in the future. Driving this was the pace of mobile adoption, where tablets and smartphones sales growth outpaced the growth of desktop and laptop market. The market for enterprise mobility solutions is expected to grow exponentially to about US$ 17 billion by 2015 according to NASSCOM estimates and this presents a huge opportunity for IT service providers. Apart from this, the public cloud services spending is also expected to outpace growth of overall IT spend by about four times between 2012-2015.

From a vertical perspective, BFSI continues to be the largest vertical committing monies to leverage the potential of IT and propel them to the next level of growth. Indian IT firms have developed advanced capabilities across the BFSI value chain and the effort is on to adopting new technologies to enhance customer service. Key technological innovations include cloud and mobility technologies to enable electronic and mobile enabled services, electronic commerce and such.

Testing Market

Software testing and Quality Assurance (QA) are perhaps the most critical components of a product's life cycle and the most valuable IT discipline within an enterprise. Testing is the phase during which the efficacy and robustness of a solution's design and code is vetted, logical and functional bugs are unearthed, and gaps between what was intended and what is being delivered are identified.

Software testing is intensive enough to consume more than half of the total software development budget. It demands the preparation of an extensive set of test cases, multiple test situations under which the solution is expected to perform, load tests, and user tests. These tests require adequate hardware, software and personnel support – a heavy claim on enterprises' budget, time, and internal resources.

As far as testing is concerned, the market for independent software testing services has been growing rapidly and NASSCOM estimates the same as growing by about 19% for FY 2012. Over the last five to six years, India has become the leading destination for outsourced software testing accounting for almost 32% of the global outsourcing share. A key feature to be noted is that export revenues have doubled in the last five years while the number of employees has grown at a much lesser pace indicating the non-linear model of these services. The key functions that are currently outsourced include functional testing, systems testing, regression testing and integration testing.

BFSI accounts for more than half the share of software testing export while we are seeing other sectors like telecommunication, retail and insurance also jumping on to the testing bandwagon. Another distinguishing feature is the greater acceptance of specialist best of breed service providers for testing rather than someone who provides a wide bouquet of services.

Business Overview

Thinksoft is India's only pure play listed entity in the independent software space and provides software validation and verification services to the banking and financial services industry worldwide. The Company has operations across the globe with centers in India, Singapore, USA, Germany and UK. Thinksoft follows a hybrid delivery model, which is a combination of client site services and offshore services. Large amount of the work is carried offshore and Thinksoft sets up and operates dedicated India-based testing centers for customers.

Thinksoft's proven credentials have resulted in us developing deep relationships with Industry leaders in the Banking & Financial Services space. Our relationship with every client spans multiple divisions within the client's organization and different geographies covered by the client. For example, with a Bank who is a global leader in the past, we have done testing for various divisions, which include, Private Banking, Credit Cards, Investment Banking, Retail Banking, Corporate Banking across India, Japan, USA, Spain, Hungary, etc.

For the year 2012, consolidated revenues stood at Rs 121.44 crore showing a growth of 46% while the net profit came in at Rs 11.37 crore, an increase of 508% YoY. The performance in FY 2012 came after two to three years of flat growth.

In spite of the 3 flat years, we have grown at a CAGR of almost 24.72% for 10 years ended March 2012 which is close to the NASSCOM Growth rate for Indian IT Services Industry. This reinforces our confidence in the Specialist business model which is significantly different from that of the end to end IT Service providers. The key to the success of the Company despite some tough economic conditions and the general propensity of clients to look at large players has been its differentiated approach and focus on some key strategic imperatives. We highlight some key initiatives that were undertaken by the management to get the Company back on the path towards growth.

- Geographical expansion in Asia helped us de-risk issues arising out of the Euro crisis and this region has contributed almost 35% in FY 2012 compared to the 25% in the previous fiscal.
- The Company has consciously adopted a "Follow the Product" model which is paying good dividends not only in the Cards

and Retail Banking but also in other BFSI domains.

- Creation of expertise based offerings like Anti Money Laundering (AML), Risk Prioritization and creation of repository has helped us garner specific targeted clients in downturn markets like US and Europe
- Process improvements and automation has helped us increase our productivity and hence a delighted client ensured better sales growth across geographies.
- While repeat business was a sign of delighted clients, the Company also focused on adding new logos to its portfolio and we believe that this has paid us rich dividends this year.

Business Outlook

Looking at the current market for specialist independent software testing service providers, the Company is confident that growth will be at a pace much faster than that projected by the NASSCOM for the industry as a whole. We believe that organizations around the world using independent testing services are benefitting with significant improvement in their business strategies including risk mitigation, validation of new products/services, being able to support faster time-to-market with reduced test cycles and improving real time business performance and monitoring.

The Company has therefore focused on certain key aspects of its business to leverage the opportunity in front of it. These include:

- Diversifying to newer geographies to address the risk of economic downturn in specific regions. Australia, Africa and South America are regions that the Company would focus on in terms of building its sales engine for the financial year 2012-13.
- Aligning focus to growing market needs in specific domain areas like Payments, Solvency II, Risk and Compliance. Mobile applications testing and using cloud platforms to provide Testing as a Service will be key focus areas to leverage the emerging demands.
- Growing adoption of AGILE testing vis-à-vis traditional waterfall model is another potential opportunity for the Company given that there is a huge business potential when we look at it in terms of partnering with development shops of product companies.
- Leveraging the high adaptation of cloud based services in rendering mobile testing solutions is a targeted area for growth for Thinksoft in the next couple of years.
- Strengthening the marketing and the partnership building in specific regions as also addition of remote testing centers near Chennai and Mumbai in Tier 3/4 cities would be also force multipliers in our quest for profitable growth.
- Ability to cherry pick marquee Indian clients with a stated objective of building brand recognition is another strategy outlined and we have already seen some traction on that count.

As we move into the next fiscal, Thinksoft's Leadership team is confident that the plans and action points put together by them will slowly but surely translate into superlative growth in the years to come to establish the orgnaisation as leader among specialists in IT services.

Note:

The above discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The Company's management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, words like 'will', 'shall', 'anticipate', 'believe', 'estimate', 'intend' and 'expect' and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include those described under the heading "Risk factors" in the Company's prospectus filed with the Securities and Exchange Board of India (SEBI) as well as factors discussed elsewhere in this report. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as of their dates.

Information provided in this Management Discussion and Analysis (MD&A) pertains to Thinksoft Global Services Limited (Company) on a consolidated basis, unless otherwise stated.

Report on Corporate Governance

1. Company's Philosophy on Code of Corporate Governance

Thinksoft is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, Thinksoft Global Services Limited endeavours to maintain transparency at all levels through adoption of best Corporate Governance Practices. The following is a report on the status and progress on major aspects of Corporate Governance.

2. Board of Directors

The Directors of the Company possess highest professional ethics, integrity and values, and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgment on behalf of the Company.

The Board has an optimum combination of Executive and Non Executive & Independent Directors, which ensures proper governance and management. The Chairman of the Board is an Executive Promoter Director. As on March 31, 2012, the Company has six Directors with an Executive Chairman. Of the six Directors, three are Non-Executive Independent Directors (i.e. 50%). The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

As mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, none of the Directors is a member of more than ten Board level Committees nor is any of them is a Chairman of more than five Board level committees, in which they are members.

Board Meetings

Six Board Meetings held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings held are as follows:

April 29, 2011; July 29, 2011; September 21, 2011; October 24, 2011; November 3, 2011 and January 25, 2012.

Attendance of each Director at the Board Meetings and last AGM and the number of companies and committees where he/she is a Director/Member are as under.

Name of the Director	Category of Director	Number of Board Meetings during the year 2011-12		Whether attended last AGM held on July 29, 2011	Number of Directorship held in other companies		Number of Committee positions held in other companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. A V Asvini Kumar	Chairman and Managing Director	6	6	Yes	-	1	-	-
Ms. Vanaja Arvind	Executive Director	6	6	Yes	-	1	-	-
Mr. Mohan Parvatikar	Whole Time Director	6	6	Yes	-	2	-	-
Mr. K Kumar	Independent & Non-Executive Director	6	6	Yes	-	1	-	-
Dr. S Rajagopalan	Independent & Non-Executive Director	6	6	Yes	-	2	-	-
Mr. C N Madhusudan	Independent & Non-Executive Director	6	2 #	Yes	-	-	-	-
Mr. Rajiv Kuchhal	Independent & Non-Executive Director	6	4 *	N.A	-	7	-	-

Mr. C N Madhusudan has resigned with effect from September 21, 2011.

* Mr. Rajiv Kuchhal has been appointed as Additional Director with effect from September 21, 2011.

Notes:

1. Excluding Directorship in Foreign Companies, Section 25 Companies and Alternate Directorship.
2. As required by Clause 49 of the Listing Agreement, the disclosure includes only Membership/Chairpersonship of Audit Committee and Investor Grievance Committee only in Indian public companies (listed and unlisted).

   None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

Post meeting follow-up mechanism

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions/minutes of previous meetings is placed at the succeeding meetings of the Board/Committee for noting.

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Committee was reconstituted by the Board of Directors at their meeting held on 21st September 2011.

The Statutory Auditors and Internal Auditors are invited to attend the Audit Committee meetings as and when necessary and the Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board along with the Board Agenda.

I. Meetings and attendance during the year

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

April 29, 2011; July 29, 2011; October 24, 2011 and January 25, 2012

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Director	Status	Number of meetings during the year 2011-12	
		Held	Attended
Dr. S Rajagopalan	Member	4	4
Mr. C N Madhusudan	Member	4	2 #
Mr. Mohan Parvatikar	Member	4	4
Mr. Rajiv Kuchhal	Member	4	2 *
Mr. K Kumar	Chairman	4	4

Mr. C N Madhusudan has resigned with effect from September 21, 2011.

* Mr. Rajiv Kuchhal was appointed as a member of the Audit Committee with effect from September 21, 2011.

II. The terms of reference of the Audit Committee are broadly as under:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Review with management of the annual financial statements before submission to the Board, focusing primarily on
  - Any changes in accounting policies and practices;
  - Major accounting entries based on exercise of judgment by management;
  - Qualifications in draft audit report;
  - Significant adjustments arising out of audit;
  - The going concern assumption;
  - Compliance with accounting standards;
  - Any related party transactions as per Accounting Standard 18;
  - Compliance with stock exchange and legal requirements concerning financial statements (upon listing of shares);
  - Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights.
- Issue and making appropriate recommendations to the Board to take up steps in the matter.

Mr. K Kumar, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on July 29, 2011.

4. Remuneration Committee

Remuneration Committee is not mandatory as per clause 49 of the Listing Agreement. The Committee was reconstituted by the Board of Directors at their meeting held on 21st September 2011.

I. Brief description of terms of reference

The terms of reference of the Remuneration Committee are broadly as under:

- To review the Company's remuneration policy on specific remuneration packages to Executive Directors including pension rights and any compensation payment while striking a balance with the interest of the Company and the shareholders.
- To approve the Annual Remuneration Plan of the Company.
- To formulate the Employees Stock Option Scheme in accordance with the relevant regulations/guidelines for the time being in force and recommend the same to the Board for its consideration.
- Administration of ESOP Scheme as stipulated under SEBI (ESOS & ESOP) Guidelines, 1999.

II. Composition, name of the Members and Chairman

The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Director	Status	Number of meetings during the year 2011-12	
		Held	Attended
Dr. S Rajagopalan	Member	2	2
Mr. C N Madhusudan	Member	2	1 #
Mr. Rajiv Kuchhal	Member	2	1 *
Mr. K Kumar	Chairman	2	2

Mr. C N Madhusudan has resigned with effect from September 21, 2011

* Mr. Rajiv Kuchhal was appointed as a Member of the Remuneration Committee with effect from September 21, 2011

The Remuneration Committee met on April 29, 2011 and October 24, 2011.

The remuneration Committee at its meeting held on October 24, 2011 has granted 339,000 (Three Lakh Thirty Nine Thousand) options to 15 (Fifteen) employees of the Company under Thinksoft - Employees Stock Option Scheme, 2011.

III. Remuneration policy:

The Company's remuneration policies are to reward the Performance and Achievements of the employees by review at periodic intervals and are in consonance with the industry practice.

IV. Details of Remuneration for the year ended March 31, 2012:

a. Non-Executive Directors

Name of the Director	Commission	Sitting Fees
	INR	INR
Dr. S Rajagopalan	600,000	240,000
Mr. K Kumar	600,000	240,000
Mr. C N Madhusudan	NIL	100,000
Mr. Rajiv Kuchhal	NIL	140,000

b. Executive Directors

Compensation to the Managing Director, Executive Director and Whole Time Director are paid as per the Service Agreements entered with them subject to the limits specified as per the provisions of the Companies Act, 1956.

Name of the Director	Salary & Perquisites	Commission	Total
	INR	INR	INR
Mr. A V Asvini Kumar	5,100,000	900,000	6,000,000
Ms. Vanaja Arvind	5,100,000	900,000	6,000,000
Mr. Mohan Parvatikar	1,500,000	1,320,000	2,820,000

5. Shareholders'/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was originally constituted on September 17, 2008 and re-constituted by the Board of Directors at their meeting held on July 23, 2009.

The Committee has been formed to look into the redressal of complaints of investors such as transfer or credit of shares, non receipt of dividend/notices/annual reports, etc.

The composition of the Shareholders'/Investors' Grievance Committee

Name of the Director	Status
Mr. K Kumar	Member
Mr. Mohan Parvatikar	Member
Dr. S Rajagopalan	Chairman

Name and designation of Compliance Officer:

Mr. A Thanikainathan, Company Secretary

Email-id for Investor Grievances: investor@thinksoftglobal.com

Number of Shareholders complaints received:

During the year, the Company has received 12 complaints from the shareholders and no complaint was pending as on 31st March 2012.

6. General Body Meetings

I. Location, date and time of the last three Annual General Meetings held:

Details	Date	Time	Venue
Annual General Meeting 2008-09	August 28, 2009	4.30 p.m.	Registered Office
Annual General Meeting 2009-10	September 3, 2010	3.30 p.m.	The Music Academy Mini Hall, No. 168 TTK Road, Royapettah Chennai 600014
Annual General Meeting 2010-11	July 29, 2011	3.30 p.m.	Esthell Continental Hotels and Resorts No.1, Royal enclave, Besant Avenue, Adayar, Chennai 600020

II. Extraordinary General Meeting

No Extraordinary General Meeting of the members held during the year.

III. Special Resolutions in the last three Annual General Meetings:

11th Annual General Meeting for the year 2008-09 held on August 28, 2009

Special Resolution was passed approving the payment of Commission for the year 2007-08 to Mr. Mohan Parvatikar, Director and payment of remuneration by way of commission not exceeding 1% of the net profits of the Company as may be decided by the Board.

12th Annual General Meeting for the year 2009-10 held on September 3, 2010

1. Special Resolution was passed approving the payment of minimum remuneration to the Whole Time Directors in the event of loss or inadequate profit.

2. Special Resolution was passed approving the payment of Commission from April 1, 2009 to March 31, 2014 for all the Non-Executive Directors put together not exceeding 1% of the net profits of the Company as may be decided by the Board.

13th Annual General Meeting for the year 2010-11 held on July 29, 2011

Special Resolution was passed approving the Thinksoft – Employees Stock Option Scheme 2011.

7. Disclosures

I. Related Party Transactions:

Transactions with related parties are disclosed in detail in Note no. 27 annexed to the financial statements for the year. These transactions were not in conflict with the interest of the Company.

II. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the Capital markets during the last three years:

There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by Securities Exchange Board of India (SEBI), Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

III. Whistle Blower Policy

Your company has formulated and adopted a Whistle Blower policy vide the Board of Directors resolution passed by circulation dated September 22, 2010 and confirmed at its meeting held on October 28, 2010.

IV. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The Company has complied with all mandatory requirements laid down in Clause 49, as applicable. Though the company has not adopted any non-mandatory requirements, its compliance was disclosed at appropriate place.

