
NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of Thinksoft Global Services Limited will be held on Thursday, July 25, 2013 at 3.30 p.m. at Rani Seethai Hall, No.603, Anna Salai, Chennai – 600 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended as on that date together with the reports of the Board of Directors' and Auditors' thereon.
2. To declare a final dividend of Rs.3/- (30% on face value of Rs.10/- each) per equity share of the face value of Rs. 10/- for the financial year 2012-13.
3. To appoint a Director in place of Mr. K. Kumar who is liable to retire by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. PKF Sridhar & Santhanam, Chartered Accountants, the retiring auditors, are eligible for re-appointment.

**By order of the Board of Directors
For Thinksoft Global Services Limited**

Place: Chennai
Date: 25th April, 2013

S. Krishnamoorthy
Company Secretary

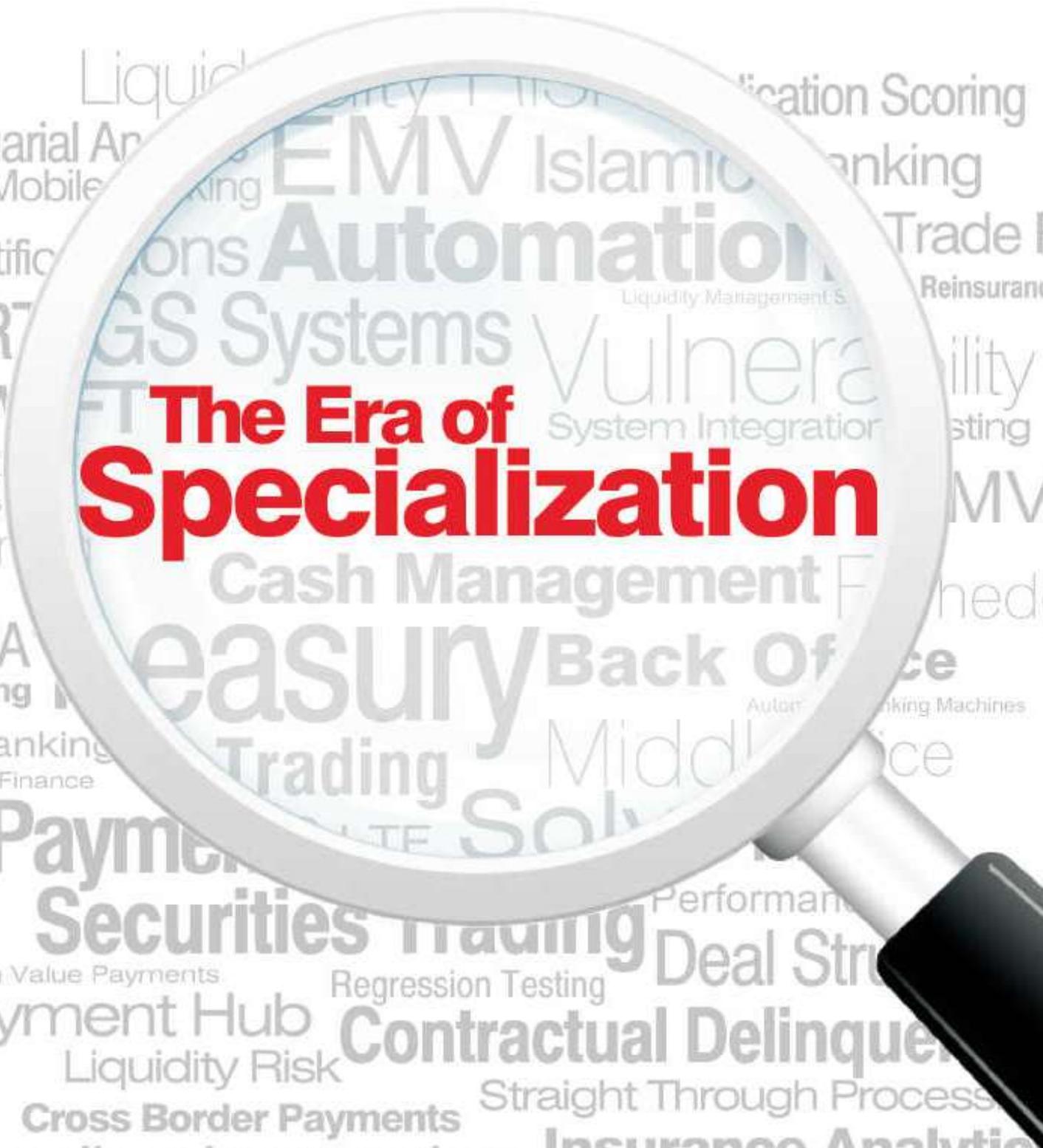
Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from Monday, July 15, 2013 to Thursday July 25, 2013 (both days inclusive) in connection with the Annual General Meeting to be held on July 25, 2013.
4. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, regarding persons seeking re-appointment as Director is also annexed.
5. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and update the savings bank account details to their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
6. Members desiring to seek any information / clarifications on the Annual Accounts are requested to write to the Company at least 7 (seven) days before the Annual General Meeting to enable the management compile and keep the information ready.
7. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary, at the Company's registered office. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's unpaid dividend account, will as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
8. The Ministry of Corporate Affairs vide circular dated 21st April 2011 and 29th April 2011, permitted Companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance. Similarly the recent amendment to the listing agreement with the stock exchanges permits Companies to send soft copies of annual report to all those shareholders who have registered their email addresses with the Companies / Depository. To support this green initiative of the Government and the Stock Exchanges, we are sending the documents like notice convening the general meeting, financial statements, director's report, auditor's report, etc to the email address provided by you with your depository. We request your email address with your depository / the Company to ensure that the annual report and other documents reach you to your preferred email account.
9. Corporate members intending to send their Authorised Representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the meeting.
10. Members / Proxies are requested to bring their copies of Annual Reports to the meeting.
11. All communications relating to shares may please be addressed to the Company's Share Transfer Agent at the following address:

M/s. Karvy Computershare Private Limited
 Cyber Villa, Plot No. 17-24, Vittal Rao Nagar
 Madhapur, Hyderabad – 500 081.
 Tel: +91 40 44655000
 Fax: +91 40 23420814
 Email: einward.ris@karvy.com

Details of Directors seeking re-appointment in terms of Clause 49(IV)(G) of the Listing Agreement

Name of the Director	Mr. K. Kumar
Date of Birth	May 22, 1957
Date of Appointment	September 17, 2008
Qualifications	B.E., PGDM, Fellow IIMB
Brief Resume and Expertise in specific functional area	Has over two decades of experience as a corporate manager, consultant, entrepreneur and academic. In his current role as a Professor of Entrepreneurship and Chairperson of the NS Raghavan Centre for Entrepreneurial Learning (NSRCEL) at Indian Institute of Management Bangalore (IIM-B), he works closely with many start ups and growth seeking businesses.
Directorships held in other Companies	Nil
Committee Memberships / Chairmanships of Committees of other public companies	Nil
Shareholding, if any, in the Company	1,000 Shares
Relationship with other directors	Nil



**The Era of
Specialization**

Liquidation Scoring
Actuarial An...
Mobile...
Certific...
RT...
SW...
Property & Cas...
Cover Payr...
Cheque P...
Underwr...
SEPA...
our Scoring...
Core Banking...
Trade Finance...
Payment...
Securities...
High Value Payments...
Payment Hub...
Liquidity Risk...
Cross Border Payments...
Standing Instruction...
Automated Clearing House...
EMV Islamic...
Automation...
Systems...
vulnera...
System Integration...
Cash Management...
Treasury...
Trading...
Back Of...
Middle...
Solv...
Contractual Delinquer...
Straight Through Process...
Insurance Analytics...
Balance Transfer...
Trade F...
Reinsuranc...
Ability...
sting...
MV...
hedg...
ce...
Autar...
Banking Machines...
ce...
Performanc...
Deal Stru...
Contractual Delinquer...
Straight Through Process...
Insurance Analytics...
Balance Transfer...



Ms. Vanaja Arvind Executive Director, Thinksoft Global Services Limited accepting the award from Shri Madhusudan Prasad, Additional Secretary Ministry of Commerce & Industry, Govt. of India.

Export Excellence Award 2011-2012

Thinksoft was awarded the Export Excellence award for the highest growth in exports among IT/ITES units. The 19th edition of the award organized by the Madras Export Processing Zone (MEPZ) was presented by Madhusudan Prasad, the Additional Secretary Ministry of Commerce on the 22nd of March, 2013.



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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

S KRISHNAMOORTHY

AUDITORS

PKF Sridhar and Santhanam
Chartered Accountants,
91-92, Dr RK Salai, Mylapore, Chennai-600004

INTERNAL AUDITORS

A.Murali & Associates,
New No. 2, T4, 3rd Floor,
Majestic Square, Sherfudeen street,
Choolaimedu, Chennai-600094

BANKERS

The Lakshmi Vilas Bank Ltd.
Cathedral Road, Chennai-600086

ICICI Bank Ltd
T. Nagar, Chennai-600017

HSBC
Cathedral Road, Chennai-600004

LEGAL ADVISORS

S.Ramasubramaniam & Associates
New No.13/1, Bishop Wallers Avenue (West),
Mylapore, Chennai -600004

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
Cyber Villa, Plot No. 17-24, Vittalrao Nagar,
Madhapur, Hyderabad – 500081

FACILITATOR

Madras Export Processing Zone (MEPZ)
Tambaram, Chennai-600045

REGISTERED OFFICE

6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4,
Rajiv Gandhi Salai (OMR), Kandanchavadi,
Chennai – 600096

WEBSITE

www.thinksoftglobal.com

Letter to Shareholders

Dear Shareholders,

The previous twelve months have been both challenging and interesting to observe as the worldwide economy continued to struggle in 2012 with prolonged distress in many geographies. The economic downturn in many economies in Europe including Spain and Italy, the volatile oil prices and rising inflation in Asia and other emerging economies meant that anticipated recovery from 2011 was slower than normal. Despite these challenges, 2012 was a year of steady growth for technology and related services sector, with worldwide spending of USD 1.9 trillion, a growth rate of 4.8 per cent over 2011. IT services contributed 3.3 per cent in this growth while BPM services grew faster at 4.9 per cent.

Against this backdrop, your Company had a steady year with revenues coming in at Rs. 161.4 crore, an increase of 33 per cent over 2012. The net profit increased to Rs. 19.4 crore and this is a growth of 71% over fiscal 2012. The growth in the top line was primarily on the back of good traction that the Company is witnessing in select geographies like North America while pipeline of opportunities from India also showed a significant uptick. As you know, your Company 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. NASSCOM in its latest strategic review report 2013 has mentioned that two areas that have been responsible for steady growth in IT services exports have been Software Testing and IS outsourcing. According to the report, both the areas grew 50% faster than industry average and according to estimates FY 2013 is expected to garner software testing exports of USD 3.1 billion, up from the 2.8 billion recorded in FY 2012.