8. Means of Communication to Shareholders

I. Quarterly results and news paper wherein results published

During the year, quarterly, half yearly and Annual Financial Results on the Standalone basis and Consolidated basis of the Company were submitted to the Stock Exchanges soon after approved by Board of Directors. The Financial Results are also published in 2 leading newspapers Financial Express (English) and Makkal Kural (Tamil). These were also promptly displayed on the Company's website www.thinksoftglobal.com. All official news release of relevance to the investors are also made available on the Company's website for a reasonable period of time.

9. General Shareholder Information

I. Annual General Meeting Date, Time and Venue

14th Annual General Meeting

Date and Time : Wednesday, July 25, 2012 at 3.30 pm

Venue : The Music Academy, Kasturi Srinivasan Hall (Mini Hall), No. 168, TTK Road, Royapettah, Chennai 600014

II. Financial calendar

Tentative Financial Calendar for the year 2012-13

Financial Year	April 1, 2012 to March 31, 2013
First Quarter Results	On or before August 10, 2012
Half Yearly Results	On or before November 15, 2012
Third Quarter Results	On or before February 15, 2013
Fourth Quarter Results and Annual	On or before May 31, 2013

III. Date of book closure

July 14, 2012 to July 25, 2012 (Both days inclusive)

IV. Dividend payment date

The Dividend proposed to be declared for the year 2011-12 will be paid on or before August 23, 2012.

V. Listing of Stock Exchanges and Stock Code

10,051,581 equity shares of INR 10/- each is listed at

Name of the Stock Exchange	**Stock Symbol**
National Stock Exchange of India Limited	THINKSOFT
Bombay Stock Exchange Limited	533121

The Company has paid the annual listing fees for the year 2012-13 to both the above Stock Exchanges.

VI Market Price Data:

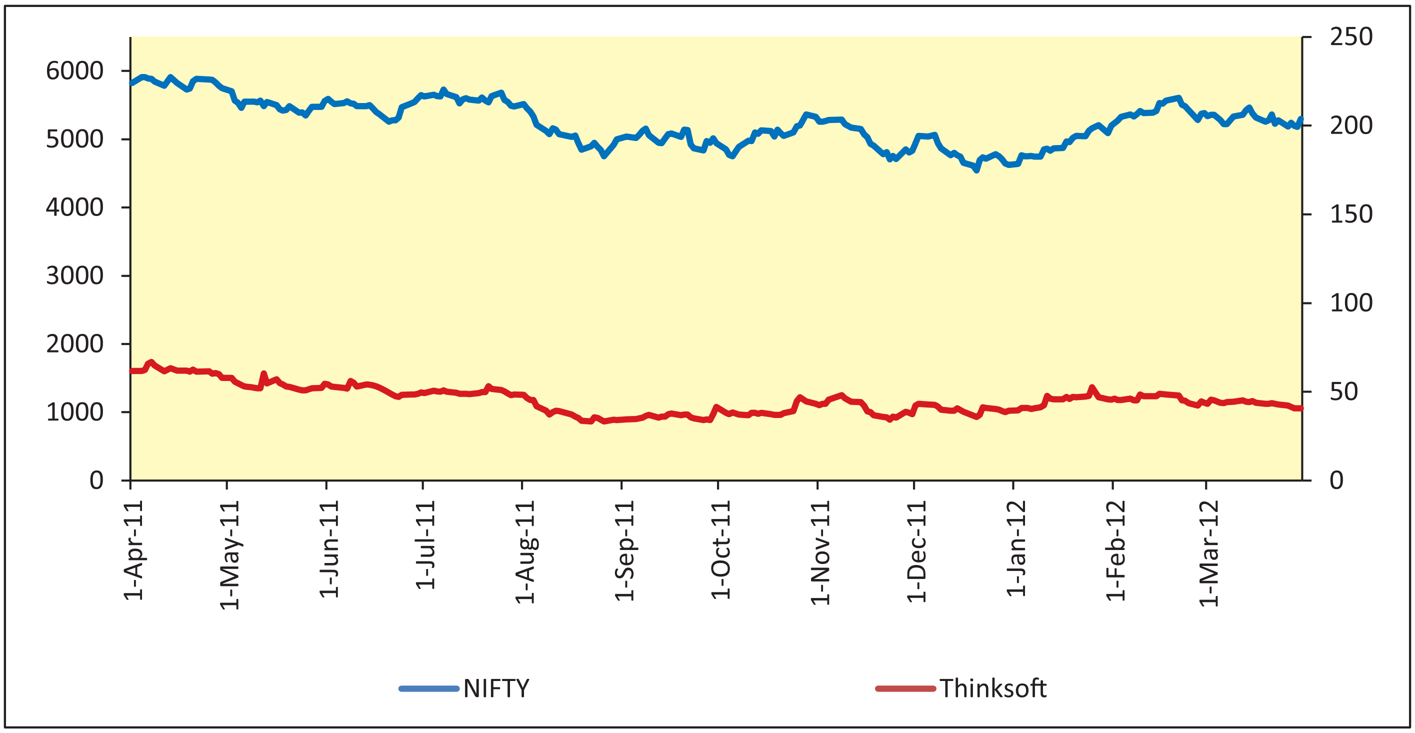
The closing market price of equity shares on March 30, 2012 (last trading day of the year) was INR 41.70/- on NSE and INR 40.10/- on BSE.

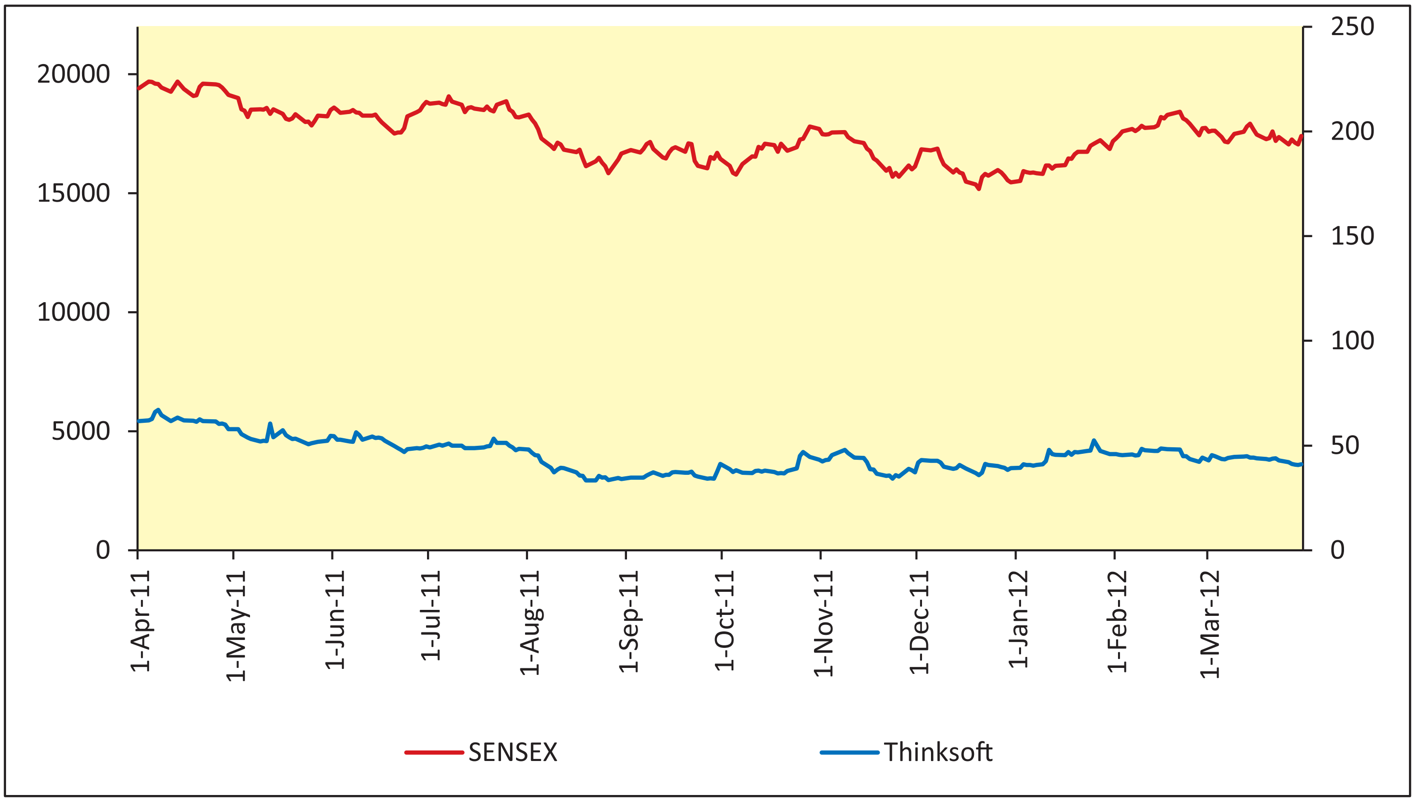
The monthly movement of equity share prices during the year at NSE and BSE are summarized herein below:

VII. Monthly share price movement during 2011-12 at NSE & BSE

Month	NSE			BSE		
	High (INR)	Low (INR)	Volume	High (INR)	Low (INR)	Volume
Apr-11	69.80	56.05	1,228,084	69.90	57.00	514,375
May-11	61.95	50.10	2,340,432	62.45	50.05	996,396
Jun-11	59.25	44.00	2,668,692	59.45	46.60	924,196
Jul-11	54.80	47.70	2,465,221	54.65	47.50	1,184,265
Aug-11	50.20	32.10	1,863,355	50.20	32.70	791,265
Sep-11	42.75	33.80	1,391,242	42.55	33.90	465,465
Oct-11	48.75	36.05	1,345,996	48.90	36.10	546,540
Nov-11	49.25	32.15	870,735	49.00	30.10	423,544
Dec-11	44.25	35.55	1,070,984	44.10	35.45	458,031
Jan-12	55.30	37.15	1,378,291	55.40	39.00	573,944
Feb-12	51.00	41.70	747,050	51.95	41.50	252,031
Mar-12	47.45	40.10	297,191	50.00	40.20	114,029
		TOTAL	**17,667,273**			**7,244,081**

The performance of the equity share price of the Company vis-à-vis the NIFTY at NSE and SENSEX at BSE is as under:





VIII. Registrar and transfer agents

The Registrar & Share Transfer Agent deals with all shareholders communications regarding change of address, transfer of shares, change of mandate, demat of shares, non-receipt of dividend etc. The address of the Registrar & Share Transfer Agent is as under:-

Name and Address of Registrar and Share Transfer Agent	Karvy Computershare Private Limited Cyber Villa, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500081, Andhra Pradesh
Tel	+91 40 44655000
Fax	+91 40 2342 0814
e-mail ID	einward.ris@karvy.com
Website	www.karvycomputershare.com

IX. Share transfer system

The shares of the company are compulsorily traded in dematerialised form. Shares received in physical form are transferred within a period of 30 days from the date of lodgment, subject to documents being correct, valid and complete in all respects.

X. Distribution of shareholding as at March 31, 2012

Category (Amount)	No. of Shareholders	% of Shareholders	Shares held	Amount (INR)	% of Amount
1 - 5000	18,467	93.59%	1,731,103	17,311,030	17.22%
5001 - 10000	733	3.71%	563,274	5,632,740	5.60%
10001 - 20000	285	1.44%	418,053	4,180,530	4.16%
20001 - 30000	93	0.47%	233,615	2,336,150	2.32%
30001 - 40000	42	0.21%	147,738	1,477,380	1.47%
40001 - 50000	32	0.16%	144,764	1,447,640	1.44%
50001 - 100000	36	0.18%	253,724	2,537,240	2.52%
100001 & above	44	0.22%	6,559,310	65,593,100	65.26%
TOTAL	**19,732**	**100%**	**10,051,581**	**100,515,810**	**100%**

XI. Dematerialisation of securities and liquidity

As on March 31, 2012, 97.28% shares of the Company were held in dematerialised form. The demat security (ISIN) code for the equity share is INE201K01015.

XII. Outstanding GDRs/ADRs/warrants/any other convertible instruments

The Company has not issued instruments of the captioned type.

XIII. Locations

The Company has three Delivery Centres in Chennai, one in Bengaluru and one Sales office cum Delivery Centre in Mumbai. The Company has branch offices in Belgium, Cyprus and Malaysia. The Company has Place of Establishments in Hong Kong and Australia. The addresses of these offices are available on your Company's website.

XIV. Address for correspondence

Thinksoft Global Services Limited
Type II, Unit 5, Dr. VSI Estate,
Thiruvanmiyur, Chennai 600041
Telephone: +91 44 43923200
Fax: +91 44 43923258
Website: www.thinksoftglobal.com
e-mail: investor@thinksoftglobal.com

For and on behalf of Board of Directors of
Thinksoft Global Services Limited

Place: Bengaluru
Date: June 15, 2012

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Compliance Certificate

To the Members of Thinksoft Global Services Limited

We have examined the compliance of the conditions of Corporate Governance by Thinksoft Global Services Limited, for the year ended March 31, 2012 as stipulated in clause 49 of Listing Agreement of the said company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures & implementations thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management and we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement.

As required by the Guidance note issued by the Institute of Chartered accountants of India, we have to state that based on the report given by the Registrars of the Company to Investor Grievance Committee, as on March 31, 2012, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

T V Balasubramanian
Partner
Membership No 27251

Place: Chennai
Date: April 27, 2012

Declaration by the CEO under Clause 49(I)(D)(II) of the Listing Agreement

As provided under Clause-49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2012.

For **Thinksoft Global Services Limited**

Place: Chennai
Date: April 27, 2012

A V Asvini Kumar
Managing Director

CEO & CFO Certification under clause 49(V) of the Listing Agreement

We, A V Asvini Kumar, Managing Director and N Vaidyanathan, Chief Financial Officer, responsible for the finance function certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and that to the best of our knowledge and belief:

  i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2012 are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware of have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d.

  i. There has not been any significant change in internal control over financial reporting during the year under reference;

  ii. There has not been significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Chennai	**A V Asvini Kumar**	**N Vaidyanathan**
Date: April 27, 2012	Managing Director	Chief Financial officer

Auditors' Certificate as required under clause 14 of the SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999

We have examined the books of account and other relevant records of Thinksoft Global Services Limited having its Registered Office at Type II, No.5, Dr.VSI Estate, Thiruvanmiyur, Chennai- 600041 and based on the information and explanations given to us, we certify that in our opinion, the company has implemented the Employee Stock Option Scheme in accordance with SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the Special Resolution passed by the company in the Annual General Meeting held on 29th July 2011.

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No.003990S

T V Balasubramanian
Partner
Membership No. 27251

Place: Chennai
Date: April 27, 2012

Auditors' Report

To

The Members of THINKSOFT GLOBAL SERVICES LTD

1. We have audited the attached Balance Sheet of THINKSOFT GLOBAL SERVICES LTD, Type 2, Unit 5, Dr. Vikram Sarabhai Instronics Estate, Thiruvanmiyur, Chennai – 600041 as at March 31, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion, proper books of account as required by law have been kept by the company, including for the branches for which also books are centrally maintained at the head office, so far as appears from our examination of the books.

   (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   (v) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (a) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;

      (b) In the case of the profit and loss account, of the profit of the Company for the year ended on that date; and

      (c) In the case of the cash flow statement, of the cash flows for the year ended on that date

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No 003990S

Place: Chennai
Date: April 27, 2012

T V Balasubramanian
Partner
Membership No.: 27251

Annexure referred to in paragraph '3' of the Auditors' Report to the members of Thinksoft Global Services Ltd on the accounts for the year ended March 31, 2012

(i)

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The company has a regular program of verifying fixed assets every year which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. All Fixed assets have been physically verified by the management along with Internal Auditors during the year. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) There was no substantial disposal of fixed assets during the year.