Today there is a lot of talk about mobility applications testing, crowd sourced testing, cloud-based testing platforms etc. and it is being projected that these are expected to provide significant growth opportunities in coming years. But what are some of the real factors that have a significant impact on the way corporations across the world carry out testing? Some of the important dimensions could be:

- Customer requirements
- Technology advancements and innovations
- Changing Regulatory environment
- Competition driving shorter time to market
- Cost reduction imperatives

These in turn have fashioned the following trends that are shaping the testing industry today.

- The increased use of automated tools for test execution
- New User Acceptance frameworks beyond the traditional IT processes to include the user experience
- The emergence of cloud based test delivery platforms
- The indispensability of domain expertise based testing methodologies

In keeping in line with these trends, the company has invested substantially in initiatives to create IP based test offerings using all its cumulative knowledge and expertise of the last decade and distilling them into a suite of products, frameworks and service delivery models. It is hoped that these would lead to revenue streams in the coming years and also serve to extend our appeal to a larger set of potential customers. In the last year, we added 20 clients increasing our client count to 69. The split of revenue came from US 27%, Europe 35% and IMEA 38%. During the year, your Company also invested in its own modern facility in Chennai on the Old Mahabalipuram Road which is the main IT corridor in the city. The facility has a super built-up area of 38,000 sq. ft. and can accommodate 450 employees. The key reason for investing in this property was to consolidate our delivery centres in Chennai which would benefit the Company by way of reduced operating costs as well as providing administrative efficiency. The new facility has been built to meet specific client requirements and also confirms with international security and confidentiality standards.

The company has successfully completed the first phase of its ERP implementation by deploying the Netsuite package to bring into the fold the Finance, HR and commercial functions of the organisation. This is expected to further boost the efficiency levels across the company and make available timely, comprehensive and accurate enterprise information to the management and governance functions. We also stepped our investment in training and talent management processes, adding to and improving our curriculum for imparting critical industry, product and process training. Our employees are the key pillars that drive the Thinksoft engine and we are extremely thankful to all of them for their continued dedication and commitment to make this a world class company.

I also would like to take this opportunity to thank our partners, our vendors and most importantly, the shareholders whose unwavering commitment and support have propelled us to this position and we hope that the same will continue in the future.

The Board of Directors has recommended a final dividend of Rs. 3 per share.

In conclusion, I would like to say that with much of the IT industry still struggling to overcome the economic malaise of recent years, testing is one of the few areas in enterprise technology which is bucking the trend and prevailing market data points to the fact that demand in the sector shows no signs of slowing. With the total addressable market size for testing increasing exponentially, the potential rewards for companies and individuals which can succeed in this space are significant and Thinksoft will strive to be one of the success stories of this genre and will strive to ensure that all its stakeholders are rewarded as they continue their journey with the Company.

Yours Sincerely,

A V Asvini Kumar
Chairman & Managing Director



Living in an Era of **Specialization**

The advent of the age of the super - specialist at the individual level is accompanied by the emergence of specialization as a trend in worlds of the Science, Industry and Business

From Physics to Medicines, from technologists to surgeons, today we are interdependent on specialized capabilities of our species, to make our lives easier, and indeed possible.

About 500 years ago, there lived in Italy, a gifted and talented genius whose sheer accomplishments were breathtaking in their very scope and expanse. Leonardo Da Vinci, painter, sculptor, architect, musician, mathematician, engineer, inventor, anatomist, geologist, cartographer, botanist, and writer - symbolized the surging scientific spirit, quintessential of the Renaissance.

Ironically, the very strong trends towards modernity and progress, engendered by the Renaissance have made our world of today, one of staggering complexity, fathomless knowledge and unlimited frontiers. The existence of a polymath like Da Vinci could hardly be a possibility today where one spends a lifetime, devoted to the pursuit of just one narrow area, barely managing to scratch the surface.

Humankind has superbly adapted to cope with this explosive and diverse complexity, gradually evolving from being "generalists" to becoming experts, adepts, mavens and super specialists. Today, it is inconceivable for any one person to be an embodiment of all that makes one talented "a la Renaissance". From Physics to Medicine, from technologists to surgeons, today we are interdependent on specialized capabilities of our species, to make our

lives easier, and indeed possible. The advent of the age of the super-specialist at the individual level is accompanied by the emergence of specialization as a trend in worlds of the Science, Industry and Business.

It is evident that some of the world's most admired and best run institutions are those that infuse a laser sharp focus into their chosen areas of expertise. Their relentless engagement and commitment to find solutions to the fundamental problems in their domain make them the de facto "go to" people in their respective areas of endeavor. This is in stark contrast to those organizations that dissipate their talents and energies over too many things, trading off the search for excellence with one based on convenience and expediency.

We at Thinksoft Global Services Ltd, have nurtured a tradition which fosters the pursuit of excellence in our chosen area - the specialized world of independent domain focused software testing for the Global Financial Services Industry.

Expertise is Vital to Ensure Quality of IT Applications in the BFSI Sector



Since inception, Thinksoft has nurtured the "Specialist DNA" and has tirelessly worked with Banking, Financial Services and Insurance (BFSI) sector. The key factors influencing our choice of BFSI sector as our focus area were:

The BFSI sector, comprising of Banking, Insurance, Capital Markets, Payments, Central banking institutions, Treasuries, Exchanges etc. is the largest spender on IT globally.

BFSI organizations operate in a very competitive environment and deploy some of the most modern IT capabilities to provide their customers with a regular pipeline of innovative products, offerings and services. A stringent regulatory environment also necessitates regular refurbishing and upgradation of systems and applications.

Due to the prohibitive costs of failure, the BFSI industry places a great emphasis on Business ready, first time right approaches. Further, getting to market speedily is also crucial. This applies both to new, large transformative projects as well as regular "business as usual" work.

Consequently, the global market opportunities for BFSI applications testing are substantial and some estimates peg this at US\$ 7.2 bn (just for India based testing services by 2020). Independent testing entities are expected to garner a substantial portion of this market. (as per NASSCOM, IDC)

We have continuously collaborated with Global BFSI organizations to foster defect free, business ready applications by deploying our independent domain focused testing techniques, frameworks and methodologies. Today, we look back with satisfaction on the results of this trail blazing work:

- **14 Mn Person hours** + of testing and assurance track record for BFSI clients in 23 countries
- **7 Global Financial testing centers** (competency / shared service / excellence)
- **80+ Leading financial software** products tested
- Hundreds of thousands of high quality test cases organized into repositories and knowledge bases
- **800 strong proficient work force** with 3 India based (2-Chennai, 1- Mumbai) **Certified Secure Delivery** centers
- **40+ Active clients** in US, UK, Europe, Asia, Australia and India
- Also **45% of revenue** from User acceptance testing representing business users
- **20+** Current / Emerging regulations tested in Banking / Cards / Payments / Treasury / Capital Markets / Insurance Software

It is therefore not surprising that we are a preferred testing partner for several iconic institutions

Why Customers prefer a Specialist?



CIO's have always been faced with the classic dilemma of deciding which provides better cost effectiveness – adopting a single vendor to deliver all IT projects or going for a mix of best-of-breed vendors. While the one stop shopping approach is easier to manage, the latter means more efforts on part of the organization (PMO, Vendor management, Business, Finance), but ensuring superior quality of output. Due to the gigantic scale and enormous complexity of today's IT applications and infrastructure, the model of engaging monolithic and supermarket style IT services company, is fast becoming hugely sub-optimal. This has fostered more specialists in the supply chain – from hardware to software to training to testing to compliance etc.

The age of the 'Home Depots' and 'Staples' and 'IKEAs' has arrived. Software testing is no longer something which used to be done with 'low or nil priority' and as an afterthought by systems developers. This applies especially to User Acceptance testing, which more often than not was abandoned for lack of time and resource commitments.

Today, 'Plain old Testing' has evolved into a sophisticated, mature practice delivered by highly skilled, independent and specialized companies who have honed their expertise and built a knowledge base working with hundreds of Products across domains, multiple platforms and methodologies. It is the newest and most critical component in

the 'value chain' - sporting domain specific niche service offerings, innovative business and engagement models. Technological progress has also enabled testing specialists to develop IP, build comprehensive test labs that not only increase reliability by orders of magnitude but also accelerate 'go-to-market', all within the boundaries of cost-effectiveness. Thinksoft has been at the forefront of the aforementioned developments right since its early days. Its edifice of deep domain knowledge, built by consciously adopting the 'Follow the Product' model, has helped it to launch advanced expertise based service offerings making it the preferred choice of discerning global clients.

Case-Study

A US based Fortune 500 conglomerate was looking at independent expert testing house to upgrade the FX functionality without any regressive hiccups in the debt and derivate trade management section of a treasury trading system. The search for a competent vendor thus ensued and Thinksoft emerged as the clear choice to execute the project. So what boxes did the customer tick off that resulted in Thinksoft bagging the deal?

- **Track record of testing Treasury Applications** for Global Banks as part of core banking implementation
- **Domain Focus and Expertise in deriving business process based functions** and streamlining the test activities while providing guidance for regression and performance testing
- **Deep knowledge of Treasury domain** especially with respect to Interest Rate Derivatives and Interbank Forex
- **Track record in efficient deployment of projects** specifically with respect to upgrades
- **Strong skills in reviewing and updating test repositories** and in regression testing

Customer Speak

"I just want to say that you and your team have surpassed our expectations, and your professionalism and passion for your trade is exemplary. I truly believe that we now have the optimum testing platform and we can now continue developing our applications and be confident that we can thoroughly test them with the test pack that you have built for us. In short, thank you very much for your efforts and please pass my gratitude to the rest of the team."

IT Manager, UK Based Securities Clearing House

"It is a pleasure to work with the Thinksoft team and beyond a doubt the team's domain knowledge is extremely good"

- Head Testing, Global Insurance Company

"I really wanted to stop and take some time from my busy schedule to provide feedback on the Thinksoft team. They have been my partners in managing this challenging WSS upgrade project and I really feel like I have a Thinksoft army assembled behind me both on-shore and off-shore. The team is very organized, dependable, fast learners, resourceful, dedicated, flexible, superb problem solvers and true partners. Overall, working with Thinksoft has been a real pleasure. I have experienced the value of a top performing professional Testing organization and I only want to strengthen the relationship going forward. Thanks for the incredible experience"

Business Delivery Manager, Fortune 500 Company

Our Very Own “Red Adairs”*



We looked for people with a flair for grasping business and domain inputs, rather than those who bask in a mere knowledge of techno-babble.

Thinksoft derives immense satisfaction from the ‘Value’ it has consistently provided to its clientele ever since its inception. A key element for this to happen has been our creative ‘Human Development Strategy’. With the realization, since inception, that we were going to be a specialized company, we set about hiring and training our workforce, in quite an atypical format. We looked for people with a flair for grasping business and domain inputs, rather than those who bask in a mere knowledge of techno-babble. We wanted employees with a potential to become business experts in fields ranging from Banking, Capital Markets, Treasury, Securities Trading and Insurance.

Consequently, our workforce is predominantly composed of persons who are functional test professionals, financial product specialists, subject matter experts, performance test consultants or a security testing strategists, quality and compliance experts and so on.