(ii) Having regard to the nature of the company's business, clause (ii) of this order is not applicable

(iii)

(a) The company has not granted any loan to the parties covered under Sec 301 register.

(b) In the case of fully owned subsidiaries, expenses reimbursable accounts do not have any stipulation with regard to payment or other terms.

(c) According to the information and explanations given to us, the Company has, during the year, not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and sale of services. On the basis of our examination and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the aforesaid internal control system.

(v)

(a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements exceeding the value of five lakh rupees have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules made there under.

(vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business

(viii) The Company is not required to maintain cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

(ix)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, customs duty, service tax, cess and other material statutory dues applicable to it with the appropriate authorities. Statutory dues in respect of sales tax, excise duty and investor education and protection fund are not applicable to the company.

(b) According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Customs Duty and cess were in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable.

(c) Dues relating to sales tax / excise duty / cess / Income tax / service tax, which have not been deposited on account of disputes with the related authorities, are stated in the table below:

Name of the statute	Period	Amount (in Rs. Lacs)	Forum where the dispute is pending
Service tax	FY 2004 to FY 2006	72.18	Customs, Excise and Service Tax Appellate Tribunal (South Zone bench)
Income tax	FY 2006 & FY 2009	462.38	CIT Appleals

(x) The Company has no accumulated losses at the end of the year and has not incurred cash losses in the current year and the immediately preceding financial year.

(xi) Based on our audit procedure and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable.

(xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund etc., are applicable, accordingly paragraph 4 (xiii) of the Order is not applicable.

(xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the company has not given any guarantee during the year for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, during the year, short-term funds have not been used to finance long-term investments.

(xviii) The Company has not made any preferential allotment of shares to parties covered under Sec 301 register during the year.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has raised money by way of public issue during financial year 2010 and has disclosed the end use of the money raised by public issue vide Note No. 30 forming part of the financial statements and the same has been verified by us.

(xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended March 31, 2012.

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No 003990S

T V Balasubramanian
Partner
Membership No.: 27251

Place: Chennai
Date: April 27, 2012

Balance Sheet as at March 31, 2012

Particulars	Note	As at March 31, 2012 INR	As at March 31, 2011 INR
EQUITY and LIABILITIES			
Shareholder's Funds			
Share capital	3	100,515,810	100,515,810
Reserves and Surplus	4	595,936,634	563,592,677
		696,452,444	**664,108,487**
Non-Current liabilities			
Long term provision	5	8,864,214	24,575,107
Current Liabilities			
Trade payables		16,913,052	6,454,462
Other current liabilities	6	158,562,769	191,569,383
Short-term provisions	5	78,405,587	23,466,972
		253,881,408	**221,490,817**
TOTAL		**959,198,066**	**910,174,411**
ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	7	79,041,402	46,334,940
Intangible assets	8	28,839,500	37,054,646
Capital work in progress		634,800	27,757,263
Non current Investments	9	42,862,197	34,166,197
Deferred tax asset	10	3,970,255	9,317,601
Long term loans and advances	11	32,655,647	70,201,885
Other Non-current assets	12	5,496,990	4,832,693
		193,500,791	**229,665,225**
Current Assets			
Trade receivable	13	215,817,158	206,153,912
Cash and bank balances	14	330,094,262	337,884,536
Short term loans and advances	11	110,283,834	120,692,956
Other current assets	12	109,502,021	15,777,782
		765,697,275	680,509,186
TOTAL		**959,198,066**	**910,174,411**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statement			

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

A Thanikainathan
Company Secretary

Place: Chennai
Date: April 27, 2012

Place: Chennai
Date: April 27, 2012

Profit & Loss for the year ended March 31, 2012

Particulars	Note	Year ended March 31, 2012 INR	Year ended March 31, 2011 INR
Revenue from Operations	15	1,118,983,577	613,126,818
Other income	16	88,907,687	26,444,908
Total Revenue		**1,207,891,264**	**639,571,726**
Employee benefit expenses	17	566,268,478	399,400,607
Depreciation and amortization expense	18	37,168,019	27,560,346
General, administrative and other expenses	19	446,670,040	185,761,288
Finance cost	20	1,443,931	754,846
Total expenses		**1,051,550,468**	**613,477,087**
Profit before exceptional and extraordinary items and tax		**156,340,796**	**26,094,639**
Exceptional items		-	-
Profit before extraordinary items and tax		156,340,796	26,094,639
Extraordinary items		-	-
Profit before tax		**156,340,796**	**26,094,639**
Tax expense:			
Current Tax			
Current year		37,177,349	7,620,211
Earlier years	26	23,100,000	-
Deferred Tax			
Current year	10	5,347,346	1,021,811
Profit for the year		**90,716,101**	**17,452,617**
Earnings per Equity share (Par value of Rs.10 each)	21		
Basic		9.03	1.74
Diluted		9.01	1.74
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statement			

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

A Thanikainathan
Company Secretary

Place: Chennai
Date: April 27, 2012

Place: Chennai
Date: April 27, 2012

Cash Flow Statement for the period ended March 31, 2012

	Year ended March 31, 2012 INR	Year ended March 31, 2011 INR
Cash flow from operating activities		
Net profit/(loss) before taxation	**156,340,796**	**26,094,639**
Adjustments for:		
Depreciation/amortisation	37,168,019	27,560,346
Loss/(profit) on sale of fixed assets	(213,960)	(280,700)
Unrealised forex exchange loss/(gain), net	(31,535,757)	(39,564,640)
Interest income	(16,002,519)	(11,303,464)
Provision for bad and doubtful debts	(1,097,966)	(5,765,068)
Operating profit before working capital changes	**144,658,613**	**(3,258,888)**
(Increase)/Decrease in sundry debtors	15,058,434	(4,695,486)
(Increase)/Decrease in Deferred tax Asset	5,347,346	1,021,811
(Increase)/Decrease in loans and advances / other current assets	(88,297,291)	(75,489,649)
Increase/(Decrease) in current liabilities	(54,560,952)	59,869,262
Increase/(Decrease) in provisions	(15,710,893)	7,385,292
Cash generated from operations	**6,495,257**	**(15,167,657)**
Direct taxes paid (net of refunds)	38,211,321	(9,541,826)
Net cash from/(used in) operating activities	**44,706,578**	**(24,709,484)**
Cash flows from investing activities		
Purchase of fixed assets	(34,590,317)	(96,919,537)
Proceeds from sale of fixed assets	267,407	924,544
Interest received	14,568,367	12,085,715
Investment in Subsidiaries	(8,696,000)	(24,068,000)
Fixed deposits matured/(invested) during the year	14,869,427	(110,872,296)
Net cash from/(used in) investing activities	**(13,581,117)**	**(218,849,573)**
Cash flows from financing activities		
Dividends paid	(30,154,743)	(10,051,581)
Tax on dividend paid	(4,891,854)	-
Net cash (used in) / from financing activities	**(35,046,597)**	**(10,051,581)**
Net increase in cash and cash equivalents	**(3,921,136)**	**(253,610,638)**
Cash and cash equivalents at the beginning of the year	194,237,245	422,692,122
Effect of changes in exchange rate on cash and cash equivalents	11,000,289	25,155,761
Cash and cash equivalents at the end of the year (Ref Note 14)	**201,316,398**	**194,237,245**
Summary of significant accounting policies (Note 2)		

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

A Thanikainathan
Company Secretary

Place: Chennai
Date: April 27, 2012

Place: Chennai
Date: April 27, 2012

Notes to the Financial Statements for the year ended March 31, 2012

Note 1

i. Background

Thinksoft Global Services Limited ("Thinksoft" or "the Company") was incorporated on June 8, 1998 under the Companies Act, 1956 as a private limited company. The Company has been converted into a public limited company with effect from 19th August 2008. The Company had made an Initial Public Offering (IPO) on 24th September 2009 (issue open date) as approved by the members in the Extra Ordinary General Meeting held on 17th September 2008. The Shares under IPO were allotted on 14th October 2009 and the Company shares have been listed in National Stock exchange and Bombay Stock exchange on 26th October 2009.

The Company is an India based software service provider primarily delivering software validation and verification services to the banking and financial services industry worldwide. The Company has invested in five wholly owned subsidaries in Singapore, USA, Germany, UK and UAE for market development in the respective regions.

The Company has a cash credit facility with Lakshmi Vilas Bank, Chennai, which is secured by hypothecation of fixed assets, book debts of the Company both present and future and also by personal guarantee of two Directors of the Company.

ii. Basis of preparation of financial statements

The financial statements of the company have been prepared and presented under historical cost convention on the accrual basis of accounting as a going concern and materially comply with the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 1956, to the extent applicable. The accounting policies applied by the Company are consistent with those used in the previous year.

iii. This Balance Sheet and Profit & Loss account include figures pertaining to Head office and Branches/Places of Business located at Madras Export Processing Zone, Chennai, United Kingdom, Australia, Belgium, Hong Kong, Velankani Technology Park, Bengaluru, India,Cyprus and Malaysia.

Note 2 Summary of significant accounting policies:

i. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the financial statement and notes thereto and the reported amounts of revenues and expenses during the accounting period. Any revision to the accounting estimates is recognized prospectively in the current and future periods. Examples of such estimates include provision for doubtful debts, economic useful lives of fixed assets, etc. Actual results could differ from those estimates.

ii. Fixed assets and depreciation

Tangible Fixed assets

Fixed assets, tangible are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of qualifying fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the companies Act, 1956 whichever is higher. The rates currently applied as follows:

Asset description	Percentage
Building	5%
Plant, machinery and equipment	33.33%
Computer equipment	33.33%
Furniture and fittings	33.33%
Office equipment	33.33%
Vehicles	25%
Temporary partitions	100%
Leasehold Rights & Improvements	Tenure of lease period or 10 years whichever is less

Fixed assets individually costing Rs 5,000 or less are entirely depreciated in the year of acquisition.

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and advances paid to acquire the fixed assets.

iii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The amortization period and amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of Profit and loss, when the asset is derecognized.

A summary of amortization policies applied to the company's intangible assets is as below:

Asset description	Percentage
Intangible assets – Computer software	33.33%
Intangible assets – Software tools	20%

iv. Impairment

a. The carrying amounts of assets are reviewed at each balance sheet date to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

b. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

v. Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, any decline, other than temporary, in the value of the investments is charged to the profit and loss account.

vi. Revenue recognition

Software service income

a. Revenue from software testing on software testing and allied services comprises revenue from time and material contracts and fixed price contracts.

b. Revenue from time-and-materials contracts is recognized based on time/efforts spent on software tested and billed to clients as per the terms of specific contracts.

c. On fixed-price contracts, revenue is recognized on the proportionate completion method on the basis of the work completed.

d. Revenue from software testing includes reimbursement of expenses billed as per the terms of contracts.

Interest income

Interest on deployment of surplus funds is recognized using the time-proportion method.

Government grant

Government grant is recognized upon confirmation of the entitlement of the grant.

vii. Retirement and other employee benefits

a. Retirement benefits in the form of Provident Fund / Social Security payments is defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions are made to the concerned authorities. The Company has no further obligations under the plan beyond its periodic contributions.

b. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year under the projected unit credit method. Actuarial Gains/Losses comprise experience adjustments and the effect of changes in actuarial assumptions and are recognized immediately in Profit & Loss Account as Income/Expense.

c. The company does not allow leave encashment on retirement. However, appropriate provision has been made based on estimates for the accrued and unaveiled leave entitlements which are short-term in nature.

viii. Taxation

Tax expense comprises current tax, deferred tax charge or credit and Minimum Alternate Tax credit. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax laws of each country. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

The company has got two 100% Export Oriented Unit (“EOU”) registered with the Software Technology Parks of India (“STPI”) one in Chennai and another in Bengaluru. The Company has operations in Special Economic Zone (SEZ) – MEPZ Tambaram, also from the financial year 2009-10. The Company enjoyed tax holiday for Export earnings relating to its EOU in Chennai under Section 10A of the Income Tax Act,1961 till the financial year 2009-10. Such tax holiday is available for the financial year 2010-11 also in respect of export earnings relating to its EOU in Bengaluru. Income from MEPZ’s is fully tax exempt for the first five years, 50% exempt for the next five years and 50% exempt for another five years subject to fulfilling certain conditions.

MAT Credit is measured at the amounts of Minimum Alternative Tax payable for the year, which is adjustable against regular tax payable in subsequent years and is recognized to the extent considered probable of such adjustment.

ix. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Foreign currency transactions and translations

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Income and expenditure transactions of the foreign operations are recognized at the rate on transaction date / average rate applicable for the year.

b. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c. Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences on account of conversion of foreign operations are also recognized as income or as expenses in the year in which they arise.

d. Forward contracts in foreign currency

The Company uses, to a limited extent, foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The company does not use the foreign currency forward contracts for trading or speculation purposes. Realized/unrealized gains and losses on forward contracts are accounted in the profit and loss account for the period. Premium/Discount on forward contracts are accounted over the contract period.

e. Transalation of integral and non-integral foreign operation

The company classifies all its foreign operation as either "integral foreign operations. The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

xi. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xii. Leases

Where the company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account as per the terms of the agreements over the lease term.

Where the company is lessor

Operating lease receipts are recognized as Other Income in the Profit and Loss account as per the terms of the agreements over the sub lease period

xiii. Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

xiv. Segment information

Business segments

The group's operations predominantly relate to software validation and verification services relating to banking and financial services industry and, accordingly, this is the only primary reportable segment.

Geographical segments

The segmental information is provided on geographical basis classified as India and Rest of the World.

xv. Cash flows

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

Cash and cash equivalents: Cash and cash equivalents, in the statement of cash flow, comprise cash at bank and in hand and fixed deposits with original maturity of maximum 90 days.

xvi. Contingent liabilities

A contingent liability is a possible obligation that arises due to past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements

Note 3 Share capital

	March 31, 2012 INR	March 31, 2011 INR
Authorised shares		
12,000,000 equity shares (31-Mar-2011: 12,000,000) of Rs.10 each	120,000,000	120,000,000
Issued, subscribed and fully paid up shares		
10,051,581 equity shares (31-Mar-2011: 10,051,581) of Rs.10 each	100,515,810	100,515,810

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**
Equity shares

	March 31, 2012		March 31, 2011	
	Number	INR	Number	INR
At the beginning of the period	10,051,581	100,515,810	10,051,581	100,515,810
Issued during the period				
Outstanding at the end of the period	10,051,581	100,515,810	10,051,581	100,515,810

b. **Terms/rights attached to equity shares**
The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting

c. **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	March 31, 2012	March 31, 2011
Equity shares alloted as fully paid bonus shares by capitalization of securities premium	870,156	870,156

d. **Details of shareholders holding more than 5% shares in the company**

	March 31, 2012		March 31, 2012	
	Number	**% Holding**	**Number**	**% Holding**
A V Asvini Kumar	3,642,777	36.24%	3,642,777	36.24%
Vanaja Arvind	1,097,762	10.92%	1,050,662	10.45%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

e **Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer Note 23

Note 4 Reserves and surplus

		March 31, 2012	March 31, 2011
Securities premium account		**INR**	**INR**
Closing balance	**A**	148,759,605	148,759,605
General Reserve			
Balance at the beginning of the year		30,071,695	30,071,695
Add: Additions during the year		9,100,000	-
Balance at the end of the year	**B**	**39,171,695**	**30,071,695**
Surplus/(Defecit) in the statement of profit and Loss			
Balance as per last financial statements		384,761,377	379,029,808
Profit for the year		90,716,103	17,452,617
Less: Appropriations			
Proposed final / Intriem equity dividend		(50,257,905)	(10,051,581)
Tax on proposed final / Interim Equity Dividend		(8,114,241)	(1,669,467)
Transfer to general reserve		(9,100,000)	-
Total appropriations		(67,472,146)	(11,721,048)
Net surplus in statement of Profit and Loss	**C**	**408,005,334**	**384,761,377**
Total Reserves and Surplus	**(A+B+C)**	**595,936,634**	**563,592,677**