Thinksoft strives to offer its employees a fulfilling and rewarding career option by nurturing an atmosphere of learning, challenging work, creativity, high class peer interaction, and multi-vertical and industry exposure - all coupled with suitable compensation and benefits administered in a professional and transparent environment

Our employees recognize this and this has resulted in a remarkable high loyalty at the mid to senior levels. Our Annual ‘Long Service Awards’ remind and re-inforce this year after year.

Very aptly our corporate emblem says “EXPERTO CREDE”, meaning ‘Trust the Experts’. Every Thinksofter wears this specialist badge with pride.

** Paul Neal "Red" Adair was an American oil well firefighter. He became world notable as an innovator in the highly specialized and extremely hazardous profession of extinguishing and capping blazing, erupting oil well blowouts, both land-based and offshore
(Source: Wikipedia)*

Long Service Awards - A Cherished Tradition



One of the colorful events that Thinksoft celebrates annually is 'Long Service Awards', wherein Thinksoft proudly felicitates those employees for the 'long years of service' with Thinksoft. The festive evening is celebrated with the families of the employees who have completed 5, 7 and 10 years of employment with Thinksoft.

Long service in Thinksoft not only signifies accomplishment and enrichment of work performance, but also glorifies the continuing commitment of its employees towards the organization. During the current year 2012-13, about 149 employees received the awards across different categories.



Thinksoft Employee accepting the Long Service Award

Employee Speak

“As a thinksofter, my options to learn and grow are virtually endless. Be it on the BFSI domain, strong testing process and methodology (that has put Thinksoft in the place today), I have come a long way in Thinksoft and still learning. We get an equal exposure to learn both soft and hard skills in an international and multicultural environment thanks to our presence across the globe.”

Solutions Manager, Thinksoft

“It has been an enriching experience at Thinksoft. The work culture created through a pursuit of excellence in domain knowledge and a single minded focus on quality enabled me to learn from every individual that I have worked with. Clients seeking creative solutions to challenging requirements, veterans with industry knowledge, teams that refuse to take the beaten track contributed to widening the horizon of my learning.”

Subject Matter Expert, Thinksoft

Giving back to Community

Corporate Social Responsibility



For Thinksoft, corporate social responsibility ('CSR') is about how we manage our impact on society and the environment. We strive to operate responsibly and to act with integrity and thus make a positive contribution to the economy, our people and our local communities. This is particularly noticeable in the way we at Thinksoft are proud of our modest efforts to help the Toda women in Nilgiris, Tamil Nadu to promote their crafts and thus positively impact, in our own way to the preservation of an important link in India's Tribal Heritage.

TODAS

An important link in India's tribal heritage

Only about 800 Todas, an ancient Indian tribe are still surviving in their traditional habitat in the Nilgiri hills of Tamil Nadu, South India, the rest having succumbed to the ineluctable pull of urban migration.

The true origins of the Todas remain unknown. Settled and living as a casteless egalitarian social system, on reserved forest land in Nilgiri hills, sharing a gene pool with the Kota tribes, they believe that they were always rooted there. Some say that they are not aborigines, but came as immigrant conquerors from across the sea. Others speculate that they are directly descended from the remnants of the invading armies of Alexander the Great in 327 BC with a kinship traceable to today's Greek Cypriots.

The earliest record of the Todas is a manuscript written by a Portuguese priest named Finicio after his two day's stay in the Nilgiri hills in the year 1602. From then on, upto the English occupation of 1812, there is no documented information relating to this tribe.

Speaking a distinctive and original dialect, the Todas are vegetarians, whose sole occupation is cattle-herding and dairying (they make butter, milk, yogurt, and cheese from buffalo milk). Rice is their staple diet eaten along with dairy products and curries. Todas, of both sexes, drape themselves Roman fashion, wrapping a long richly embroidered Toga-like dress around their shoulder.

They are articulate poets and singers and accomplished at playing the Pooheeri , a musical instrument made up of hollow bamboo, like a flute played without finger stops.

Traditional Toda embroidery is done only by women, using hand woven white base material with alternate broad stripes of red and black , six inches apart length wise. The long contiguous length wise bands between these stripes are intricately embroidered from the back side of the fabric using a long darning needle, weaving a short distance, turning around the fabric and weaving the thread back. The embroidery is reversible and the rougher under side of the fabric is used as the wearing side. The embroidery is so finely executed that it almost looks like weaving. These artisanship skills are passed on from mother to daughter from one generation to the next.

Toda women have developed a high degree of precision in counting the threads of the fabric to develop various Motifs. The geometric patterns reflect Macedonian influence and are inspired by the nature; Sun, Moon, stars, flowers, snakes,etc. Buffalo horn is a widely used motif. Other motifs used are Izhadvinpuguti, which is a motif named after their priest, Mettvi Kanpugur which denotes a box. Rabbit's ears are always embroidered onto the edge of the fabric to prevent unraveling.

In an attempt to augment their income, Toda women have formed self help groups to market their traditional embroidery products to the outside world, and have expanded the range of artifacts to include not only shawls but bed covers, wall hangings, table mats, bags, pouches etc.

The march of globalization, urbanization and industrialization have resulted in the drastic reduction in their traditional forest

areas and natural resource bases, forcing the Todas to migrate away to urban areas to eke out a living. While the Tribal Development Board of the Government of India has instituted some programs to encourage them to continue their traditional ways of living and preserve their culture and heritage, some private sector organisations and missionary groups are also doing their bit. But the need of the hour is for organisations from corporate sector to join in these endeavors.

Some of our other initiatives are:

- 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

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

- INR 0.30 Million to the 'Sadhya' Program & INR 0.47 Million to Vidhya Sagar's Spastics society, an NGO dedicated to the welfare and development of Spastics Children.
- INR 0.025 Million to Nathan Academy of Dance, Bangalore for the Medical support of Musician and Dancer through Sumangali Seva Ashrama
- INR 0.006 Million to utthavam ullam to extend support for mentally challenged children.



Thinksoft at a Glance

25%

of Revenues

Cards & Payments

Cards & Payment is one of the most mature practice in the company with more than 5 million hours of track record

Coverage

- Consumer cards (credit and charge cards), commercial cards (T&E, small business purchase cards, corporate cards, fleet cards, and business travel accounts), prepaid (open loop and closed loop), debit cards, PLCC and Islamic cards
- All aspects of payment processing POS, ATM terminals, authorisations, transaction routing and switching, clearing and settlements

48%

of Revenues

Banking

Thinksoft has strong domain knowledge of the Banking sector with a repository of more than 30,000 banking test cases.

Coverage

- Corporate Banking, Trade Finance, Cash Management Services,
- Retail Banking, Loans, Private Banking
- Consumer Finance, Islamic Banking
- Front end deliver channels like Internet, Mobile, ATM and IVR modes

21%

of Revenues

Treasury & Capital Markets

Thinksoft has strong team of investment bankers, treasury experts and techno functionalists who have deep business process understanding of the Treasury and Capital markets.

Coverage

- Business services (FX hedging, deal structuring match funding and cash management)
- Funding services (LTF,STF, derivative management, debt IR)
- Operations services (trade and instrument execution, middle office and back office operations)
- Finance services (forecasting, reporting, accounting and advisory)

06%

of Revenues

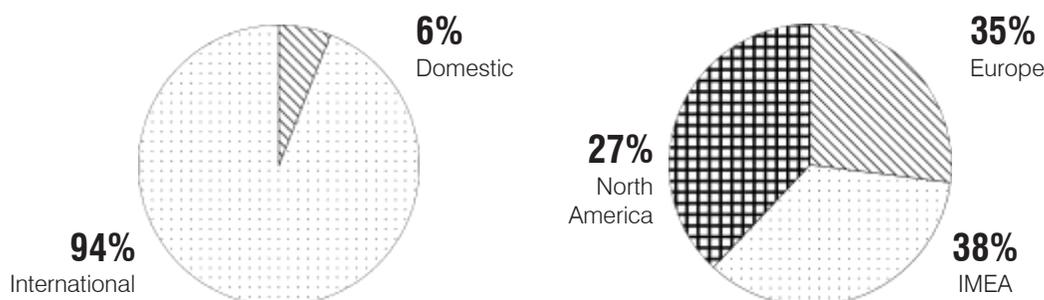
Insurance

Thinksoft's blend of domain expertise and technical know- how helps provide 360 degree service offering across the Insurance IT spectrum

Coverage

- Third Party Claim Administrators
- Financials (GL, AR and AP)
- eCommerce Solutions, Payment Gateways
- Document Management System, HRMS, Imaging Solutions
- Cash Management System and Investment Management Systems

FY13 - Geographical Split of Revenues



Decade at a Glance

INR in Million

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Gross Revenue	1,614.4	1,214.4	829.3	828.6	922.6	749.2	588.6	366.9	217.4	123.8
EBITDA	326.2	224.2	60.9	105.1	178.7	122.2	122.4	48.6	27.0	-0.6
Profit Before Tax	264.8	185.0	32.0	90.6	160.6	108.2	103.6	40.1	18.9	-11.9
Profit After Tax	194.4	113.8	18.7	82.3	144.9	99.7	94.6	36.2	15.6	-11.9
Fixed Assets: Gross Block	457.0	224.8	194.2	101.2	90.2	88.5	69.9	63.8	44.2	41.5
Fixed Assets: Net Block	312.1	108.7	111.5	42.4	33.5	28.2	22.1	27.7	11.4	11.2
Share Capital	101.2	100.5	100.5	100.5	87.0	76.6	72.5	70.7	70.7	70.7
Reserves and Surplus	780.7	654.6	599.2	592.2	381.9	246.6	160.0	82.1	53.9	43.1
Networth	881.9	755.1	699.7	692.7	469.0	329.0	232.5	152.7	124.6	113.8
Sundry Debtors	413.2	235.8	229.0	159.3	238.6	203.7	186.4	98.5	59.8	24.6
Cash & Bank Balances	393.9	404.5	400.3	514.0	265.6	147.3	76.6	47.4	58.4	116.7
Current Assets*	951.6	899.0	762.2	789.2	600.3	420.0	291.0	184.1	139.3	164.0
Current Liabilities	288.7	263.1	183.3	149.3	171.1	122.6	82.0	59.8	25.1	18.2
Working Capital	663.0	635.8	578.9	639.9	429.2	297.4	209.0	124.2	113.3	145.9
No of Equity Shares ('000)	10,124	10,052	10,052	10,052	8,702	7,663	7,245	7,068	7,068	7,068
Earnings Per Share (Diluted) (Rs.)	19.0	11.3	1.9	8.8	17.6	13.4	13.2	5.1	2.2	-1.7
Book Value Per Share (Rs.)	87.1	75.1	69.6	68.9	53.9	42.9	32.1	21.6	17.6	16.1

EBIDTA: Earnings before Interest, Depreciation & Taxes + Other Income

Current Assets * - For the years 2011-12 and 2012-13, figures are as per new schedule VI format

Board of Directors



K Kumar
Non-Executive and Independent Director



Vanaja Arvind
Executive Director



Mohan Parvatikar
Whole Time Director



Dr. S Rajagopalan
Non-Executive and Independent Director



A V Asvini Kumar
Chairman and Managing Director



Rajiv Kuchhal
Non-Executive and Independent Director

Directors' Report

To the Members,

We are presenting herewith, the report on our business and operations for the year ended March 31, 2013.