Note 5 Provisions

	Long term		Short term	
	March 31, 2012	**March 31, 2011**	**March 31, 2012**	**March 31, 2011**
	INR	**INR**	**INR**	**INR**
Provision for employee benefits				
Provision for gratuity	8,864,214	24,575,107	-	-
	8,864,214	**24,575,107**	**-**	**-**
Other provisions				
Proposed equity dividend	-	-	30,154,743	10,051,581
Provision for tax on proposed equity dividend	-	-	4,891,854	1,669,467
Provision for taxation (Net)	-	-	43,358,990	11,745,924
	-	-	**78,405,587**	**23,466,972**
Total	**8,864,214**	**24,575,107**	**78,405,587**	**23,466,972**

Note 6 Other current liabilities

	March 31, 2012	March 31, 2011
	INR	**INR**
Other liabilities		
Outstanding Liabilities	72,177,125	58,839,894
Unpaid application money due for refund	86,250	93,000
Unpaid dividend	559,523	91,803
Advance received from customers/others	3,620,391	807,504
Inter-company payables to subsidiaries	32,270,760	75,223,125
Employee benefits payable	31,275,847	44,740,809
Statutory dues	18,572,873	11,773,248
Total	**158,562,769**	**191,569,383**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end

Note 7 Fixed Assets

(in INR)

	Leasehold rights & Improvement	Building	Plant and machinery	Computer equipment	Furniture and fittings	Office equipment	Vehicles	Temporary partitions	Total
Cost or valuation									
At Apr 1 2010	9,504,000	7,421,627	5,869,916	46,022,296	4,068,289	6,328,928	2,753,681	438,020	82,406,757
Additions	-	-	2,000,829	19,147,706	5,975,051	1,739,967	3,689,134	94,803	32,647,490
Disposals	-	-	114,918	2,916,974	-	1,172,123	76,148	-	4,280,163
At Mar 31 2011	**9,504,000**	**7,421,627**	**7,755,827**	**62,253,028**	**10,043,340**	**6,896,772**	**6,366,667**	**532,823**	**110,774,084**
Additions		27,034,705	10,889,044	13,609,204	5,217,737	3,227,901			59,978,591
Disposals			522,705	948,052	198,574	1,706,201	3,201	27,039	3,405,772
At Mar 31 2012	**9,504,000**	**34,456,332**	**18,122,166**	**74,914,180**	**15,062,503**	**8,418,472**	**6,363,466**	**505,784**	**167,346,904**

	Leasehold rights & Improvement	Building	Plant and machinery	Computer equipment	Furniture and fittings	Office equipment	Vehicles	Temporary partitions	Total
Depreciation									
At Apr 1 2010	1,425,600	561,267	2,916,761	39,172,171	730,495	4,412,313	1,366,707	438,020	51,023,334
Additions	950,400	376,235	2,061,837	8,895,912	2,878,581	1,324,099	596,664	94,803	17,178,531
Disposals	-	-	114,918	2,834,821	-	736,834	76,148	-	3,762,721
At Mar 31 2011	**2,376,000**	**937,502**	**4,863,680**	**45,233,262**	**3,609,076**	**4,999,578**	**1,887,223**	**532,823**	**64,439,145**
Additions	950,400	1,603,219	4,535,963	11,462,001	5,294,421	2,002,490	1,370,188		27,218,682
Disposals			269,997	1,200,758	145,132	1,706,198	3,201	27,039	3,352,325
At Mar 31 2012	**3,326,400**	**2,540,721**	**9,129,646**	**55,494,505**	**8,758,364**	**5,295,871**	**3,254,211**	**505,784**	**88,305,502**
Net Block									
At Mar 31 2011	**7,128,000**	**6,484,125**	**2,892,147**	**17,019,766**	**6,434,264**	**1,897,194**	**4,479,444**	**-**	**46,334,940**
At Mar 31 2012	**6,177,600**	**31,915,611**	**8,992,520**	**19,419,675**	**6,304,139**	**3,122,602**	**3,109,255**	**-**	**79,041,402**

Note 8 Intangible assets - Computer Software

in Rs.

	Gross Block	Amortization	Net Block
At Apr 1 2010	9,206,044	7,693,781	1,512,263
Additions	46,050,601	10,381,815	
Disposals	283,838	157,435	
At Mar 31 2011	**54,972,807**	**17,918,161**	**37,054,646**
Additions	1,734,190	9,949,336	
Disposals	-	-	
At Mar 31 2012	**56,706,997**	**27,867,497**	**28,839,500**

Note 9 Non current Investments

	March 31, 2012 INR	March 31, 2011 INR
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in subsidiaries		
100,000 equity shares (Previous year -100,000) of SGD 1/- each in Thinksoft Global Services Pte. Ltd., Singapore	2,658,023	2,658,023
3,000 equity shares (Previous year -3,000) of USD 0.01/- each in Thinksoft Global Services Inc. USA	4,625,400	4,625,400
EUR 50,000/- (Previous year -EUR 50,000) in Thinksoft Global (Europe) GmBH, Germany	2,714,774	2,714,774
3,50,000 equity shares (Previous year -3,50,000) of GBP 1/- each in Thinksoft Global Services UK Ltd., UK	24,168,000	24,168,000
Investment - Thinksoft Global Services FZE	8,696,000	-
Total	**42,862,197**	**34,166,197**

Note 10 Deferred tax asset

	March 31, 2012 INR	March 31, 2011 INR
At March 31 2010	**9,317,601**	**10,339,412**
Deferred tax credit during the year	(5,347,346)	(1,021,811)
At March 31 2011	**3,970,255**	**9,317,601**
Break up of deferred tax asset		
on account of timing difference in claiming depreciation allowance	962,071	855,783
on account of timing difference in claiming provision for gratuity and doubtful debts	3,008,184	8,461,818
Total	**3,970,255**	**9,317,601**

Note 11 Loans and advances

		Non-Current		Current	
		March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Capital advances					
Unsecured, considered good		-	-	-	1,516,500
	(A)	**-**	**-**	**-**	**1,516,500**
Security deposit					
Unsecured considered good		32,655,647	32,221,747	-	-
	(B)	**32,655,647**	**32,221,747**	**-**	**-**
Loans and advance to KMP					
Unsecured, considered good		-	-	176,841	209,183
	(C)	**-**	**-**	**176,841**	**209,183**
Advances recoverable in cash or in kind					
Unsecured, considered good		-	-	40,784,341	33,659,790
	(D)	**-**	**-**	**40,784,341**	33,659,790
Other Loans and advances					
Due from subsidiaries		-	-	1,435,255	65,056,590
Prepaid expenses		-	-	15,460,031	8,569,374
MAT credit entitlement		-	27,191,149	28,398,039	1,206,886
Advance tax		-	-	8,044,578	5,226,611
Input tax credit		-	10,788,989	15,984,749	5,248,022
Other advances		-	-	-	-
	(E)	**-**	**37,980,138**	**69,322,652**	**85,307,483**
Total (A+B+C+D+E)		**32,655,647**	**70,201,885**	**110,283,834**	**120,692,956**

Loans and advances due by directors or other officers etc.

	Non-Current		Current	
	March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Due from Managing Director	-	-	-	81,888
Due from Executive Director	-	-	176,841	127,295

Note 12: Other assets

		Non-Current		Current	
		March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Unsecured, considered good					
Non-current bank balances (Note 14)		3,830,000	3,630,000		
	(A)	**3,830,000**	**3,630,000**	**-**	**-**
Unbilled revenue				107,235,900	8,366,397
	(B)	**-**	**-**	**107,235,900**	**8,366,397**
Others					
Inter-company balance with subsidiaries		-	-		6,489,817
Forward cover premium				374,698	
Interest accrued on fixed deposits		1,666,990	1,202,693	1,891,423	921,568
	(C)	**1,666,990**	**1,202,693**	**2,266,121**	**7,411,385**
Total	**(A+B+C)**	**5,496,990**	**4,832,693**	**109,502,021**	**15,777,782**

Note 13: Trade receivable

		Non-Current		Current	
		March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good		-	-	1,337,680	5,288,735
Doubtful		-	-	407,428	1,505,393
		-	-	1,745,108	6,794,128
Provision for doubtful receivables		-	-	(407,428)	(1,505,393)
	(A)	-	-	1,337,680	5,288,735
Other receivables					
Unsecured, considered good		-	-	214,479,478	200,865,177
	(B)	-	-	214,479,478	200,865,177
Total	**(A+B)**	**-**	**-**	**215,817,158**	**206,153,912**

Note 14: Cash and Bank balances

	Non-Current		Current	
	March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Cash and cash equivalents				
Balance with bank on current accounts	-	-	164,850,420	179,812,779
Deposits with original maturity of less than three months	-	-	36,413,191	14,386,000
Cash on hand	-	-	52,787	38,466
Total	**-**	**-**	**201,316,398**	**194,237,245**
Other bank balances				
Deposits with original maturity for more than 3 months	-	-	124,758,431	139,700,000
Margin money deposits*	3,830,000	3,630,000	3,373,660	3,762,488
Unpaid application money due for refund			86,250	93,000
Unpaid dividend account	-	-	559,523	91,803
	3,830,000	**3,630,000**	**128,777,864**	**143,647,291**
Amount disclosed under non-current Other assets **(Note 12)**	(3,830,000)	(3,630,000)		
	-	**-**	**330,094,262**	**337,884,536**

* Margin money deposits given as performance/financial security

Note 15: Revenue from operations

	March 31, 2012 INR	March 31, 2011 INR
Software Services	**1,118,983,577**	**613,126,818**

Note 16: Other income

	March 31, 2012 INR	March 31, 2011 INR
Interest income on bank deposits	15,993,816	11,209,955
Interest income - others	8,703	93,509
Profit on sale of fixed assets	213,960	280,700
Net foreign exchange gain	42,350,361	9,033,020
Provision no longer required (Doubtful debts)	1,097,966	5,765,068
Provision no longer required (Others)	24,162,297	-
Rental Income (Sub lease)	5,009,795	-
Other income	70,789	62,656
Total	**88,907,687**	**26,444,908**

Note 17: Employee benefit expense

	March 31, 2012 INR	March 31, 2011 INR
Salaries, wages and Bonus	518,775,416	354,081,307
Contribution to provident and other fund	35,703,998	29,352,983
Gratuity expense	3,774,630	10,207,079
Staff welfare expense	8,014,434	5,759,238
Total	**566,268,478**	**399,400,607**

Note 18: Depreciation and amortization expense

	March 31, 2012 INR	March 31, 2011 INR
Depreciation on tangible assets	27,218,683	17,178,531
Amortization of intangible assets	9,949,336	10,381,815
Total	**37,168,019**	**27,560,346**

Note 19: General, administrative and other expenses

	March 31, 2012 INR	March 31, 2011 INR
Travel expenses	98,448,006	66,375,044
Rent	43,883,230	41,215,238
Professional fees	31,760,969	11,726,646
Marketing and selling expenses	8,109,068	5,276,526
Consultancy charges	202,318,292	8,610,338
Software expenses	8,614,390	10,297,420
Power and fuel	14,371,465	10,258,274
R &M - buildings	5,066,253	6,014,314
- plant and machinery	3,773,897	2,266,907
- others	1,204,389	745,086
Communication expenses	6,639,320	6,912,069
Sales commission	7,694,733	4,558,770
Training and recruitment	961,386	947,385
Insurance	4,459,560	3,282,656
Audit fees*	1,175,000	900,000
Director sitting fees	720,000	560,000
Rates and taxes	1,928,160	414,491
Donation	944,210	502,690
Loss on Investment in Subsidiary	-	100,000
Miscellaneous expenses	4,597,712	4,797,434
Total	**446,670,040**	**185,761,288**

* consists of Audit fee Rs.500,000 (PY 500,000)
Tax audit Rs.100,000(PY 100,000)
Certification Rs.345,000(PY 310,000)
Other services Rs.230,000(PY 75,000)

Note 20 Finance cost

	March 31, 2012 INR	March 31, 2011 INR
Interest	260,380	-
Bank charges	1,183,551	754,846
Total	**1,443,931**	**754,846**

Note 21 Earnings per share

The following represents profit and share data used in the basic and diluted EPS computations:

	March 31, 2012 INR	March 31, 2011 INR
Profit for computation of basic EPS	90,716,103	17,452,616
Add/ (Less) adjustment	-	-
Profit for computation of Diluted EPS	**90,716,103**	**17,452,616**
	Number	**Number**
Weighted average number of equity shares in calculating basic EPS	**10,051,581**	**10,051,581**
Effect of Dilutive stock option	14,963	-
Weighted average number of equity shares in calculating diluted EPS	**10,066,544**	**10,051,581**

Note 22

Disclosure pursuant to Accounting Standard - 15

i. Short term plan - Compensated Absence

There is no leave encashment facility. Provision towards leave availment in subsequent periods have been estimated and accounted as under:

	INR Current year	INR Previous year
Liability at the beginning of the year	**7,770,000**	**7,523,000**
Leave salary relating to opening year adjusted to general reserves directly		
Leave salary cost accounted for the year	1,050,000	247,000
Total liability as at year end	**8,820,000**	**7,770,000**

ii. Defined contribution plan - Provident fund & other statutory contributions

	INR Current year	INR Previous year
Employers contribution	3,774,000	25,430,000

iii. Defined Benefit Plan - Gratuity

Change in Benefit obligation	INR Current year	INR Previous year
Liability at the beginning of the year	**26,491,000**	**18,954,000**
Interest cost	1,999,880	1,403,000
Current service cost	5,184,218	10,281,000
Past service cost (Vested benefit)		
Past service cost (Non Vested benefit)		
Benefit paid	(2,985,000)	(2,822,000)
Actuarial (Gain)/Loss on obligations	(3,725,125)	(1,325,000)
Liability at the end of the year	**26,964,973**	**26,491,000**

Fair value of Plan Assets	INR Current year	INR Previous year
Fair value of plan assets at the beginning of the year	**1,916,000**	**1,766,000**
Expected return on plan assets	737,248	30,000
Contributions	16,500,000	-
Benefit paid	(2,985,000)	(2,822,000)
Actuarial Gain/(Loss) on plan assets	1,931,752	2,942,000
Fair value of plan assets at the end of the year	**18,100,000**	**1,916,000**

Actual return on Plan Assets	INR Current year	INR Previous year
Expected return on plan assets	737,248	30,000
Actuarial Gain/(Loss) on plan assets	1,931,752	2,942,000
Actual return on Plan Assets	**2,669,000**	**2,972,000**

Amount recognized in the balance sheet	INR Current year	INR Previous year
Present value of the obligation	26,964,973	26,491,000
Fair value of plan assets	18,100,000	1,916,000
Difference (Funded status)	8,864,973	24,575,000
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC		
Amount recognized in the balance sheet	**8,864,973**	**24,575,000**

Expenses recognized in the income statement	INR Current year	INR Previous year
Current service cost	5,184,218	10,281,000
Interest cost	1,999,880	1,403,000
Expected return on plan assets	(737,248)	(30,000)
Net Actuarial (Gain)/Loss to be recognized	(5,656,877)	(4,267,000)
Transitional Liability recognized		
Past service cost - non Vested benefits		
Past service cost - vested benefits		
Expense recognized in P&L	**789,973**	**7,387,000**

Balance sheet reconciliation	INR Current year	INR Previous year
Opening net liability as per Books	24,575,000	17,188,000
Transitional liability adjusted to opening reserves and deferred taxes	-	-
Expense as above	789,973	7,387,000
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
Contribution paid	(16,500,000)	-
Amount recognized in the balance sheet	**8,864,973**	**24,575,000**

Actuarial assumptions	Current year	Previous year
Discount rate - Current	8.00%	8.00%
Expected rate of return on plan assets	8.50%	8.50%
Salary Escalation - Current	7.00%	10.50%
Attrition rate	2.00%	25.00%

Investment details	Current year	Previous year
Funds managed by the Insurer (CY) / Company (PY)	100%	100%

Actuarial valuation

a. Experience adjustment

Particulars	2011-12	2010-11	2009-10	INR 2008-09
Defined benefit obligation	26,964,973	26,491,000	18,954,000	16,187,000
Plan assets	18,100,000	1,916,000	1,766,000	1,628,000
Surplus/(Defecit)	(8,864,973)	(24,575,000)	(17,188,000)	(14,559,000)
Exp. adj. on plan liabilities	(5,039,000)	(1,325,000)	(1,678,000)	3,586,000
Exp. adj. on assets	(689,000)	2,942,000	730,000	823,000

Estimated contribution towards gratuity for next year - Rs. 100 Lakhs.