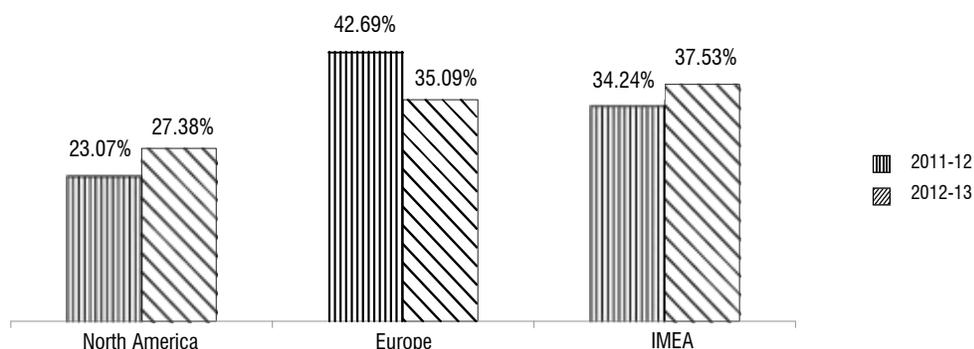
1) Financial Highlights for the year ended 31st March 2013:

(INR In Millions)	Consolidated		Stand Alone	
	2012-13 Current Year	2011-12 Previous Year	2012-13 Current Year	2011-12 Previous Year
Export Revenue	1,513.03	1,121.27	1,476.92	1,025.84
Domestic Revenue	101.40	93.15	101.40	93.15
Total Revenue	1,614.43	1,214.42	1,578.32	1,118.99
Delivery expenses	955.42	813.28	1104.68	852.74
Gross profits	659.01	401.14	473.64	266.24
Selling and Marketing expenses	161.75	147.81	39.29	51.06
General and Administrative expenses	195.35	126.28	166.61	110.31
Profit before Interest, Depreciation & Taxes	301.91	127.05	267.74	104.87
Less: Depreciation	46.42	37.40	46.20	37.17
Less: Interest	14.94	0.26	14.18	0.26
Operating Profit Before Taxes	240.55	89.39	207.36	67.43
Other Income	24.26	95.61	22.47	88.91
Net profit before taxes	264.81	185.00	229.83	156.34
Provision for taxation	75.90	65.88	72.31	60.28
Deferred Tax	(5.50)	5.35	(5.50)	5.35
Net Profit after tax	194.41	113.77	163.02	90.71
Profit brought forward from previous year	466.64	420.34	408.00	384.76
Profit available for appropriation	661.05	534.11	571.02	475.47
Appropriations : Interim Dividend	30.16	20.10	30.16	20.10
Transfer to General Reserve	16.40	9.10	16.40	9.10
Proposed Final Dividend	30.37	30.16	30.37	30.16
Tax on Dividend	9.82	8.11	9.82	8.11
Profit carried to Balance sheet	574.30	466.64	484.27	408.00
EPS basic	19.32	11.32	16.20	9.03
EPS diluted	19.03	11.30	15.95	9.01

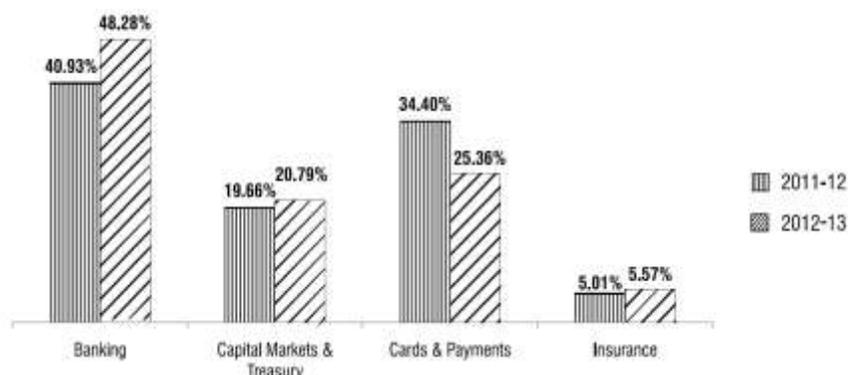
2) Business and Operations Review:

Total revenues increased, in Rupee terms by 33%, to INR 1,614.43 million this year, from INR 1,214.42 million in the previous year (In US dollar terms this amounts to an increase in revenues of 17%).

Distribution of Revenue by Geography



Distribution of Revenue by Practice



- Profit after tax at INR 194.41million constituted 12.04% of revenues as against INR 113.77 million (9.37%) for the previous year. 'Exchange Gain' contributed to INR 10.49million.
- Geographically, 35.09 % of the revenues came from Europe (previous year 42.69 %), 37.53% from IMEA (last year 34.24%), 27.38 % from America (last year 23.07%) and the proportion of onsite to offshore revenues stood at 47.54% /52.46 % compared to 50.54%/49.46% in the previous year. This is reflected in an increase of 25 % in onsite Revenue from INR 613.74 Million to INR 767.57 Million during the current year.
- Delivery expenses have decreased to 59.18 % of Revenue as against 66.97% in the previous year. This is a result of better utilization compared with previous year. The overall utilization increased to 68.37 %, compared to 65.4% in the previous year.
- The Gross Profit at INR 659.01 million worked out to 40.82 % of total revenues (excluding other income) compared with 33.03% during the previous year, while the PBITDA was at 18.70 % as against 10.46% for the previous year. After Tax profits (including other income increased to 12.04 % (previous year 9.37%).
- General and Admin Expenses registered an increase in absolute terms. It was INR 195.35 million at 12.10 % during the current year, as against INR 126.28 million at 10.40 % previous year.
- The company increased its investments in S&M activity, consequently, sales and marketing costs increased in absolute terms to INR 161.75 million at 10.02 % of revenue as against INR 147.81 million at 12.17% recorded during the previous year.
- Revenues from repeat business marginally increased to 93 % compared to 87% in the previous year.
- Employee strength was 782 (Women 26.00 %) at the end of the year compared to 742 (Women 27.8%) last fiscal. The attrition rate decreased to 15.9 % for the year ended March 2013, compared to 17.2% during the previous year.

3) Capital Expenditure:

During the year, we capitalized INR 250.69 million to our gross block comprising of INR 17.58 million on technology infrastructure, INR 232.33 million on physical infrastructure, INR 0.78 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 and INR 852.28 Lakhs utilized for normal capital expenditure. During the year Company has utilized the IPO proceeds fully for the purposes as approved.

5) Liquidity:

The company continues to maintain sufficient cash to meet its strategic objectives. The liquid assets at the end of the year stood at INR 800.53 million (as against INR 636.42 million previous year). Year end Account Receivables stood at INR 413.23 million (96 days sales) as against INR 235.77million previous year (71 days sales). The increase in Accounts receivables is mainly attributed to increase in volume of Revenue.

6) Share Capital:

As at the end of the financial year the Company's Equity Share Capital stands at INR 101.24 million, consisting of 1,01,23,681 fully paid up Equity Shares of INR 10 each. In pursuance of exercise of options granted under Thinksoft ESOP Scheme 2011 by the employees, the company has allotted 72,100 equity shares on 24th January 2013 to the employees, as a result of which the paid-up capital of the company increased from 100.52 million to 101.24 million. 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 III

7) Net Worth:

The net worth of the Company rose to INR 881.89 million as at 31st March 2013 from INR 755.09 million at the end of the previous fiscal. This works out to a per share net worth of INR 87.11.

8) Dividend:

For the financial year ended 31st March 2013, 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.3/- per equity share (30% on face value of Rs.10/- each) on 25th October 2012. This would result in a total dividend of Rs.6/- per equity share (60% on face value of Rs.10/- each) for the financial year ended 31st March 2013. (Previous year Rs.5/- 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, 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. 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, where ever 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:

Mr. K. Kumar, Director, who was appointed as Director on 17th September, 2008 is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment as Director.

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 25th April, 2013 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.

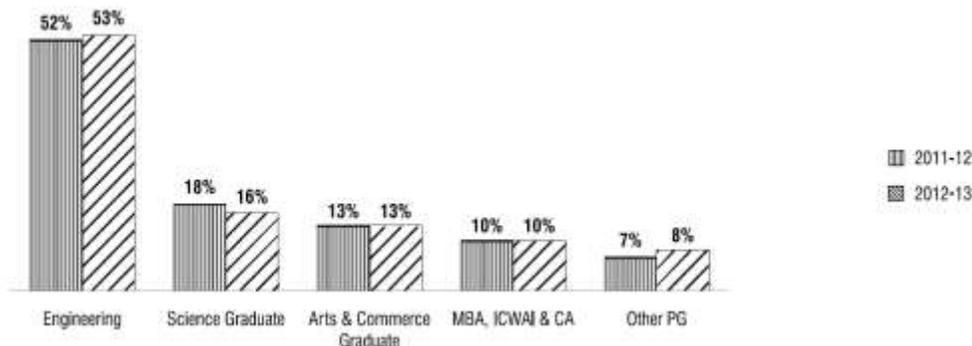
14) Particulars of employees:

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 742 to 782 during the end of the year.

Education profile of the employees



The Company strongly believes that the 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 year, about 183 training programs were conducted for the employees, clocking an average of 30 hours training per employee per year. The company further endeavors through its special talent management initiatives, to make its key employees result oriented and business savvy.

The individual practices are mandated with the task of optimizing the deployment of resources across practices and geographies, based on the business needs.

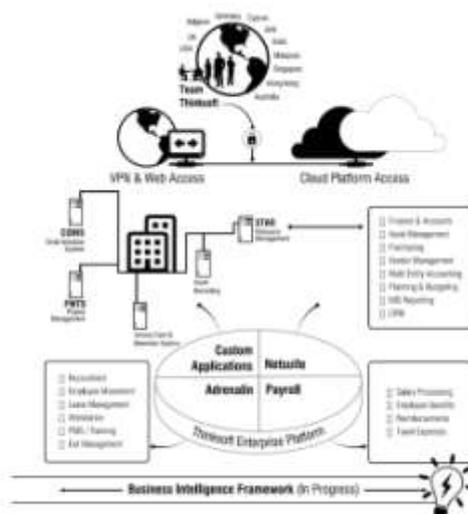
16) Quality, Technology and Systems: Enterprises Resource Planning (ERP):

The plan of an Enterprise platform implementation at Thinksoft was initiated in November, 2011, towards streamlining and integrating activities & processes across departments and enables collaborative working. After due approvals from the Board, the process of defining organization-wide requirements, floating an RFP and selecting the right vendor was kicked off.

After a detailed process of evaluating options, the cloud-based ERP, Netsuite, was selected. The ERP is intended to support the global planning, operational and reporting needs of the Finance & Accounting, Purchasing and Asset Management functions, and also well-suited to handle the end-to-end requirements of the Human Resources function.