Note : 23 Employee stock option plans

The company provides share based payment schemes to its employees. During the year ended March 31, 2012 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On April 29, 2011 the board of directors approved the equity settled ESOP scheme 2011 (Scheme 2011) for issue of stock options to the key employees and directors of the company. According to the scheme 2011, the employees selected by the remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 3 years. The contractual life (comprising vesting period and exercise period) of options granted is 6 years. The other relevant terms of the grant are as below:

Vesting period	3 years
Exercise period	3 years
Expected life	3 years
Exercise price	Rs.38.05
Market price at October 24, 2011	Rs.38.05

The details of activity under the scheme 2011 are summarised below:

	March 31, 2012		March 31, 2011	
	No. of options	**WAEP INR**	**No. of options**	**WAEP INR**
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	3,39,000	38.05	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	3,39,000	38.05	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2012 is 3.96 years (March 31, 2011: Not applicable since no option outstanding). The range of exercise price for options outstanding at the end of the year was Rs.38.05 (March 31, 2011 Not applicabble since no option outstanding)

The weighted average fair value of stock options granted during the year was Rs. 21.03 (March 31, 2011: Nil). The black scholes valuation model has been used for computing weighted average fair value considering the following inputs:

	March 31, 2012	**March 31, 2011**
Dividend yield (%)	2.63%	-
Exepected volatility	76.03%	-
Risk-free interest rate	8.28%	-
Weighted average share price	38.05	-
Exercise price	38.05	-
Expected life of options granted in years	4.4 years	-

* Not applicable since no ESOP were granted during the year

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the histiorical volatility over a period similar to the life of options is indicative of future trends, which may also not necessarily be the actual outcome.

The company measures the cost of ESOP using intrinsic value method. Had the company used fair value model to determine compensation, its profit after tax and earning per share would have changed to the amounts indicated below:

	March 31, 2012	**March 31, 2011**
	INR	**INR**
Profit after tax as reported	90,716,103	-
Add: ESOP cost using intrinsic value method	-	-
Less: ESOP cost using fair value method	1,969,964	-
Proforma profit after tax	88,746,139	-

	March 31, 2012	March 31, 2011
Earnings per share		
Basic		
As reported	9.03	-
Proforma	8.83	-
Diluted		
As reported	9.01	-
Proforma	8.82	-

Note : 24 Operating lease: Company as lessee

The company has entered into commercial leases on certain buildings. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non-cancellable operating lease are as follows:

	March 31, 2012 INR	March 31, 2011 INR
Within one year	18,871,935	46,470,159
After one year but not more than five years	3,276,000	42,235,402
More than five years	-	-
Total	**22,147,935**	**88,705,561**
Lease payments recognized in the profit and loss account for the year	43,883,230	41,215,238

Note : 25 Segment reporting

Sales revenue by geographical market

	March 31, 2012 INR	March 31, 2011 INR
Within India	93,144,755	53,883,429
Outside India	1,025,838,822	559,243,389
Total	**1,118,983,577**	**613,126,818**

Note : 26 Commitments and contingencies

	March 31, 2012 INR	March 31, 2011 INR
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	-	16,242,586
Service tax related matters	7,218,676	7,218,676
Income tax related matters	51,238,609	5,339,067
Counter guarantees issued to the bank for the bank guarantee obtained	27,763,951	14,680,000

The Service Tax Authorities had made a demand for Rs 3,609,338 along with interest and penalty for an equivalent amount, towards tax leviable for certain services rendered by the Company during the period July 2003 to Dec 2005. Management contends that the Company has sufficient grounds to defend its position and is filing an appeal before Customs, Excise and Service tax appellate Tribunal, furnishing the necessary explanations / responses to support its position. Consequently, no provision has been made for the same in these financial statements.

Contingent liabilities include demand from the Indian tax authorities for payment of additional tax of Rs.51,238,609/= for the fiscal year 2005-06 & 2008-09. The tax demand is mainly on account of disallowance of a portion of the deduction claimed by the company under Section 10A of the Income tax Act. The matter for fiscal 2005-06 & 2008-09 is pending before CIT (Appeals). Management believes that its position will likely be upheld in the CIT (Appeals) process.

Company has however made provision amouting Rs.23,100,000 in the books of account during the year in respect of other financial years considering the issues under dispute.

Note : 27 Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'

a. Subsidiaries

Thinksoft Global Services Pte Ltd, Singapore

Thinksoft Global Services Inc, USA

Thinksoft Global Services (Europe) GmbH, Germany

Thinksoft Global Services FZE, UAE

Thinksoft Global Services UK Ltd, UK

b. Related Parties

i. Key Management Personnel (KMP)

Mr. A V Asvini Kumar - Managing Director

Ms. Vanaja Arvind - Executive Director

Mr. Mohan Parvatikar – Wholetime Director

ii. **Relatives of Key Management Personnel (Relatives of KMP):**

Ms. Aarti Arvind

Ms. A K Latha

Mr. A K Krishna

Ms. Lalitha Devi

Mr. Chalapathi Rao Peddineni

Mr. C V Rajan

c. Transaction with Key management personnel and relatives of Key management personnel

Particulars	Nature of relationship	Name of the related party	in INR March 31, 2012	in INR March 31, 2011
Income				
Income from the service rendered	Subsidiary	Thinksoft Global Services (Europe) Gmbh, Germany	4,122,952	-
	Subsidiary	Thinksoft Global Services Inc, USA	-	26,546,427
	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	-	203,490
Expenses				
Managerial remuneration	KMP	Mr. A.V. Asvini Kumar	6,000,000	3,600,000
		Ms. Vanaja Arvind	6,000,000	3,600,000
		Mr. Mohan Parvatikar	2,820,000	1,500,000
Rent	KMP	Mr. A.V. Asvini Kumar	-	59,400
	Relatives of KMP	Ms. A.K.Latha	193,500	193,500
	Relatives of KMP	Mr. A.K.Krishna	193,500	193,500
Salary	Relatives of KMP	Ms. Aarti Arvind	4,589,170	2,856,000
Professional services	Relatives of KMP	Mr. C V Rajan	25,000	-
Expenses for services rendered	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	8,589,507	-
	Subsidiary	Thinksoft Global Services Inc, USA	56,051,455	42,899,364
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	4,040,335	-
	Subsidiary	Thinksoft Global Services FZE, UAE	24,171,157	-
	Subsidiary	Thinksoft Global Services UK Ltd, UK	105,351,785	75,223,124
Other Transactions				
Proposed final dividend	KMP	Mr. A V Asvini Kumar	10,928,331	3,642,777
	KMP	Ms. Vanaja Arvind	3,293,286	1,050,662
	KMP	Mr. Mohan Parvatikar	416,559	138,853
	Relatives of KMP	Ms. A K Latha	731,166	243,722
	Relatives of KMP	Ms. Lalitha Devi	34,167	11,389
	Relatives of KMP	Mr. A K Krishna	683,334	227,778
	Relatives of KMP	Ms. Aarti Arvind	215,940	33,333
	Relatives of KMP	Mr. C V Rajan	6,666	2,222
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	18,333	6,111

Particulars	Nature of relationship	Name of the related party	in INR March 31, 2012	in INR March 31, 2011
Interim dividend	KMP	Mr. A V Asvini Kumar	7,285,554	-
	KMP	Ms. Vanaja Arvind	2,151,324	-
	KMP	Mr.Mohan Parvatikar	277,706	-
	Relatives of KMP	Ms. A K Latha	487,444	-
	Relatives of KMP	Ms. Lalitha Devi	22,778	-
	Relatives of KMP	Mr. A K Krishna	455,556	-
	Relatives of KMP	Ms. Aarti Arvind	94,666	-
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	12,222	-
	Relatives of KMP	Mr. C V Rajan	4,444	-
Outstanding Balances				
Net Receivable from				
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	1,080,458	4,498,301
	Subsidiary	Thinksoft Global Services Inc, USA	5,400,190	5,266,081
	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	-	6,561,698
Net Payable to				
	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	5,864,845	-
	Subsidiary	Thinksoft Global Services UK Ltd, UK	35,414,005	20,017,605
	Subsidiary	Thinksoft Global Services FZE, UAE	5,028,671	-
Disclosed In financials under				
		Trade payables	8,991,368	75,223,124
		Other current liabilities	32,270,760	-
		Other loans and advances	1,435,255	65,056,590
		Trade receivables	-	2,496,872
		Other assets	-	6,489,818
Loans and advances	KMP	Mr. A V Asvini Kumar	-	81,888
(Travel advance)	KMP	Ms. Vanaja Arvind	176,841	127,295
Sundry creditors	KMP	Mr. A V Asvini Kumar	27,680	53,752
Provision for expenses	KMP	Mr. A V Asvini Kumar	900,000	-
	KMP	Ms. Vanaja Arvind	900,000	-
	KMP	Mr.Mohan Parvatikar	1,320,000	-
Final dividend payable	KMP	Mr. A V Asvini Kumar	10,928,331	3,642,777
	KMP	Ms. Vanaja Arvind	3,293,286	1,050,662
	KMP	Mr.Mohan Parvatikar	416,559	138,853
	Relatives of KMP	Ms. A K Latha	731,166	243,722
	Relatives of KMP	Ms. Lalitha Devi	34,167	11,389
	Relatives of KMP	Mr. A K Krishna	683,334	227,778
	Relatives of KMP	Ms. Aarti Arvind	215,940	33,333
	Relatives of KMP	Mr. C V Rajan	6,666	2,222
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	18,333	6,111
Investments	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	2,658,023	2,658,023
	Subsidiary	Thinksoft Global Services Inc, USA	4,625,400	4,625,400
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	2,714,774	2,714,774
	Subsidiary	Thinksoft Global Services FZE, UAE	8,696,000	-
	Subsidiary	Thinksoft Global Services UK Ltd, UK	24,168,000	24,168,000

Note 28 Exposure in foreign currency

a. The Company, in accordance with its risk management policies and procedures enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party in generally a Bank. Forward contracts period as at the Balance Sheet date are as follows:

Particulars	March 31, 2012 INR	March 31, 2011 INR
No. of Contracts (sell)	1	-
Value of Foreign currency	USD 500,000	-
Value in INR	25,580,000	-

The company has not entered in to any other derivagtinve instruments during the year.

b. The details of foreign currency balances, which are not hedged as at the balance sheet date are as below:

		March 31,2012		March 31,2012	
	FCY	FCY	INR	FCY	INR
Sundry debtors	GBP	605,293	49,512,967	1,025,472	73,762,228
Sundry debtors	USD	1,149,704	58,818,857	1,920,989	85,772,159
Sundry debtors	AED	-	-	189,051	2,336,670
Sundry debtors	CHF	-	-	36,971	1,821,561
Sundry debtors	EUR	932,403	63,720,421	513,254	32,458,202
Sundry debtors	SGD	32,075	1,329,188	22,149	796,921
Sundry debtors	AUD	122,117	6,606,530	348,490	16,312,871
Sundry debtors	MYR	6,000	102,060	-	-
Loans and advances	USD	75,425	3,858,721	141,844	6,333,336
Loans and advances	SGD	17,465	723,750	6,754	243,009
Loans and advances	GBP	7,836	640,946	11,295	812,449
Loans and advances	AUD	16,533	894,435	13,722	642,327
Loans and advances	AED	431,511	6,118,820	379,923	4,695,852
Loans and advances	EUR	1,003	68,529	22,893	1,447,746
Sundry creditors	AUD	-	-	1,710	80,045
Sundry creditors	GBP	420	34,356	6,006	432,012
Sundry creditors	USD	170,618	8,728,821	57,381	2,562,062
Sundry creditors	EUR	86	5,877	13,923	880,491
Sundry creditors	AED	312,050	4,424,869	-	-

Note 29 CIF value of imports

	Year ended March 31,2012 INR	Year ended March 31,2011 INR
Capital goods/software	13,676,458	52,585,660

Note 30 Earnings in foreign exchange (on accrual basis)

	Year ended March 31,2012 INR	Year ended March 31,2011 INR
Income from software services	1,025,838,822	559,243,389
Interest income	77,978	89,712
Total	**1,025,916,800**	**559,333,101**

Note 31 Expenditure in foreign currency (on cash basis)

	Year ended March 31, 2012 INR	Year ended March 31, 2011 INR
Travel expenses	85,224,799	54,061,213
Marketing and selling expenses	4,619,187	3,660,970
Professional fees/ consultancy fee	14,110,785	4,565,354
Salary	101,093,293	64,073,720
Sales commission	180,305	595,215
Others	4,446,139	4,141,055
Total	**209,674,508**	**131,097,527**

Note 32 Dues to Micro and Small enterprices

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as set out in the following disclosures:

	2011-12	2010-11
Principal amount remaining unpaid to any supplier as at the period end	207,599	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-

Note 33 Dividend remitted in foreign currencies

Details of dividend remitted during the year to non-resident shareholders are as follows:-

	March 31, 2012 Interim Dividend	March 31, 2012 Final Dividend	March 31, 2011 Final Dividend
Period to which it relates	2011-12	2010-11	2009-10
Number of nonresident share holders	2	3	3
Number of shares	284,848	349,848	533,126
Amount remitted	569,696	349,848	533,126

Note 34 Managerial Remuneration:

	Year ended March 31, 2012 INR	Year ended March 31, 2011 INR
(A) Director Sitting Fees	720,000	660,000
(B) Other Remuneration		
Salaries	11,700,000	8,700,000
Commission to Whole Time Director	3,120,000	-
Commission to Independent Director	1,200,000	270,000
Total	**16,020,000**	**8,970,000**

Other transactions

During the year ended 31 March 2012, the company had proposed final dividend of Rs. 3 per share, which is yet to be approved by the share holders in the ensuing Annual General Meeting.

Note 35 Disclosure made in terms of clause 32 of the listing agreement with stock exchange

Particulars	Name of the company	Amount outstanding as on March 31, 2012	Maximum amount due at any one time during the year
a) Loans and advances			
i) Loans and advances in nature of loans made to subsidiary company	Nil	Nil	Nil
ii) Loans and advances in nature of loans made to Associate company	Nil	Nil	Nil
iii) Loans and advances in nature of loans where there is	Nil	Nil	Nil
1. No repayment schedule or repayment beyond seven years	Nil	Nil	Nil
2. No interest or interest below section 372 A of the Companies Act	Nil	Nil	Nil
iv) Loans and advances in the nature of loans made to firms/ companies in which directors of the company are interested	Nil	Nil	Nil
b) Investment by the company	**Name of the company**	**Amount INR**	**Maximum amount of investment during the year INR**
i) in Subsidiary company	Thinksoft Global Service Pte Ltd, Singapore	2,658,023	2,658,023
ii) in Subsidiary company	Thinksoft Global Service Inc. USA	4,625,400	4,625,400
iii) in Subsidiary company	Thinksoft Global Service (Europe), GMBH, Germany	2,714,774	2,714,774
iv) in Subsidiary company	Thinksoft Global Service UK Limited	24,168,000	24,168,000
v) in Subsidiary company	Thinksoft Global Service FZE	8,696,000	8,696,000
a) Investment by the loanee in the shares of the parent company and subsidiary company when the company has made a loan or advance in the nature of Loan		Nil	Nil

Note 36 Utilization of IPO proceeds

Particulars	Approved amount* INR in Lakhs	Actual utilization INR in Lakhs
Public issue expenses	155.99	155.99
Setting up a new testing centre MEPZ, Chennai	507.26	507.26
Delivery centre, TIDEL, chennai	171.97	171.97
Normal capital expenditure and working capital	852.28	632.80
Net amount available in fixed deposits	---	219.48
TOTAL	**1,687.50**	**1,687.50**

*The revised plan for utilization of IPO proceeds has been approved by shareholders through postal ballot on 14th May 2010.

Note 37 Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of Balance sheet.

As per our report of even date

PKF Sridhar & Santhanam **Chartered Accountants** **Firm Registration No. 003990S**	**For and on behalf of the Board of Directors**		
T V Balasubramanian **Partner** **Membership No.: 027251**	**A V Asvini Kumar** **Managing Director**	**Vanaja Arvind** **Executive Director**	**A Thanikainathan** **Company Secretary**
Place: Chennai Date: April 27, 2012	Place: Chennai Date: April 27, 2012		

Balance Sheet abstract and company's general profile

I. Registration details

Registration No.	66604	State Code	18
Balance Sheet	March 31, 2012	CIN	L64202TN1998PLC066604

II. Capital raised during the year (Amount in Rupees thousands)

Public issue	-	Rights issue	-
Bonus issue	-	Private placement	-

III. Position of mobilisation and deployment of funds (amount in Rupees thousands)

Total liabilities	959,198	Total assets	959,198

Source of funds

Paid up capital	100,516	Reserves & surplus	595,937
Non current liabilities	8,864	Unsecured loans	-
Deferred tax liability	-	Current Liabilities	253,881

Application of funds

Net fixed assets	108,516	Investments	42,862
Deferred tax asset	3,970	Long term loans & advances	32,656
Current Assets	765,697	Other Non-current assets	5,497
Accumlated Losses	-	Misc. Expenditure	-

IV. Performance of the Company (amount in Rupees thousands)

Total turnover	1,207,891	Total expenditure	1,051,550
Profit/(loss) before tax	156,341	Profit/(loss) after tax	90,716
Earnings per share in Rs. (Basic)	9.03	Dividend rate	50.00%
Earnings per share in Rs.(Diluted)	9.01		

V. Generic names of three principal products/services of Company (as per monetary terms)

Item code number	NA
Product description	Software testing services

For and on behalf of the Board of Directors

A V Asvini Kumar **Managing Director**	**Vanaja Arvind** **Executive Director**	**A Thanikainathan** **Company Secretary**

Place: Chennai
Date: April 27, 2012

Auditor's Report

To

The Board of Directors of THINKSOFT GLOBAL SERVICES LTD

We have audited the attached consolidated Balance Sheet of THINKSOFT GLOBAL SERVICES LTD ('the Company') and its subsidiaries (collectively called 'the Thinksoft Group') as at March 31, 2012, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

2. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.1,015 Lacs as at March 31, 2012, total revenues of Rs.1,045 Lacs and total net cash inflow of Rs 89.41 Lacs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the report of the other auditors.

3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, as mandated by Companies (Accounting Standards) Rules 2006 issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Thinksoft Global Services Limited and its subsidiaries.

4. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements, of Thinksoft Global Services Limited and its subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

    (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Thinksoft Group as at March 31, 2012;

    (ii) in the case of consolidated Profit and Loss Account, of the profit of the Thinksoft Group for the year ended on that date; and

    (iii) in the case of consolidated Cash Flow Statement, of the cash flows of the Thinksoft Group for the year ended on that date.

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

Place: Chennai
Date: April 27, 2012

T V Balasubramanian
Partner
Membership No. 27251

Consolidated Balance Sheet as at March 31, 2012

Particulars	Note	As at March 31, 2012 INR	As at March 31, 2011 INR
EQUITY and LIABILITIES			
Shareholder's Funds			
Share capital	3	100,515,810	100,515,810
Reserves and Surplus	4	654,568,841	599,167,697
		755,084,651	**699,683,507**
Non-Current liabilities			
Long term provision	5	8,864,214	24,575,111
Current Liabilities			
Trade payables		10,559,034	5,186,903
Other current liabilities	6	156,984,046	134,309,093
Short-term provisions	5	86,719,665	28,493,392
		254,262,745	**167,989,388**
TOTAL		**1,018,211,610**	**892,248,006**
ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	7	79,262,258	46,676,920
Intangible assets	8	28,839,501	37,065,320
Capital work in progress		634,800	27,757,264
Deferred tax asset (Net)	9	3,970,255	9,317,601
Long term loans and advances	10	33,658,314	70,926,553
Other Non-current assets	12	5,496,990	4,832,693
		151,862,118	**196,576,351**
Current Assets			
Trade receivable	11	235,774,687	228,959,598
Cash and bank balances	13	400,643,919	396,699,384
Short term loans and advances	10	120,428,865	60,724,708
Other current assets	12	109,502,021	9,287,965
		866,349,492	**695,671,655**
TOTAL		**1,018,211,610**	**892,248,006**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the finacial statement			

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

A Thanikainathan
Company Secretary

Place: Chennai
Date: April 27, 2012

Place: Chennai
Date: April 27, 2012

Consolidated Profit and Loss for the year ended March 31, 2012

Particulars	Note	Year ended March 31, 2012 INR	Year ended March 31, 2011 INR
Revenue from Operations	14	1,214,418,365	829,269,212
Other income	15	95,606,306	32,549,424
Total Revenue		**1,310,024,671**	**861,818,636**
Employee benefit expenses	16	784,110,455	573,386,738
Depreciation and amortization expense	17	37,402,608	27,882,003
General, administrative and other expenses	18	301,716,243	227,563,670
Finance cost	19	1,793,565	947,036
Total expenses		**1,125,022,871**	**829,779,447**
Profit before exceptional and extraordinary items and tax		**185,001,800**	**32,039,189**
Exceptional items		-	-
Profit before extraordinary items and tax		185,001,800	32,039,189
Extraordinary items		-	-
Profit before tax		**185,001,800**	**32,039,189**
Tax expense:			
Current Tax			
Current year		42,781,164	12,296,140
Earlier years	25	23,100,000	-
Deferred Tax			
Current year	9	5,347,346	1,021,811
Earlier years		-	-
Profit for the year		**113,773,290**	**18,721,238**
Earnings per Equity share (Par value of Rs.10 each)	20		
Basic		11.32	1.86
Diluted		11.30	1.86
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the finacial statement			

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants
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A Thanikainathan
Company Secretary

Place: Chennai
Date: April 27, 2012

Place: Chennai
Date: April 27, 2012

Consolidated Cash flow Statement for the period ended March 31, 2012

	Year ended March 31, 2012 in INR	Year ended March 31, 2011 in INR
Cash flow from operating activities		
Net profit/(loss) before taxation	**185,001,801**	**32,039,189**
Adjustments for:		
Depreciation/amortisation	37,402,608	27,882,003
Loss/(profit) on sale of fixed assets	(213,960)	(280,700)
Unrealised forex exchange loss/(gain), net	(32,598,050)	(41,682,043)
Interest income	(16,002,519)	(11,370,243)
Provision for bad and doubtful debts	(1,097,966)	(5,765,068)
Operating profit before working capital changes	**172,491,914**	**823,138**
(Increase)/Decrease in sundry debtors	11,259,099	(47,106,377)
(Increase)/Decrease in Deferred tax Asset	5,347,346	1,021,811
(Increase)/Decrease in loans and advances / other current assets	(198,350,048)	(22,708,085)
Increase/(Decrease) in current liabilities	33,626,160	20,114,502
Increase/(Decrease) in provisions	(15,710,897)	7,385,296
Cash generated from operations	**8,663,574**	**(40,469,715)**
Direct taxes paid (net of refunds)	36,391,377	(8,867,377)
Net cash from/(used in) operating activities	**45,054,952**	**(49,337,091)**
Cash flows from investing activities		
Purchase of fixed assets	(34,698,146)	(97,585,064)
Proceeds from sale of fixed assets	272,447	924,544
Interest received	14,568,367	12,152,494
Fixed deposits matured/(invested) during the year	14,869,427	(110,872,297)
Net cash from/(used in) investing activities	**(4,987,905)**	**(195,380,322)**
Cash flows from financing activities		
Proceeds from Issue of Shares	-	-
Dividends paid	(30,154,743)	(10,051,581)
Tax on dividend paid	(4,891,854)	-
Net cash (used in)/from financing activities	**(35,046,597)**	**(10,051,581)**
Net increase in cash and cash equivalents	**5,020,449**	**(254,768,994)**
Cash and cash equivalents at the beginning of the year	253,052,093	480,252,382
Effect of changes in exchange rate on cash and cash equivalents	13,793,513	27,568,705
Cash and cash equivalents at the end of the year (Ref Note 13)	**271,866,055**	**253,052,093**

Summary of significant accounting policies (Note 2)

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

A Thanikainathan
Company Secretary

Place: Chennai
Date: April 27, 2012

Place: Chennai
Date: April 27, 2012

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 1

i. Background

Thinksoft Global Services Limited (“Thinksoft” or “the Company”) was incorporated on June 8, 1998 under the Companies Act, 1956 as a private limited company. The Company has been converted into a public limited company with effect from 19th August 2008. The Company had made an Initial Public Offering (IPO) on 24th September 2009 (issue open date) as approved by the members in the Extra Ordinary General Meeting held on 17th September 2008. The Shares under IPO were allotted on 14th October 2009 and the Company shares have been listed in National Stock Exchange and Bombay Stock exchange on 26th October 2009.

The Company is an India based software service provider primarily delivering software validation and verification services to the banking and financial services industry worldwide. The Company has invested in five wholly owned subsidaries in Singapore, USA, Germany, UK and UAE for market development in the respective regions.

Name of subsidiary	Country of Incorporation	Percentage of ownership
Thinksoft Global Services Pte Ltd	Singapore	100%
Thinksoft Global Services, Inc	USA	100%
Thinksoft Global Services GmbH	Germany	100%
Thinksoft Global Services UK Ltd	UK	100%
Thinksoft Global Services FZE	UAE	100%

The Company has a cash credit facility with Lakshmi Vilas Bank, Chennai, which is secured by hypothecation of fixed assets, book debts of the Company both present and future and also by personal guarantee of two Directors of the Company.

ii. Basis of preparation of financial statements

The financial statements of the company have been prepared and presented under historical cost convention on the accrual basis of accounting as a going concern and materially comply with the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 1956, to the extent applicable. The accounting policies applied by the Company are consistent with those used in the previous year.

iii. Principles of consolidation

The consolidated financial statements of the group are prepared in accordance with the principles and procedures for the preparation and presentation of the consolidated financial statements as laid down under AS 21- Consolidated Financial Statements. All inter group transactions and accounts are eliminated on consolidation.

The financial statements of the company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of costs, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits/losses in full.

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances and where subsidiary company uses accounting policies different from those adopted by the holding company, appropriate adjustments, wherever required, have been made.

Note 2 Summary of significant accounting policies:

i. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the financial statement and notes thereto and the reported amounts of revenues and expenses during the accounting period. Any revision to the accounting estimates is recognized prospectively in the current and future periods. Examples of such estimates include provision for doubtful debts, economic useful lives of fixed assets, etc. Actual results could differ from those estimates.

ii. Fixed assets and depreciation

<u>Tangible Fixed assets</u>

Fixed assets, tangible are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of qualifying fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management. The rates current applied as follows:

Asset description	Percentage
Building	5%
Plant, machinery and equipment	33.33%
Computer equipment	33.33%
Furniture and fittings	33.33%
Office equipment	33.33%
Vehicles	25%
Temporary partitions	100%
Leasehold Rights & Improvements	Tenure of lease period or 10 years whichever is less

Fixed assets individually costing Rs 5,000 or less are entirely depreciated in the year of acquisition in case of companies incorporated in India.

Capital work-in-progress includes the cost of fixed assets that are not ready for their intended use and advances paid to acquire the fixed assets.

iii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The amortization period and amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gain or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of Profit and loss, when the asset is derecognized.

A summary of amortization policies applied to the company's intangible assets is as below:

Asset description	Percentage
Intangible assets – Computer software	33.33%
Intangible assets – Software tools	20%

iv. Impairment

a. The carrying amount of assets are reviewed at each balance sheet date to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

b. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

v. Investment

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, any decline, other than temporary, in the value of the investments is charged to the profit and loss account.

vi. Revenue recognition

Software service income

a. Revenue from software testing on software testing and allied services comprises revenue from time and material contracts and fixed price contracts.

b. Revenue from time-and-materials contracts is recognized based on time/efforts spent on software tested and billed to clients as per the terms of specific contracts.

c. On fixed-price contracts, revenue is recognized on the proportionate completion method on the basis of the work completed.

d. Revenue from software testing includes reimbursement of expenses billed as per the terms of contracts.

Interest income

Interest on deployment of surplus funds is recognized using the time-proportion method.

Government grant

Government grant is recognized upon confirmation of the entitlement of the grant.

vii. Retirement and other employee benefits

a. Retirement benefits in the form of Provident Fund / Social Security payments is defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions are made to the concerned authorities. The Company has no further obligations under the plan beyond its periodic contributions.

b. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year under the projected unit credit method. Actuarial Gains/Losses comprise experience adjustments and the effect of changes in actuarial assumptions and are recognized immediately in Profit & Loss Account as Income/Expense.

c. Appropriate provision has been made for the accrued and unaveiled leave entitlements which are short-term in nature.

viii. Taxation

Tax expense comprises current tax, deferred tax charge or credit and Minimum Alternate Tax credit. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax laws of each country. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

MAT Credit is measured at the amounts of Minimum Alternative Tax payable for the year, which is adjustable against regular tax payable in subsequent years and is recognized to the extent considered probable of such adjustment.

ix. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Foreign currency transactions and translations

a. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Income and expenditure transactions of the foreign operations are recognized at the rate on transaction date / average rate applicable for the year.

b. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c. Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences on account of conversion of foreign operations are also recognized as income or as expenses in the year in which they arise.

d. Forward contracts in foreign currency

The Company uses, to a limited extent, foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The company does not use the foreign currency forward contracts for trading or speculation purposes. Realized/unrealized gains and losses on forward contracts are accounted in the profit and loss account for the period. Premium/Discount on forward contracts are accounted over the contract period.

e. Transalation of integral and non-integral foreign operation

The company classifies all its foreign operation as "integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

xi. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xii. Leases

Where the company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account as per the terms of the agreements over the lease term.

Where the company is lessor

Operating lease receipts are recognized as Other Income in the Profit and Loss account as per the terms of the agreements over the sub lease period

xiii. Employee stock compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

xiv. Segment information

Business segments

The group's operations predominantly relate to software validation and verification services relating to banking and financial services industry and, accordingly, this is the only primary reportable segment.