ERP is being implemented in phases. While phase I, representing finance and Accounts, Human resources, Sales order tracking of the ERP implementations, went live during November, 2012, Phase 2, comprising Project Management, Customer service, Performance and Travel Management currently in progress and expected to be completed by middle of this financial year. ERP is expected to enhance productivity of operations, minimizing duplication of data, enabling consistent reporting, higher accuracy levels and enhanced controls in access to organization-level information.

Pictorial representation of the ERP implementation:



PCI DSS (Payment Card Industry Data Security Standard):

Information is a valuable business asset and the key to the success and growth of any company. Hence it is essential that this business asset is suitably protected. In the modern networked world this becomes crucial for success and maintaining credibility. Considering this Thinksoft's offshore TCoE (Testing Centre of Excellence) in PRINCE Info city, Chennai is compliant with PCI DSS and ISO 27001. PCI DSS is a worldwide Data security standard defined by the Payment Card Industry Security Standards Council.

Thinksoft's compliance with PCI DSS implies Complete Secured Physical/Logical Work Environments, Multilayer Encryption for data at Receipt, Processing and Storage, Comprehensive Privacy Framework, Detailed Risk and Governance Framework, 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 Information Security among its achievements. Through this compliance and certification the company has reinforced its commitment to its BFSI clients of its ability to meet the stringent global standards of information security, data privacy, data security and business continuity in its offshore delivery centers. As pioneers in Independent Testing services Thinksoft has proven that it is ahead of the market in proactively meeting client's expectations in terms of Data/Information security.

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 centers are being undertaken. During the current year Thinksoft Delivery centers have been deployed with less power consuming Ultra Small form factor desktops which are likely to consume only ¼ th of the power consumed by regular desktops.

Human detector sensors have been deployed across the facility to auto power off lights when no human presence. Video conferencing (VC) usage has increased steadily during the last couple of years, which in turn has reduced the travel cost and improved energy savings. During the current year, Video conference facility has been extended to on hand held devices and PDA to reduce the travel time even to the nearest Thinksoft office.

Thinksoft will explore the opportunity of using alternative energy (Wind / Solar) during the course of the year to reduce the usage of electrical power. Towards contributing for Green IT for a safe environment, Thinksoft continues to dispose the e-waste generated in-house through vendors who adopt "Safe disposal practices", recycle and re-manufacture the used e-waste like printers, toners and cartridges. These initiatives are 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 BSE Ltd. (BSE) is included in the Annual Report.

The Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time. A separate Management Discussion and Analysis Report is also attached and forms part of this report.

19) Status of Application money refund:

Your company sent reminder for three times for the refund of application money. The money lying in the account as on 31st March 2013 is Rs. 72,000/- for 85 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:

The activities under the Corporate Social Responsibility function have been explained in detail in another section in this report. Of particular importance is our association with the Toda tribe in their Nilgiris and our endeavor to make a difference in their general well-being.

22) Shifting of Registered Office:

During the current year, the Registered office of the Company has been shifted, to its own premises, situated at 6A, Sixth Floor, Prince Infocity II, No.283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096.

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

Pursuant to Section 217(2AA) of the Companies Act, 2000, 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 abovementioned 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

24) 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 Corporate Affairs, 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: Chennai
Date: April 25, 2013.

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

ANNEXURE 1

Statement of Subsidiaries under Sec 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, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
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	EUR 50,000/-	3,50,000 equity shares of GBP 1/- each fully paid up	24 equity shares of AED 25,000/- each fully paid up
Net aggregate amounts of the profits or (losses) of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company					
for the financial year ended March 31, 2013 (Rs. Mn)	4.61	11.81	0.32	5.47	9.18
for the previous financial years of the subsidiary since it became its subsidiary (Rs. Mn)	27.69	6.44	5.35	17.90	1.24
Net aggregate amounts of the profits or (losses) of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company					
for the financial year ended March 31, 2013 (Rs. Mn)	NIL	NIL	NIL	NIL	NIL
for the previous financial years of the subsidiary since it became its subsidiary (Rs. Mn)	NIL	NIL	NIL	NIL	NIL

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

Place: Chennai
Date: April 25, 2013

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

S Krishnamoorthy
Company Secretary

ANNEXURE 2

PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988

A. Details of conservation of energy	<p>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,</p> <ol style="list-style-type: none"> a) Consolidation of operations through reduction in the number of Data centers b) Reduced number of network devices for multiple clients c) Human detector sensors have been deployed across the facility to auto power off lights when no human presence d) Replacement of flat monitors in the place of CRT monitors e) Optimization of storage devices switching over to CFL lightings f) 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	<p>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.</p>
2) Benefits derived as a result of the above R & D	<ul style="list-style-type: none"> • 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	<p>We will continue to focus on creation of 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.</p>
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.	<p>With advances in Technology happening over time, in order to retain customers and reduce costs financial organizations are required to keep up to date with the right technology. Thinksoft participated in a series of events world over which gave the company the opportunity to network with peers and also helped gaining deeper understanding of client needs and their strategic visions.</p> <p>Thinksoft were the exhibitors at Eurostar Testing Conference, Amsterdam; European Banking Forum, UK; Retail Banking Event, Mumbai; Insurance Tech Congress; Trade Tech, USA. Thinksoft was a welcome sponsor at IQPC's Banking Technology Summit held in Cairo. All these events provided the company numerous ways to learn from other's experience and the existing capabilities of the Testing Business</p>
2) Total Foreign exchange used and earned FOB	<ol style="list-style-type: none"> (a) Total Foreign Exchange Earned INR 1476.93 million. (b) Total Foreign Exchange used INR 174.35 million.

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

Place: Chennai
Date: April 25, 2013.

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

SI 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	4,10,500
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	1,35,600
5	Options Exercised during the year	72,100
6	Total number of shares arising as a result of exercise of option (as of March 31, 2013)	72,100
7	Options lapsed/forfeited during the year	Nil
8	Variation of terms of options up to March 31, 2013	Nil
9	Money realised by exercise of options during the year (in Rs.)	Rs.27,43,405/- (Rupees twenty seven Lakhs forty three thousand four hundred and five only)
10	Total number of options in force at the end of the year (granted, vested and unexercised/unvested and unexercised)	6,77,400
11	Employee wise details of options granted to :	
	(a) Senior Management during the year	
	Name	No. of options
	(i) Vaidyanathan N	20,000
	(ii) Srinivasan R	20,000
	(iii) Nandkishore D	20,000
	(b) Employees who receives a grant in any one year of option amounting to 5% or more of option granted during	Nil
	(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	15.95
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	8.17%
	(b) expected life	4.4 years
	(c) expected volatility	71.84%
	(d) expected dividend	4.36%
	(e) the price of the underlying share in market at the time of option grant	114.70
14	(i) Weighted average Fair Value of Options granted during the year whose	
	(a) Exercise price equals market price (Rs.)	55.08
	(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 (Rs.)	84.50
	(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, 2012 to March 31, 2013 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, 2012 to March 31, 2013 would be Rs.95,97,370/-. 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 Earnings Per Share	
Particulars	INR.
Net Income as reported	163,015,270
Add: Intrinsic Value Compensation Cost	Nil
Less: Fair Value Compensation Cost	9,597,370
Adjusted Pro Forma Net Income	153,417,900
Earnings Per Share: Basic	
As Reported	16.20
Adjusted Pro Forma	15.24
Earnings Per Share: Diluted	
As Reported	15.95
Adjusted Pro Forma	15.02

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

Place: Chennai
Date: April 25, 2013.

A V Asvini Kumar
Managing Director

Vanaja Arvind
Executive Director

Management Discussion and Analysis

Global Outlook

In the face of a volatile economic environment, 2012 recorded a steady growth for technology and related services sector, with worldwide spending of USD 1.9 trillion, a growth rate of 4.8 per cent over 2011. While IT services and packaged software grew by about 3.3 per cent each, BPM services with 4.9 per cent contributed majorly to the growth.

The combined IT spend from IT, BPM and software products accounted for over US\$ 1 trillion – 58 per cent of the total IT spend while hardware touched 797 billion and accounted for the remaining 42 per cent of the worldwide technology spend in 2012.

The global sourcing market saw a growth of 9% and grew to USD 124-130 billion. The APAC growth at 6 per cent was nearly 1.6 x the growth of mature geographies while Americas remained steady at 5 per cent and EMEA recorded a marginal growth of 1 per cent over the last year. The trend was also similar in respect of vertical spending with emerging verticals driving incremental growth in 2012. While BFSI and manufacturing continue to have the lion's share with more than 40 per cent, emerging verticals like healthcare, retail government and utilities contributed 30 per cent of total IT spend in 2012.

Industry Outlook

FY2013 has been a tough year of transition and transformation for the Indian IT-BPM industry as companies have found it increasingly tough to maintain a growth trajectory given the huge volatility in the economy.

According to NASSCOM, the industry is estimated to aggregate revenues of USD 108 billion in FY2013, with the IT software and services sector (excluding hardware) accounting for USD 95 billion of revenues. The IT services segment aggregated export revenues of USD 43.9 billion, accounting for nearly 58 per cent of total exports and a growth of 9.9 per cent over FY2012. Indian IT service offerings have evolved from application development and maintenance, to emerge as full service players providing testing services, infrastructure services, consulting and system integration. Within that, IT outsourcing exhibited strong growth, in line with global trends, driven by increased spend in the remote infrastructure management, application management, testing and SOA segments.

Growth in IT service exports (9.9 per cent) was driven by higher uptake of IS outsourcing and software testing. Software testing and IS outsourcing is growing 50 per cent faster than industry average.

India's customer base – government, large enterprises, micro, small & medium enterprises and household consumers, represent a unique set of requirements which has opened up new opportunities for the domestic IT-BPM sector. Rising Indian corporations facing competitive global market conditions, increasing spend by the government in several e-Governance initiatives, enhanced connectivity and increased levels of IT spending are key factors, which make the domestic market lucrative today. Coupled with the fact that companies are looking to improve competitiveness by adopting global best practices, leverage customised service offerings and new delivery models such as SaaS, which ensures greater cost savings. Additionally, a new wave of start-ups is driving innovative India specific solutions further spicing up the market.

Software Testing Market

While testing as a practice dates back as far as software development itself, it is only recently that it has become recognized as a distinct expertise and an area which can provide true competitive advantage to a development team and the business as a whole. This change in perception, allied to a growing need for software testing in an increasingly applications-reliant world, has made testing, and the broader process of software quality, a growing concern.

The testing process is believed to consume between one third and one half of all software development budgets, so it is crucial that its efforts are a success. In an industry in which only 32% of projects are successful and half of all development efforts are wasted, there is little margin for error.

Most importantly of all however, the growing importance of applications to modern society is driving the growth of testing. Increased levels of demand for applications, particularly Web 2.0 and online applications, has made their value to the business even greater. Yet it has also made the cost of their failure all the more tangible.

Every software application requires testing in one form or another, from a simple Web 2.0 widget through to a major enterprise system. With both consumers and businesses demanding smarter, faster and ever more sophisticated applications and the cost of application failure becoming ever greater, the need for testing solutions and services which can ensure this is achieved is more pressing.