Geographical segments

The segmental information is provided on geographical basis classified as India and Rest of the World.

xv. Cash flows

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

Cash and cash equivalents: Cash and cash equivalents, in the statement of cash flow, comprise cash at bank and in hand and fixed deposits with original maturity of maximum 90 days.

xvi. Contingent liabilities

A contingent liability is a possible obligation that arises due to past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements

Note 3 Share capital

	March 31, 2012	March 31, 2011
Authorised shares	**INR**	**INR**
12,000,000 equity shares (31-Mar-2011: 12,000,000) of Rs.10 each	120,000,000	120,000,000
Issued, subscribed and fully paid up shares		
10,051,581 equity shares (31-Mar-2011: 10,051,581) of Rs.10 each	100,515,810	100,515,810

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity shares

	March 31, 2012		March 31, 2011	
	Number	**INR**	**Number**	**INR**
At the beginning of the period	10,051,581	100,515,810	10,051,581	100,515,810
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,051,581	100,515,810	10,051,581	100,515,810

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2012	March 31, 2011
Equity shares alloted as fully paid bonus shares by capitalization of securities premium during the financial year 2008-09	870,156	870,156

d. Details of shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	Number	**%holding**	**Number**	**%holding**
A V Asvini Kumar	3,642,777	36.24%	3,642,777	36.24%
Vanaja Arvind	1,097,762	10.92%	1,050,662	10.45%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

e. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer Note 21

Note 4 Reserves and surplus

		March 31, 2012	March 31, 2011
Securities premium account		**INR**	**INR**
Closing balance	**A**	148,759,605	148,759,605
General Reserve			
Balance at the beginning of the year		30,071,695	30,071,695
Add: Additions during the year		9,100,000	-
Balance at the end of the year	**B**	39,171,695	30,071,695
Surplus/(Defecit) in the statement of profit and Loss			
Balance as per last financial statements		420,336,397	413,336,207
Profit for the year		113,773,290	18,721,238
Less: Appropriations			
Interim equity dividend		(20,103,162)	-
Proposed final equity dividend		(30,154,743)	(10,051,581)
Tax on Interim Equity Dividend		(3,222,388)	-
tax on proposed equity dividend		(4,891,853)	(1,669,467)
Transfer to general reserve		(9,100,000)	-
Total appropriations		(67,472,146)	(11,721,048)
Net surplus in statement of Profit and Loss	**C**	**466,637,541**	**420,336,397**
Total Reserves and Surplus	**(A+B+C)**	**654,568,841**	**599,167,697**

Note 5: Provisions

	Long term		Short term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provision for employee benefits	**INR**	**INR**	**INR**	**INR**
Provision for gratuity	8,864,214	24,575,111	-	-
	8,864,214	**24,575,111**	**-**	**-**
Other provisions				
Proposed equity dividend	-	-	30,154,743	10,051,581
Provision for tax on proposed equity dividend	-	-	4,891,854	1,669,467
Provision for taxation (Net)	-	-	51,673,068	16,772,344
	-	**-**	**86,719,665**	**28,493,392**
Total	**8,864,214**	**24,575,111**	**86,719,665**	**28,493,392**

Note 6: Other current liabilities

	March 31, 2012	March 31, 2011
	INR	**INR**
Other liabilities		
Outstanding liabilities	96,534,774	66,492,688
Unpaid application money due for refund	86,250	93,000
Unpaid dividend	559,523	91,803
Advance received from customers / Others	3,620,391	807,504
Employee benefits payable	33,672,085	47,473,400
Statutory dues	22,511,023	19,350,698
Total	**156,984,046**	**134,309,093**

There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end

Note 7: Fixed Assets

(in Rs.)	Leasehold rights & improvement	Building	Plant and machinery	Computer equipment	Furniture and fittings	Office equipment	Vehicles	Temporary partitions	Total
Cost or valuation									
At Apr 1 2010	9,504,000	7,421,627	5,173,834	46,035,142	4,764,371	6,328,928	2,753,681	438,020	82,419,603
Additions	-	-	2,000,829	19,365,103	5,975,058	2,096,996	3,689,133	94,803	33,221,922
Disposals	-	-	114,918	2,916,974	-	1,172,123	76,148	-	4,280,163
At Mar 31 2011	**9,504,000**	**7,421,627**	**7,059,745**	**62,483,271**	**10,739,429**	**7,253,801**	**6,366,666**	**532,823**	**111,361,362**
Additions	-	27,034,705	10,889,044	13,688,602	5,217,737	3,251,292	-	-	60,081,380
Disposals	-		522,705	953,092	198,574	1,706,201	3,201	27,039	3,410,812
At Mar 31 2012	**9,504,000**	**34,456,332**	**17,426,084**	**75,218,781**	**15,758,592**	**8,798,892**	**6,363,465**	**505,784**	**168,031,931**

(in Rs.)	Leasehold rights & improvement	Building	Plant and machinery	Computer equipment	Furniture and fittings	Office equipment	Vehicles	Temporary partitions	Total
Depreciation									
At Apr 1 2010	1,425,600	561,267	2,916,761	39,176,233	730,496	4,412,313	1,366,705	438,020	51,027,395
Additions	950,400	376,235	2,061,837	8,969,511	2,878,581	1,491,737	596,664	94,803	17,419,768
Disposals	-	-	114,918	2,834,821	-	736,834	76,149	-	3,762,722
At Mar 31 2011	**2,376,000**	**937,502**	**4,863,680**	**45,310,923**	**3,609,077**	**5,167,216**	**1,887,221**	**532,823**	**64,684,442**
Additions	950,400	1,603,219	4,535,963	11,544,911	5,294,421	2,138,454	1,370,188	-	27,437,556
Disposals			269,997	1,200,758	145,132	1,706,198	3,201	27,039	3,352,325
At Mar 31 2012	**3,326,400**	**2,540,721**	**9,129,646**	**55,655,076**	**8,758,366**	**5,599,472**	**3,254,208**	**505,784**	**88,769,673**
Net Block									
At Mar 31 2011	**7,128,000**	**6,484,125**	**2,196,065**	**17,172,348**	**7,130,352**	**2,086,585**	**4,479,445**	**-**	**46,676,920**
At Mar 31 2012	**6,177,600**	**31,915,611**	**8,296,438**	**19,563,705**	**7,000,226**	**3,199,420**	**3,109,257**	**-**	**79,262,258**

Note 8: Intangible assets - Computer Software

	Gross Block	Amortization	Net Block
At Apr 1 2010	9,206,044	7,693,781	1,512,263
Additions	46,141,696	10,462,235	
Disposals	283,838	157,435	
At Mar 31 2011	**55,063,901**	**17,998,581**	**37,065,320**
Additions	1,739,230	9,965,049	
Disposals			
At Mar 31 2012	**56,803,131**	27,963,630	28,839,501

Note 9: Deferred tax asset

	March 31, 2012 INR	March 31, 2011 INR
Opening Balance as at beginning of the year	**9,317,601**	**10,339,412**
Deferred tax credit during the year	(5,347,346)	(1,021,811)
Closing Balance as at end of the year	**3,970,255**	**9,317,601**

Break up of deferred tax asset		
on account of timing difference in claiming depreciation allowance	962,071	855,783
on account of timing difference in claiming provision for gratuity and doubtful debts	3,008,184	8,461,818
Total	**3,970,255**	**9,317,601**

Note 10: Loans and advances

		Non-Current		Current	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Capital advances		INR	INR	INR	INR
Unsecured, considered good		-	-	-	1,516,500
	(A)	**-**	**-**	**-**	**1,516,500**
Security deposit					
Unsecured considered good		33,658,314	32,946,415	-	-
	(B)	**33,658,314**	**32,946,415**	**-**	**-**
Loans and advance to KMP					
Unsecured, considered good		-	-	176,841	209,183
	(C)	**-**	**-**	**176,841**	**209,183**
Advances recoverable in cash or in kind					
Unsecured, considered good		-	-	51,909,580	38,579,784
	(D)	**-**	**-**	**51,909,580**	**38,579,784**
Other Loans and advances					
Prepaid expenses		-		15,915,078	8,737,723
MAT credit entitlement		-	27,191,149	28,398,039	1,206,886
Advance tax		-		8,044,578	5,226,611
Input tax credit		-	10,788,989	15,984,749	5,248,022
Other advances		-			
	(E)	**-**	**37,980,138**	**68,342,444**	**20,419,242**
Total (A+B+C+D+E)		**33,658,314**	**70,926,553**	**120,428,865**	**60,724,708**

Loans and advances due by directors or other officers etc.

	Non Current		Current	
	March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Advance to employees includes				
Due from Managing Director	-	-	-	81,888
Due from Executive Director	-	-	176,841	127,295

Note 11: Trade receivable

		Non-Current		Current	
		March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good		-	-	1,337,680	5,288,735
Doubtful		-	-	407,428	1,505,393
		-	-	1,745,108	6,794,128
Provision for doubtful receivables		-	-	(407,428)	(1,505,393)
	(A)	**-**	**-**	**1,337,680**	**5,288,735**
Other receivables					
Unsecured, considered good		-	-	234,437,007	223,670,863
	(B)	**-**	**-**	**234,437,007**	**223,670,863**
Total	**(A+B)**	**-**	**-**	**235,774,687**	**228,959,598**

Note 12: Other assets

		Non-Current		Current	
		March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Unsecured, considered good					
Non-current bank balances (Note 13)		3,830,000	3,630,000	-	-
	(A)	**3,830,000**	**3,630,000**	**-**	**-**
Unbilled revenue		-	-	107,235,900	8,366,397
	(B)	**-**	**-**	**107,235,900**	**8,366,397**
Others					
Forward cover premium		-	-	374,698	-
Interest accrued on fixed deposits		1,666,990	1,202,693	1,891,423	921,568
	(C)	**1,666,990**	**1,202,693**	**2,266,121**	**921,568**
Total	**(A+B+C)**	**5,496,990**	**4,832,693**	**109,502,021**	**9,287,965**

Note 13: Cash and Bank balances

	Non-Current		Current	
	March 31, 2012 INR	March 31, 2011 INR	March 31, 2012 INR	March 31, 2011 INR
Cash and cash equivalents				
Balance with bank on current accounts	-	-	235,400,077	238,627,627
Deposits with original maturity of less than three months	-	-	36,413,191	14,386,000
Cash on hand	-	-	52,787	38,466
	-	**-**	**271,866,055**	**253,052,093**
Other bank balances				
Deposits with original maturity for more than 3 months	-	-	124,758,431	139,700,000
Margin money deposits*	3,830,000	3,630,000	3,373,660	3,762,488
Unpaid application money due for refund	-	-	86,250	93,000
Unpaid dividend account	-	-	559,523	91,803
	3,830,000	**3,630,000**	**128,777,864**	**143,647,291**
Amount disclosed under non-current Other assets **(Note 12)**	(3,830,000)	(3,630,000)		
Total	**-**	**-**	**400,643,919**	**396,699,384**

* Margin money deposits given as performance/financial security

Note 14: Revenue from operations

	March 31, 2012 INR	March 31, 2011 INR
Software services	1,214,418,365	829,269,212

Note 15: Other income

	March 31, 2012 INR	March 31, 2011 INR
Interest income on bank deposits	15,993,816	11,209,955
Interest income - others	8,703	160,288
Provision no longer required (Doubtful debts)	1,097,966	5,765,068
Provision no longer required (Others)	24,162,297	-
Profit on sale of fixed asset	213,960	280,700
Government Grant	191,150	-
Net foreign exchange gain	48,856,767	15,049,540
Rental Income (Sub lease)	5,009,795	-
Other income	71,852	83,873
Total	**95,606,306**	**32,549,424**

Note 16: Employee benefit expense

	March 31, 2012 INR	March 31, 2011 INR
Salaries, wages and Bonus	723,769,479	527,220,502
Contribution to provident and other fund	48,353,685	30,151,527
Gratuity expense	3,774,630	10,207,079
Staff welfare expense	8,212,661	5,807,630
Total	**784,110,455**	**573,386,738**

Note 17: Depreciation and amortization expense	March 31, 2012 INR	March 31, 2011 INR
Depreciation on tangible assets	27,437,559	17,419,768
Amortization of intangible assets	9,965,049	10,462,235
Total	**37,402,608**	**27,882,003**

Note 18: General, administrative and other expenses

	March 31, 2012 INR	March 31, 2011 INR
Travel expenses	114,765,149	76,727,780
Rent	48,685,773	45,523,082
Professional fees	42,409,192	19,411,937
Marketing and selling expenses	18,959,358	15,220,364
Consultancy charges	5,356,373	11,944,753
Software expenses	8,614,390	10,297,420
Power and fuel	14,386,956	10,258,274
R &M - buildings	5,362,385	6,078,422
- plant and machinery	3,778,880	2,271,556
- others	1,207,657	750,434
Communication expenses	9,073,589	8,292,546

	March 31, 2012 INR	March 31, 2011 INR
Sales commission	12,920,277	4,713,054
Training and recruitment	961,386	4,398,055
Insurance	6,552,862	4,297,752
Cash discount	-	714,184
Director sitting fees	767,682	602,054
Rates and taxes	2,021,448	516,191
Donation	944,210	502,690
Miscellaneous expenses	4,948,676	5,043,122
Total	**301,716,243**	**227,563,670**

Note 19: Finance cost

	March 31, 2012 INR	March 31, 2011 INR
Interest	260,380	-
Bank charges	1,533,185	947,036
Total	**1,793,565**	**947,036**

Note 20: Earnings per share

The following represents profit and share data used in the basic and diluted EPS computations:

	March 31, 2012 INR	March 31, 2011 INR
Profit for computation of basic EPS	113,773,290	18,721,238
Add/ (Less) adjustment	-	-
Profit for computation of Diluted EPS	**113,773,290**	**18,721,238**
	Number	**Number**
Weighted average number of equity shares in calculating basic EPS	**10,051,581**	**10,051,581**
Effect of Dilutive stock option	14,963	-
Weighted average number of equity shares in calculating diluted EPS	**10,066,544**	**10,051,581**

Note 21: Disclosure pursuant to Accounting Standard - 15

i Short term plan - Compensated Absence

There is no leave encashment facility. Provision towards leave availment in subsequent periods have been estimated and accounted as under:

	INR Current year	INR Previous year
Liability at the beginning of the year	**7,770,000**	**7,523,000**
Leave salary relating to opening year adjusted to general reserves directly		
Leave salary cost accounted for the year	1,050,000	247,000
Total liability as at year end	**8,820,000**	**7,770,000**

ii Defined contribution plan - Provident fund & other statutory contributions

	INR Current year	INR Previous year
Employers contribution	3,774,000	25,430,000

iii Defined Benefit Plan - Gratuity

	INR Current year	INR Previous year
Change in Benefit obligation		
Liability at the beginning of the year	**26,491,000**	**18,954,000**
Interest cost	1,999,880	1,403,000

	INR Current year	INR Previous year
Current service cost	5,184,218	10,281,000
Past service cost (Vested benefit)		
Past service cost (Non Vested benefit)		
Benefit paid	(2,985,000)	(2,822,000)
Actuarial (Gain)/Loss on obligations	(3,725,125)	(1,325,000)
Liability at the end of the year	**26,964,973**	**26,491,000**

Fair value of Plan Assets	**INR Current year**	**INR Previous year**
Fair value of plan assets at the beginning of the year	**1,916,000**	**1,766,000**
Expected return on plan assets	737,248	30,000
Contributions	16,500,000	-
Benefit paid	(2,985,000)	(2,822,000)
Actuarial Gain/(Loss) on plan assets	1,931,752	2,942,000
Fair value of plan assets at the end of the year	**18,100,000**	**1,916,000**

Actual return on Plan Assets	**INR Current year**	**INR Previous year**
Expected return on plan assets	737,248	30,000
Actuarial Gain/(Loss) on plan assets	1,931,752	2,942,000
Actual return on Plan Assets	**2,669,000**	**2,972,000**

Amount recognized in the balance sheet	**INR Current year**	**INR Previous year**
Present value of the obligation	26,964,973	26,491,000
Fair value of plan assets	18,100,000	1,916,000
Difference (Funded status)	8,864,973	24,575,000
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC		
Amount recognized in the balance sheet	**8,864,973**	**24,575,000**

Expenses recognized in the income statement	**INR Current year**	**INR Previous year**
Current service cost	5,184,218	10,281,000
Interest cost	1,999,880	1,403,000
Expected return on plan assets	(737,248)	(30,000)
Net Actuarial (Gain)/Loss to be recognized	(5,656,877)	(4,267,000)
Transitional Liability recognized		
Past service cost - non Vested benefits		
Past service cost - vested benefits		
Expense recognized in P&L	**789,973**	**7,387,000**