Over the last 5-6 years, India has become one of the leading destinations for outsourcing of Software Testing Services accounting for 32 per cent of the total global outsourcing share. Export revenues and the number of employees have doubled over the last four years at a CAGR of 20 per cent. Most of the current testing that is outsourced concerns conventional elements of functional testing, primarily systems testing, regression testing and integration testing.

However, current trend shows increased demand on specialised areas in testing such as test automation, non-functional testing and test consulting services. Specifically, India's supply base is expanding its independent testing services to offer domain specific niche services, testing services for SMAC platforms, security and compliance testing and specialised testing services such as SAP/Oracle, SOA, ERP and performance monitoring testing. This segment is likely to reach USD 5.5 billion, a CAGR of 21 per cent and is expected to account for about 17 per cent of incremental IT services growth by 2020.

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 Citibank 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.

Business Outlook

Given the high level of competition among vendors, we believe that that to attain a leadership position among the service providers, new and innovative growth strategies have to be adopted. In our case, this would include leveraging new delivery models, creating our IP to scale up, increasing our IP investment in automation across the test value chain and also entering into partnerships with tools/solution providers to offer maximum business value to our customers.

Thinksoft has put the right engines in place to drive growth and we believe our domain focus and our niche service offerings places in a very good pedestal to grow at a much faster pace than the industry in the future.

Report on Corporate Governance

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements entered with the Stock Exchanges.

1. Company's Philosophy on Code of Governance

Thinksoft is committed to the highest standards of Corporate Governance, envisages adherence to the highest levels of transparency, accountability and equity in all areas of its operations and in all interactions with its stakeholders. The Company has duly implemented all relevant provisions of the Corporate Governance Guidelines as suggested by SEBI and as applicable.

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.

Composition

The Board has an optimum combination of Executive and Non Executive and Independent Directors, which ensures proper governance and management. The Chairman of the Board is an Executive Promoter Director.

As on 31st March, 2013, The Board of Directors ("Board") comprises six members of which three are Whole Time Directors, and three are Non-Executive Independent Directors. The Chairman of the Board is an Executive Director. The optimum combination of Executive, Non-executive and Independent Directors ensure independence of the Board and separation of Board function from governance and management.

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 not is any of them is a Chairman of more than five Board level Committees, in which they are members.

Board Meetings

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

April 27, 2012, June 15, 2012, July 20, 2012, July 25, 2012, October 25, 2012 and January 24, 2013

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 2012-13		Whether attended last AGM held on July 25, 2012	Number of Directorships 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	5	Yes	–	2	–	–
Mr. Rajiv Kuchhal	Independent & Non-Executive Director	6	5	Yes	--	8	--	--

Notes:

1. Excluding Directorship in Foreign Companies, Section 25 Companies, Private Limited 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

Composition, names of the members and Chairman

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 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.

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 27, 2012, July 25, 2012, October 25, 2012 and January 24, 2013

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 2012-13	
		Held	Attended
Dr. S. Rajagopalan	Member	4	4
Mr. Mohan Parvatikar	Member	4	4
Mr Rajiv Kuchhal	Member	4	3
Mr K Kumar	Chairman	4	4

I. 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 25, 2012.

4. Remuneration Committee

Remuneration Committee was constituted to discharge the Board's responsibilities related to appointment and compensation of the Company's executive directors. The committee has the overall responsibility of approving and evaluating the compensation plans, policies and programs for executive directors.

The Committee is not mandatory as per Clause 49 of the Listing Agreement.

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 Committee consists of three Independent Directors. 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 2012-13	
		Held	Attended
Dr. S. Rajagopalan	Member	3	3
Mr Rajiv Kuchhal	Member	3	2
Mr K Kumar	Chairman	3	3

The Remuneration Committee met on April 27, 2012, June 15, 2012 and October 25, 2012.

III. Remuneration policy:

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

IV. Details of Remuneration for the year ended March 31, 2013:

a. Non-Executive Directors

Name of the Director	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Dr. S Rajagopalan	600,000	240,000	840,000
Mr. K Kumar	600,000	260,000	860,000
Mr. Rajiv Kuchhal	600,000	200,000	800,000

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 (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. A. V. Asvini Kumar	60,28,800	60,00,000	120,28,800
Ms. Vanaja Arvind	60,28,800	60,00,000	120,28,800
Mr. Mohan Parvatikar	15,28,800	15,00,000	30,28,800

5. Shareholders'/ Investors Grievance Committee

The Committee has been formed to look into the redressal of shareholders' / Investors complaints relating to transfer or credit of shares, non receipt of dividend/notices/annual reports, etc.

The composition of the Shareholders'/Investor Grievance Committee:

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

Mr. S. Krishnamoorthy, Company Secretary has been designated as the Compliance Officer of the Company in compliance with the Listing Agreement with the Stock Exchanges.

The status of investor complaints received during the year is as follows:	
Number of Complaints received during the year	11
Number of Complaints resolved during the year	11
Number of Complaints pending as on March 31, 2013	Nil

10 complaints pertain to non-receipt of Dividend Warrants

1 complaint pertains to non receipt of Annual Report.

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

Details	Date	Time	Venue
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, Adyar, Chennai 600020.
Annual General Meeting 2011-12	July 25, 2012	3.30 p.m.	The Music Academy, Kasturi Srinivasan Hall (Mini Hall), No. 168, TTK Road, Royapettah, Chennai 600014.

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

- Special Resolution was passed approving the payment of minimum remuneration to the Whole Time Directors in the event of loss or inadequate profit.
- Special Resolution was passed approving the payment of Commission from April 1, 2009 to March 31, 2014 for all the Non-Executive Directors which in the aggregate shall not exceed 1% of the net profits of the Company.

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.

14th Annual General Meeting for the year 2011-12 held on July 25, 2012

- Special Resolution was passed approving the re-appointment of Mr.A V Asvini Kumar as Chairman and Managing Director of the company for a period of five years from April 01, 2013
- Special Resolution was passed approving the re-appointment of Ms.Vanaja Arvind as Executive Director of the company for a period of five years from April 01, 2013.
- Special Resolution was passed approving the re-appointment of Ms. Aarti Arvind as Executive Vice President for a period of five years from April 01, 2013
- Special Resolution was passed approving the amendment of Thinksoft Employee Stock Option Scheme-2011 in order to extend the scope and cover employees of subsidiaries.
- Special Resolution was passed approving the issue of securities under Thinksoft Employees Stock Option Scheme 2011.

III. Details of voting pattern for the special resolutions passed through Postal Ballot during the year:**NO SPECIAL RESOLUTIONS WERE PASSED THROUGH POSTAL BALLOT****IV. No special resolution is proposed to be passed conducted through Postal Ballot.****7. DISCLOSURES:**

- Related Party Transactions:**
Transactions with related parties are disclosed in detail in Note no. 29 of Schedule annexed to the standalone financial statements for the year. These transactions were not in conflict with the interest of the Company.
- 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.
- 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 October 28, 2010.
- 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. Compliance with non-mandatory requirements was disclosed at appropriate places.

8. Means of Communication to Shareholders

I. Quarterly results and news paper where in results published

- During the year, quarterly, half yearly and Annual Financial Results of the Company on the Standalone and Consolidated basis were submitted to the Stock Exchanges soon after they were approved by the Board of Directors.
- The Financial Results are also published in 2 leading newspapers Financial Express (English) and Makkalkural (Tamil).
- Results are displayed in the Company's Website www.thinksoftglobal.com.
- All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed.
- All official news releases 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

15th Annual General Meeting

Date and Time : Thursday, July 25, 2013 at 3.30 pm
 Venue : Rani Seethai Hall, No.603, Anna Salai, Chennai – 600 006

II. Financial calendar

Tentative Financial Calendar for the year 2013-14

Financial Year April 1, 2013 to March 31, 2014
 First Quarter Results On or before July 29, 2013
 Half Yearly Results On or before November 15, 2013
 Third Quarter Results On or before February 15, 2014
 Fourth Quarter and Annual Results On or before May 31, 2014

III. Date of book closure

Monday, July 15, 2013 to Thursday July 25, 2013 (both days inclusive)

IV. Dividend payment date

The Final Dividend proposed to be declared for the year 2012-13 will be paid on or before August 23, 2013.

V. Listing of Stock Exchanges and Stock Code

1. 01.23.681 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 2013-14 on both the above Stock Exchanges.

VI. Market Price data:

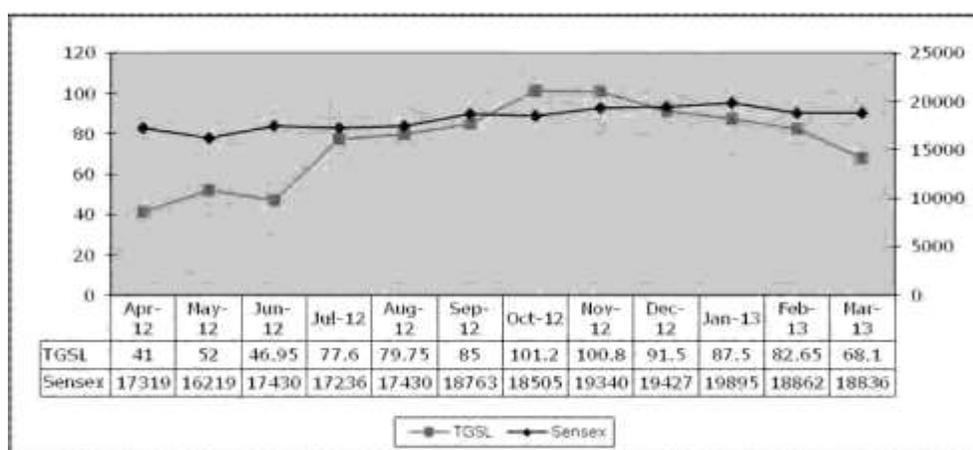
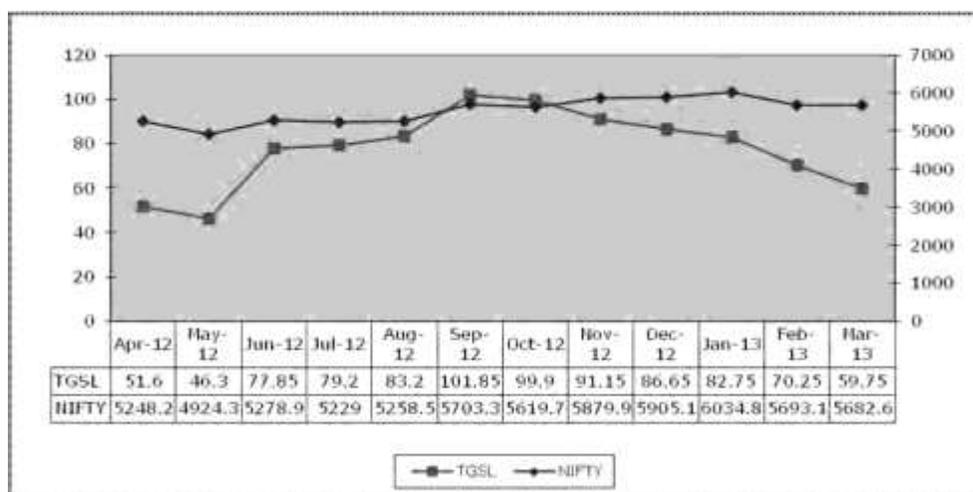
The closing market price of equity shares on 29th March 2013 (last trading day of the year) was Rs.59.75/- on NSE and Rs. 60.20/- on BSE.

VII. Monthly share price movement during 2012-13 at NSE & BSE:

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

MONTH	NSE			BSE		
	HIGH	LOW	VOLUME	HIGH	LOW	VOLUME
April, 2012	54.00	40.35	573,361	53.75	40.00	300,015
May, 2012	52.00	44.20	210,870	52.00	44.10	112,310
June, 2012	84.80	45.00	8,480,169	84.80	44.70	4,180,274
July, 2012	84.55	61.50	3,908,108	84.50	61.15	2,125,883
August, 2012	96.25	72.05	2,410,094	96.45	74.60	1,284,299
September, 2012	117.45	83.20	7,637,903	117.45	83.05	3,330,278
October, 2012	123.50	92.30	5,187,219	123.40	93.50	2,370,708
November, 2012	104.85	77.25	3,437,342	104.55	77.65	1,362,721
December, 2012	94.20	81.60	2,396,892	94.25	81.60	883,342
January, 2013	98.70	82.10	3,347,291	98.65	82.10	1,473,328
February, 2013	87.20	66.65	902,725	87.00	66.60	461,261
March, 2013	79.40	56.00	499,998	77.00	57.05	196,011
		TOTAL	38,991,972			18,080,430

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 dematerialized 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, 2013

Category (Amount)	No. of Shareholders	% of Shareholders	No. of Shares held	Amount (INR)	% of Amount
1-5000	16,175	93.16%	14,62,130	1,46,21,300	14.44%
5001- 10000	604	3.48%	4,69,063	46,90,630	4.63%
10001- 20000	285	1.64%	4,29,281	42,92,810	4.24%
20001- 30000	105	0.60%	2,63,152	26,31,520	2.60%
30001- 40000	40	0.23%	1,40,507	14,05,070	1.39%
40001- 50000	37	0.21%	1,72,223	17,22,230	1.70%
50001- 100000	57	0.33%	4,02,459	40,24,590	3.98%
100001 & Above	59	0.34%	67,84,866	6,78,48,660	67.02%
Total	17,362	100%	1,01,23,681	10,12,36,810	100%

XI. Dematerialization of securities and liquidity

As on March 31, 2013, 1,01,07,948 shares (99.84%) of the Company were held in dematerialized form and 15,733 shares (0.16%) were held in physical 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 Centers in Chennai, Bangalore and one Sales office cum Delivery Centre in Mumbai. The Company has branch offices in Belgium, Cyprus, Malaysia and UK. The Company has Place of Establishments in Hong Kong and Australia. The addresses of these offices are available on your Company's website.

Address for Correspondence:

Thinksoft Global Services Limited
6A, Sixth Floor, Prince Infocity-II,
283/3, 283/4, Rajiv Gandhi
Salai(OMR),
Kandanchavadi, Chennai-
600096 Telephone: 91 044
43923200
Fax: 91 044 43923258
Website: www.thinksoftglobal.com
e-mail: investor@thinksoftglobal.com

Other disclosures as per Clause 49 of the Listing Agreement:**(i) Clause 49(I) (D): Code of Conduct:**

The Company has adopted a Code of Conduct as required under Clause 49(I)(D) of the Listing Agreement with Stock Exchanges, which applies to all the Board Members and Senior Management of the Company. The Board Members and senior management personnel have affirmed their compliance on an annual basis and their confirmations have been received in this regard. The Code of Conduct is available on the Company's website: www.thinksoftglobal.com

A declaration to this effect signed by the Managing Director is attached.

(ii) Clause 49(IV) (B): Disclosure of Accounting Treatment:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956. Significant Accounting Policies is provided elsewhere in the Annual Report.

(iii) Clause 49(IV) (E) (iv):

- (a) None of the Independent / Non-executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independence of the director except receiving sitting fee for attending meetings.

Details of Shares and convertible instruments held by Non-Executive Directors as on 31st March, 2013:

S.No	Name	Shares	Stock Options
1	Mr. RAJIV KUCHHAL	34,001	10,000
2	Mr. K. KUMAR	1,000	10,000
3	DR. S. RAJAGOPALAN	1,000	10,000
TOTAL		36,001	30,000

The Board of Directors at their Meeting held on 25th October, 2012, had granted 30,000 stock options (10,000 options each) to the three Independent / Non-Executive Directors under Thinksoft Employees Stock Option Scheme – 2011 at the exercise price of Rs.114.70/- per option being the latest available closing price on National Stock Exchange of India Limited as on 23rd October, 2012.

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- (iv) **Management Discussion and Analysis Report:**
The Management Discussion and Analysis Report is provided elsewhere and form part of this Annual Report.
- (v) **Clause 49(IV) (G): Shareholders Information:**
- a. Appointment/ Re-appointment of Directors: The brief resume of Director retiring by rotation, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice calling Annual General Meeting.
- b. None of the Directors are related to each other.
- (vi) **Clause 49(V): CEO/CFO certification:**
The CEO and CFO certification of the financial statements for the year 2012-13 is provided elsewhere in this Annual Report.
- (vii) **Prevention of Insider Trading: [Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 1992]**
In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board had approved the "Code of Conduct for prevention of insider trading". The Board has designated Company Secretary as the Compliance Officer.

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 31st March 2013 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, 2013, 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 : 25th April 2013

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

As provided under Clause-49 of the Listing Agreement entered 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 31st March, 2013.

For Thinksoft Global Services Limited

Place: Chennai
Date: April 25, 2013

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 the financial statements and the cash flow statement for the year ended 31st March, 2013 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, 2013 which 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 taken to take 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
Date: April 25, 2013

A V Asvini Kumar
Managing Director

N Vaidyanathan
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 & Corporate Office at 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4 Rajiv Gandhi Salai (OMR), Kandhanchavadi, Chennai 600 096 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 Meetings held on 29th July 2011 and 25th July 2012.

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

T V Balasubramanian
Partner
Membership Number 027251

Place: Chennai
Date: 25th April 2013

Independent Auditors' Report

To the Members of Thinksoft Global Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Thinksoft Global Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **PKF Sridhar & Santhanam**
Chartered Accountants
Firm's Registration Number 003990S

T V Balasubramanian
Partner
Membership Number 027251

Place: Chennai
Date: 25th April 2013

Annexure Referred To In The Independent Auditors' Report To The Members Of Thinksoft Global Services Ltd On The Accounts For The Year Ended 31st March 2013

- 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 31st March 2013 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 Appeals

- 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, term loan from a bank has been applied for the purpose for which it was obtained.
- 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. 38 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 31st March 2013.

For PKF Sridhar & Santhanam
Chartered Accountants
Firm's Registration Number 003990S

T V Balasubramanian
Partner
Membership Number 027251

Place: Chennai
Date: 25th April 2013

Balance Sheet as at March 31, 2013

Particulars	Note	31-Mar-13 Rs	31-Mar-12 Rs
EQUITY and LIABILITIES			
Shareholder's Funds			
Share capital	3	101,236,810	100,515,810
Reserves and Surplus	4	690,629,725	595,936,632
		791,866,535	696,452,442
Share application money pending allotment		182,640	-
Non-Current liabilities			
Long term Borrowings	5	114,258,118	-
Current Liabilities			
Trade payables	6	8,926,351	16,913,052
Other current liabilities	7	161,480,205	149,322,600
Short-term provisions	8	111,245,000	96,509,970
		281,651,556	262,745,622
TOTAL		1,187,958,849	959,198,064
ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	9	291,531,734	79,041,402
Intangible assets	10	19,895,161	28,839,500
Capital work in progress		594,864	634,800
		312,021,759	108,515,702
Non current Investments	11	42,862,197	42,862,197
Deferred tax asset (Net)	12	9,472,949	3,970,255
Long term loans and advances	13	5,208,116	1,054,657
Other Non-current assets	14	6,630,000	5,496,990
		64,173,262	53,384,099
Current Assets			
Trade receivables	15	387,481,785	215,817,158
Cash and bank balances	16	284,319,661	330,094,262
Short term loans and advances	13	95,029,598	141,884,822
Other current assets	14	44,932,784	109,502,021
		811,763,828	797,298,263
TOTAL		1,187,958,849	959,198,064
Summary of significant accounting policies	2		
The accompanying notes are an integral part of this 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	S Krishnamoorthy Company Secretary
Place: Chennai Date : April 25, 2013	Place: Chennai Date : April 25, 2013		

Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Note	31-Mar-13 Rs	31-Mar-12 Rs
Revenue from Operations	17	1,578,319,060	1,118,983,577
Other income	18	22,473,435	88,907,687
Total Revenue		1,600,792,495	1,207,891,264
Employee benefits expense	19	607,036,791	566,268,478
Depreciation and amortization expense	20	46,204,610	37,168,019
General, administrative and other expenses	21	703,541,672	446,670,040
Finance cost	22	14,183,804	1,443,931
Total expenses		1,370,966,877	1,051,550,468
Profit before exceptional and extraordinary items and tax		229,825,618	156,340,796
Exceptional items		-	-
Profit before extraordinary items and tax		229,825,618	156,340,796
Extraordinary items		-	-
Profit before tax		229,825,618	156,340,796
Tax expense:			
Current Tax			
Current year		72,313,042	37,177,349
Earlier years		-	23,100,000
Deferred Tax (Credit)		(5,502,694)	5,347,346
Profit for the year		163,015,270	90,716,101
Earnings per Equity share (Par value of Rs.10 each)	23		
Basic		16.20	9.03
Diluted		15.95	9.01
Summary of significant accounting policies	2		
The accompanying notes are an integral part of this Statement of Profit and Loss			
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	S Krishnamoorthy Company Secretary
Place: Chennai Date : April 25, 2013	Place: Chennai Date : April 25, 2013		