Balance sheet reconciliation	**INR Current year**	**INR Previous year**
Opening net liability as per Books	24,575,000	17,188,000
Transitional liability adjusted to opening reserves and deferred taxes	-	-
Expense as above	789,973	7,387,000
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
Contribution paid	(16,500,000)	-
Amount recognized in the balance sheet	**8,864,973**	**24,575,000**

Actuarial assumptions	**Current year**	**Previous year**
Discount rate - Current	8.00%	8.00%
Expected rate of return on plan assets	8.50%	8.50%

	Current year	Previous year
Salary Escalation - Current	7.00%	10.50%
Attrition rate	2.00%	25.00%

Investment details	**Current year**	**Previous year**
Funds managed by the Insurer (CY) / Company (PY)	100%	100%

Actuarial valuation

a. Experience adjustment

				INR
Particulars	**2011-12**	**2010-11**	**2009-10**	**2008-09**
Defined benefit obligation	26,964,973	26,491,000	18,954,000	16,187,000
Plan assets	18,100,000	1,916,000	1,766,000	1,628,000
Surplus/(Defecit)	(8,864,973)	(24,575,000)	(17,188,000)	(14,559,000)
Exp. adj. on plan liabilities	(5,039,000)	(1,325,000)	(1,678,000)	3,586,000
Exp. adj. on assets	(689,000)	2,942,000	730,000	823,000

Note 22 Employee stock option plans

The company provides share based payment schemes to its employees. During the year ended March 31, 2012 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On April 29, 2011 the board of directors approved the equity settled ESOP scheme 2011 (Scheme 2011) for issue of stock options to the key employees and directors of the company. According to the scheme 2011, the employees selected by the remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 3 years. The contractual life (comprising vesting period and exercise period) of options granted is 6 years. The other relevant terms of the grant are as below:

Vesting period	3 years
Exercise period	3 years
Expected life	3 years
Exercise price	Rs.38.05
Market price at October 24, 2011	Rs.38.05

The details of activity under the scheme 2011 are summarised below:

	March 31, 2012		March 31, 2011	
	No. of options	**WAEP (INR)**	**No. of options**	**WAEP (INR)**
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	339,000	38.05	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	339,000	38.05	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2012 is 3.96 years (March 31, 2011: Not applicable since no option outstanding). The range of exercise price for options outstanding at the end of the year was Rs.38.05 (March 31, 2011 Not applicabble since no option outstanding)

The weighted average fair value of stock options granted during the year was Rs.21.03 (March 31, 2011: Nil). The black scholes valuation model has been used for computing weighted average fair value considering the following inputs:

	March 31, 2012	March 31, 2011
Dividend yield (%)	2.63%	-
Exepected volatility	76.03%	-
Risk-free interest rate	8.28%	-
Weighted average share price	38.05	-

	March 31, 2012	March 31, 2011
Exercise price	38.05	-
Expected life of options granted in years	4.4 years	-

* Not applicable since no ESOP were granted during the year

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the histiorical volatility over a period similar to the life of options is indicative of future trends, which may also not necessarily be the actual outcome.

The company measures the cost of ESOP using intrinsic value method. Had the company used fair value model to determine compensation, its profit after tax and earning per share would have changed to the amounts indicated below:

	March 31, 2012 INR	March 31, 2011 INR
Profit after tax as reported	113,773,290	-
Add: ESOP cost using intrinsic value method	-	-
Less: ESOP cost using fair value method	1,969,964	-
Proforma profit after tax	**111,803,326**	-
Earnings per share		
Basic		-
As reported	11.32	-
Proforma	11.12	-
		-
Diluted		-
As reported	11.30	-
Proforma	11.11	-

Note 23 Operating lease: Company as lessee

The company has entered into commercial leases on certain buildings. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non-cancellable operating lease are as follows:

	March 31, 2012 INR	March 31, 2011 INR
Within one year	20,548,206	46,470,159
After one year but not more than five years	3,276,000	42,235,402
More than five years	-	-
Total	**23,824,206**	**88,705,561**
Lease payments recognised in the P&L account	48,685,773	45,532,082

Note 24 Segment reporting

Sales revenue by geographical market

	March 31, 2012 INR	March 31, 2011 INR
Within India	93,144,755	53,883,429
Outside India	1,121,273,610	775,385,783
Total	**1,214,418,365**	**829,269,212**

Note 25 Commitments and contingencies

	March 31, 2012 INR	March 31, 2011 INR
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	-	16,242,586
Service tax related matters	7,218,676	7,218,676
Income tax related matters	51,238,609	5,339,067
Counter guarantees issued to the bank for the bank guarantee obtained	27,763,951	14,680,000

The Service Tax Authorities had made a demand for Rs 3,609,338 along with interest and penalty for an equivalent amount, towards tax leviable for certain services rendered by the Company during the period July 2003 to Dec 2005. Management contends that the Company has sufficient grounds to defend its position and is filing an appeal before Customs, Excise and Service tax appellate Tribunal, furnishing the necessary explanations / responses to support its position. Consequently, no provision has been made for the same in these financial statements.

Contingent liabilities include demand from the Indian tax authorities for payment of additional tax of Rs.51,238,609/= for the fiscal year 2005-06 & 2008-09. The tax demand is mainly on account of disallowance of a portion of the deduction claimed by the company under Section 10A of the Income tax Act. The matter for fiscal 2005-06 & 2008-09 is pending before CIT (Appeals). Management believes that its position will likely be upheld in the CIT (Appeals) process.

Company has however made provision amouting Rs.23,100,000 in the books of account during the year in respect of other financial years considering the issues under dispute.

Note 26 Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'

a. Related Parties

i. **Key Management Personnel (KMP)**

Mr. A V Asvini Kumar - Managing Director
Ms. Vanaja Arvind - Executive Director
Mr. Mohan Parvatikar – Wholetime Director

ii. Relatives of Key Management Personnel (Relatives of KMP)

Ms. Aarti Arvind
Ms. A K Latha
Mr. A K Krishna
Ms Lalitha Devi
Mr. Chalapathi Rao Peddineni
Mr. C V Rajan

b. Transaction with Key Management Personnel and relatives of Key Management Personnel

Particulars	Nature of relationship	Name of the related party	in INR Year ended March 31, 2012	in INR Year ended March 31, 2011
Expenses				
Managerial remuneration	KMP	Mr. A.V. Asvini Kumar	6,000,000	3,600,000
	KMP	Ms.Vanaja Arvind	6,000,000	3,600,000
	KMP	Mr. Mohan Parvatikar	2,820,000	1,500,000
Rent	KMP	Mr. A.V. Asvini Kumar	-	59,400
	Relatives of KMP	Ms. A.K.Latha	193,500	193,500
	Relatives of KMP	Mr. A.K.Krishna	193,500	193,500
Salary	Relatives of KMP	Ms. Aarti Arvind	4,589,170	2,856,000
Professional services	Relatives of KMP	Mr. C V Rajan	25,000	-
Other Transactions				
Proposed final dividend	KMP	Mr. A V Asvini Kumar	10,928,331	3,642,777
	KMP	Ms. Vanaja Arvind	3,293,286	1,050,662
	KMP	Mr. Mohan Parvatikar	416,559	138,853
	Relatives of KMP	Ms. A K Latha	731,166	243,722
	Relatives of KMP	Ms. Lalitha Devi	34,167	11,389
	Relatives of KMP	Mr. A K Krishna	683,334	227,778
	Relatives of KMP	Ms. Aarti Arvind	215,940	33,333

Particulars	Nature of relationship	Name of the related party	in INR Year ended March 31, 2012	in INR Year ended March 31, 2011
	Relatives of KMP	Mr. C V Rajan	6,666	2,222
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	18,333	6,111
Interim dividend	KMP	Mr. A V Asvini Kumar	7,285,554	-
	KMP	Ms. Vanaja Arvind	2,151,324	-
	KMP	Mr.Mohan Parvatikar	277,706	-
	Relative of KMP	Ms. A K Latha	487,444	-
	Relative of KMP	Ms. Lalitha Devi	22,778	-
	Relative of KMP	Mr. A K Krishna	455,556	-
	Relative of KMP	Ms. Aarti Arvind	94,666	-
	Relative of KMP	Mr. Chalapathi Rao Peddineni	12,222	-
	Relative of KMP	Mr. C V Rajan	4,444	-
Outstanding Balances				
Sundry creditors	KMP	Mr. A V Asvini Kumar	27,680	53,752
Loans and advances	KMP	Mr. A V Asvini Kumar	-	81,888
(Travel advance)	KMP	Ms. Vanaja Arvind	176,841	127,295
Provision for expenses	KMP	Mr. A V Asvini Kumar	900,000	-
	KMP	Ms. Vanaja Arvind	900,000	-
	KMP	Mr.Mohan Parvatikar	1,320,000	-
Final dividend payable	KMP	Mr. A V Asvini Kumar	10,928,331	3,642,777
	KMP	Ms. Vanaja Arvind	3,293,286	1,050,662
	KMP	Mr.Mohan Parvatikar	416,559	138,853
	Relative of KMP	Ms. A K Latha	731,166	243,722
	Relative of KMP	Ms. Lalitha Devi	34,167	11,389
	Relative of KMP	Mr. A K Krishna	683,334	227,778
	Relative of KMP	Ms. Aarti Arvind	215,940	33,333
	Relative of KMP	Mr. C V Rajan	6,666	2,222
	Relative of KMP	Mr. Chalapathi Rao Peddineni	18,333	6,111

Note 27 Exposure in foreign currency

a. The Company, in accordance with its risk management policies and procedures enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party in generally a bank. Forward contracts period as at the Balance Sheet date are as follows:

Particulars	March 31, 2012 INR	March 31, 2011 INR
No. of Contracts (sell)	1	-
Value of Foreign currency	USD 500,000	-
Value in INR	25,580,000	-

The company has not entered in to any other derivagtinve instruments during the year.

b. The details of foreign currency balances, which are not hedged as at the balance sheet date are as below:

	FCY	March 31, 2012 FCY	March 31, 2012 INR	March 31, 2011 FCY	March 31, 2011 INR
Sundry debtors	GBP	613,554	50,188,717	1,025,472	73,762,228
Sundry debtors	USD	1,438,599	73,598,725	1,920,989	85,772,159
Sundry debtors	AED	-	-	189,051	2,336,670
Sundry debtors	CHF	-	-	36,971	1,821,561
Sundry debtors	Euro	932,403	63,720,421	513,254	32,458,202
Sundry debtors	SGD	132,976	5,510,525	22,149	796,921
Sundry debtors	AUD	122,117	6,606,530	348,490	16,312,871
Sundry debtors	MYR	6,000	102,060	-	-
Loans and advances	USD	106,562	5,451,688	141,844	6,333,336
Loans and advances	SGD	45,915	1,902,718	6,754	243,009
Loans and advances	GBP	26,574	2,173,752	11,295	812,449
Loans and advances	AUD	16,533	894,435	13,722	642,327
Loans and advances	AED	573,984	8,139,098	379,923	4,695,852
Loans and advances	Euro	1,003	68,529	22,893	1,447,746
Sundry creditors	AUD	-	-	1,710	80,045
Sundry creditors	GBP	588	48,138	6,006	432,012
Sundry creditors	SGD	12,829	531,634	-	-
Sundry creditors	USD	204,376	10,455,879	57,381	2,562,062
Sundry creditors	Euro	86	5,877	13,923	880,491
Sundry creditors	AED	313,496	4,445,371	-	-

Note 28 Disclosure made in terms of clause 32 of the listing agreement with stock exchange

Particulars	Name of the company	Amount outstanding as on March 31, 2012	Maximum amount due at any one time during the year
a) Loans and advances			
i) Loans and advances in nature of loans made to subsidiary company	Nil	Nil	Nil
ii) Loans and advances in nature of loans made to Associate company	Nil	Nil	Nil
iii) Loans and advances in nature of loans where there is	Nil	Nil	Nil
1. no repayment schedule or repayment beyond seven years	Nil	Nil	Nil
2. no interest or interest below section 372 A of the Companies Act	Nil	Nil	Nil
iv) Loans and advances in the nature of loans made to firms/ companies in which directors of the company are interested	Nil	Nil	Nil

b) Investment by the company	Name of the company	Amount INR	Maximum amount of investment during the year INR
i) in Subsidiary company	Thinksoft Global Service Pte Ltd, Singapore	2,658,023	2,658,023
ii) in Subsidiary company	Thinksoft Global Service Inc. USA	4,625,400	4,625,400
iii) in Subsidiary company	Thinksoft Global Service (Europe), GMBH, Germany	2,714,774	2,714,774
iv) in Subsidiary company	Thinksoft Global Service UK Limited, UK	24,168,000	24,168,000
v) in Subsidiary company	Thinksoft Global Service FZE, UAE	8,696,000	8,696,000

a) Investment by the loanee in the shares of the parent company and subsidiary company when the company has made a loan or advance in the nature of Loan	Nil	Nil

Note 29 Utilization of IPO proceeds

Particulars	Approved amount*	Actual utilization
	INR in Lakhs	INR in Lakhs
Public issue expenses	155.99	155.99
Setting up a new testing centre MEPZ, Chennai	507.26	507.26
Delivery centre, TIDEL, chennai	171.97	171.97
Normal capital expenditure and working capital	852.28	632.80
Net amount available in fixed deposits	-	219.48
TOTAL	**1,687.50**	**1,687.50**

*The revised plan for utilization of IPO proceeds has been approved by shareholders through postal ballot on 14th May 2010.

Note 30 Previous year figures

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it significantly impacts presentation and disclosure made in the financial statements, particularly presentation of Balance sheet.

As per our report of even date

PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No. 003990S

For and on behalf of the Board of Directors

T V Balasubramanian
Partner
Membership No.: 027251

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

A Thanikainathan
Company Secretary

Place: Chennai
Date: April 27, 2012

Place: Chennai
Date: April 27, 2012

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THINKSOFT GLOBAL SERVICES LIMITED

Regd. Off. : Type II, Unit 5, Dr.VSI Estate, Thiruvanmiyur, Chennai – 600041, Tamil Nadu

ATTENDANCE SLIP

(To be presented at the entrance)

14TH ANNUAL GENERAL MEETING ON WEDNESDAY, 25th JULY 2012 AT 3.30 P.M.

at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), No.168, T.T.K. Road, Royapettah, Chennai-600014

Folio No……….........……...……….. DP ID No……………….........………....... Client ID……………...........…..……………....

I/We hereby record my/our presence at the 14th Annual General Meeting of the members of the Company held on Wednesday, 25th July 2012 at 3.30 p.m. at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), No.168, T.T.K. Road, Royapettah, Chennai-600014

Name of the Member/Proxy holder:

Signature of Shareholder/proxy

THINKSOFT GLOBAL SERVICES LIMITED

Regd. Off. : Type II, Unit 5, Dr.VSI Estate, Thiruvanmiyur, Chennai – 600041, Tamil Nadu

PROXY FORM

I/We ________________________ of ________________________being a Member/Member(s) of Thinksoft Global Services Limited appoint _________________________ or failing him/her ______________________of ___________________ or failing him/her ________________of ______________________as my/our proxy to attend and vote for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the company to be held on Wednesday, 25th July 2012 at 3.30 p.m. at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), No.168, T.T.K. Road, Royapettah, Chennai-600014 and at any adjournment thereof.

Folio No…………………......…….. DP ID No…………........……… Client ID……………….........……………

No. of Shares……………......................

Signed this .... day of ...., 2012

Please affix Re.1/- revenue stamp and sign across

Notes:
1. The Proxy form should be signed by the member across the stamp.
2. A member intending to appoint a Proxy should complete the Proxy form and deposit it at the Company's Registered office, at least 48 hours before the time for holding the aforesaid meeting.
3. Members, who hold shares in Demat form to quote their Demat Account no. and Depository Participant (D.P.) Id No.