Statement of Cash flow for the year ended March 31, 2013

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Cash flow from operating activities		
Net profit/(loss) before taxation	229,825,617	156,340,796
Adjustments for:		
Depreciation/amortization	46,204,610	37,168,019
Loss/(profit) on sale of fixed assets	(2,140,071)	(213,960)
Unrealized forex exchange loss/(gain), net	38,954,130	(31,535,757)
Interest income	(9,727,451)	(16,002,519)
Interest expense	12,027,161	260,380
Provision for bad and doubtful debts	12,611,803	(1,097,966)
Operating profit before working capital changes	327,755,799	144,918,993
(Increase)/Decrease in sundry debtors	(205,786,827)	9,105,911
(Increase)/Decrease in loans and advances and other current assets	104,646,077	(39,875,236)
Increase/(Decrease) in current liabilities & provisions	(27,806,168)	(37,772,598)
Cash generated from operations	198,808,881	76,377,070
Direct taxes paid (net of refunds)	(50,694,514)	(31,482,254)
Net cash from/(used in) operating activities	148,114,367	44,894,816
Cash flows from investing activities		
Purchase of fixed assets	(250,603,352)	(34,590,317)
Proceeds from sale of fixed assets	3,032,754	267,407
Interest received	8,598,324	14,568,367
Investment in Subsidiaries	-	(8,696,000)
Fixed deposits matured/(invested) during the year	32,320,338	14,941,569
Net cash from/(used in) investing activities	(206,651,936)	(13,508,974)
Cash flows from financing activities		
Proceeds from Issue of Shares/Share Application money	2,926,045	-
Term Loan availed	143,795,085	-
Repayment of short-term borrowings	(690,813)	-
Interest paid	(12,027,161)	(260,380)
Dividends paid	(60,309,486)	(30,154,743)
Tax on dividend paid	(9,783,708)	(4,891,854)
Net cash from/(used in) financing activities	63,909,962	(35,306,977)
Net increase in cash and cash equivalents	5,372,393	(3,921,136)
Cash and cash equivalents at the beginning of the year	201,316,398	194,237,245
Effect of changes in exchange rate on cash and cash equivalents	(16,199,299)	11,000,289
Cash and cash equivalents at the end of the year (Ref Note 16)	190,489,492	201,316,398
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
		S Krishnamoorthy Company Secretary
Place: Chennai Date : April 25, 2013	Place: Chennai Date : April 25, 2013	

Notes to Financial Statements for the year ended March 31,2013

Note 1

i. Background :

Thinksoft Global Services Limited ("Thinksoft" or "the Company"), incorporated on June 8, 1998 as a private limited company was converted into a public limited company with effect from 19th August 2008. The Company made its Initial Public Offering (IPO) of its Equity Shares on 24th September 2009 (issue open date) and shares under IPO were allotted on 14th October 2009. The Company's shares are listed in National Stock Exchange and Bombay Stock Exchange with effect from 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 subsidiaries in Singapore, USA, Germany, UK and UAE for market development and service delivery in the respective regions.

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 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. The Financial Statements include figures pertaining to Head office and Branches/Places of Business located at Madras Export Processing Zone - Chennai, United Kingdom, Australia, Belgium, Hong Kong, 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 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.

Fixed Assets and Depreciation

ii. Tangible Assets

Tangible assets 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 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 are as follows:

Asset description	Percentage
Building	5%
Plant 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

Assets individually costing Rs 5,000 or less are depreciated in full 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 are carried at cost less accumulated amortization and impairment losses, if any. These assets are amortized on straight line basis over the estimated useful economic life. The amortization period and amortization method are reviewed 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.

Asset description	Percentage
Intangible assets – Computer software	33.3%
Intangible assets – Software tools	20%

iv. Impairment

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.

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

Notes to Financial Statements for the year ended March 31,2013

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 Statement of Profit and Loss.

vi. Revenue recognition

Software service income

- Revenue from software validation and allied services comprises revenue from time and material contracts and fixed price contracts.
- Revenue in respect of time-and-material contracts is recognized based on time/efforts spent and / or billed to clients as per the terms of specific contracts.
- Revenue in respect of fixed-price contracts is recognized on proportionate completion method on the basis of the work completed.
- Revenue includes reimbursement of expenses wherever billed as per the terms of contracts.

Interest income

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

vii. Employee benefits

- Employee benefits in the form of Provident Fund / Social Security payments are defined contribution schemes and the contributions made are charged to the Statement of Profit and Loss for the year. The Company has no further obligations under these plans beyond its periodic contributions.
- 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 the Statement of Profit & Loss as Income/Expense.
- The Company does not allow leave encashment on retirement. However, appropriate provision is made at the end of each financial year based on estimates for the accrued and unavailed leave entitlement 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 recognized 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 realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only

if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

The company has 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, 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. Income from MEPZ 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 recorded by applying the monthly weighted average exchange rate of the respective currencies.

b. Conversion:

Monetary items denominated in foreign currency are reported using the closing rate. Non-monetary items are carried at historical cost.

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 recognized as income or as expense in the year in which they arise. Exchange differences on account of conversion of foreign operations are also recognized as income or as expense in the year in which they arise.

Notes to Financial Statements for the year ended March 31,2013

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 speculative 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. Classification of foreign operations as integral / non-integral:

The company classifies all its foreign operations as integral foreign operations. Transactions of integral foreign operations are translated as if the transactions of the foreign operations are those of the company itself.

xi. Provisions

A provision is recognized 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 item, are classified as operating lease. 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

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 business segment. The segmental sales 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

Notes to Financial Statements for the year ended March 31,2013

Note 3: Share capital

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Authorized		
12,000,000 equity shares (31-Mar-2012: 12,000,000) of Rs.10 each	120,000,000	120,000,000
Issued, subscribed and fully paid up		
10,123,681 equity shares (31-Mar-2012 10,051,581) of Rs.10 each	101,236,810	100,515,810

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

Equity shares Particulars	31-Mar-13		31-Mar-12	
	Number	Rs.	Number	Rs.
At the beginning of the year	10,051,581	100,515,810	10,051,581	100,515,810
Issued during the year	72,100	721,000		
Outstanding at the end of the year	10,123,681	101,236,810	10,051,581	101,515,810

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:

Particulars	31-Mar-13	31-Mar-12
Equity shares allotted 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

Particulars	31-Mar-13		31-Mar-12	
	Number	% Holding	Number	% Holding
A V Asvini Kumar	3,654,166	36.10%	3,642,777	36.24%
Vanaja Arvind	1,109,762	10.96%	1,097,762	10.92%

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 25

Note 4: Reserves and surplus

Particulars	Note	31-Mar-13 Rs	31-Mar-12 Rs
Securities premium account			
Balance at the beginning of the year		148,759,605	148,759,605
Add: Additions during the year		2,022,405	-
Balance at the end of the year	A	150,782,010	148,759,605
General Reserve			
Balance at the beginning of the year		39,171,695	30,071,695
Add: Additions during the year		16,400,000	9,100,000
Balance at the end of the year	B	55,571,695	39,171,695
Surplus/(Deficit) in the statement of profit and Loss			
Balance as per last financial statements		408,005,332	384,761,377
Profit for the year		163,015,270	90,716,101
Less: Appropriations			
Interim dividend paid on equity shares		(30,154,743)	(20,103,162)
Proposed final equity dividend		(30,371,043)	(30,154,743)
Tax on Interim equity dividend		(4,891,854)	(3,222,388)
Tax on proposed final equity dividend		(4,926,942)	(4,891,853)
Transfer to general reserve		(16,400,000)	(9,100,000)
Total appropriations		(86,744,582)	(67,472,146)
Net surplus in statement of Profit and Loss	C	484,276,020	408,005,332
Total Reserves and Surplus	(A+B+C)	690,629,725	595,936,632

Notes to Financial Statements for the year ended March 31,2013

Note 5: Long term borrowings - Secured

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Term Loan from Bank (Secured against the property including moveable fixed assets, furniture & fixtures, Interiors, equipments and other assets purchased out of the above loan) Less: Current maturities classified under other current liabilities (Refer note 7)	143,104,272 (28,846,154)	- -
Total	114,258,118	-
The company also has a cash credit facility with bank which is secured by hypothecation of fixed assets and book debts of the company both present and future and also personal guarantee of two Directors of the Company. There is no outstanding amount due on this account, as at the end of the year.		

Note 6: Trade payables

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Due to Micro and small enterprises*	195,797	207,599
Due to others	8,730,554	16,705,453
Total	8,926,351	16,913,052
* Refer note 34		

Note7: Other current liabilities

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Advance received from customers	1,058,103	3,620,391
Dues to subsidiaries	35,495,818	32,270,760
Employee benefits payable	47,981,059	37,734,763
Liabilities for other expenses	30,353,296	56,478,040
Unpaid application money due for refund	72,000	86,250
Unpaid dividend*	1,320,076	559,523
Statutory liabilities	16,353,699	18,572,873
Current maturities of long term borrowings (Refer note 5)	28,846,154	-
	161,480,205	149,322,600

* There are no amounts due for payment to the Investor Education and Protection Fund as at the year end

Note 8: Short-term provisions

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Provision for Employee Benefits:		
for Leave salary	10,320,409	8,820,409
for Gratuity	3,354,603	8,864,973
for Others		419,001
Proposed equity dividend	30,371,043	30,154,743
Provision for tax on proposed equity dividend	4,926,942	4,891,854
Provision for taxation (Net of pre paid taxes)	62,272,003	43,358,990
Total	111,245,000	96,509,970

Notes to Financial Statements for the year ended March 31,2013

Note 11: Non current Investments

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Trade investments (at cost)		
Unquoted equity instruments (in subsidiaries)		
100,000 equity shares (Previous year -100,000 equity shares) 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 equity shares) 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 equity shares) of GBP 1/- each in Thinksoft Global Services UK Ltd., UK	24,168,000	24,168,000
24 equity shares (Previous year - 24 equity shares) of AED 25,000/- each in Thinksoft Global Services FZE., UAE	8,696,000	8,696,000
	42,862,197	42,862,197

Note 12: Deferred tax asset

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Opening balance	3,970,255	9,317,601
Deferred tax credit (provision) for the year	5,502,694	(5,347,346)
Closing balance	9,472,949	3,970,255
Break up of closing balance		
on account of timing difference in claiming depreciation allowance	3,966,265	962,071
on account of timing difference in claiming provision for gratuity and doubtful debts	5,506,684	3,008,184
Total	9,472,949	3,970,255

Note 13: Loans and advances (Unsecured considered good)

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Capital advances	-	-	-	-
Security deposit	5,208,116	1,054,657	24,950,941	31,600,990
Advances to Key Management Personnel *	-	-	6,256	176,841
Trade and Staff advances	-	-	11,705,607	40,784,342
Other Advances				
Due from subsidiaries	-	-	1,381,881	1,435,255
Prepaid expenses	-	-	4,415,186	15,460,032
MAT credit entitlement	-	-	28,398,035	28,398,035
Income tax refund due / deposits	-	-	5,339,067	8,044,578
Input tax credit	-	-	18,832,625	15,984,749
	-	-	58,366,794	69,322,649
Total	5,208,116	1,054,657	95,029,598	141,884,822

* Due from Executive Director			6,256	17,6841
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Notes to Financial Statements for the year ended March 31, 2013

Note 14: Other assets (Unsecured, considered good)

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Non-current bank balances (Note 16)	6,630,000	3,830,000	-	-
	(A)	6,630,000	-	-
Unbilled revenue	-	-	38,641,719	107,235,900
	(B)	-	38,641,719	107,235,900
Others	-	-	1,603,525	374,698
Forward cover premium	-	-	4,687,540	1,891,423
Interest accrued on fixed deposits	-	1,666,990	-	-
	(C)	1,666,990	6,291,065	2,266,121
Total	(A+B+C)	6,630,000	44,932,784	109,502,021

Note 15: Trade receivables (Unsecured)

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Considered good	-	-	1,306,448	1,337,680
Considered doubtful	-	-	13,019,231	407,428
	-	-	14,325,679	1,745,108
Provision for doubtful receivables	-	-	(13,019,231)	(407,428)
	(A)	-	1,306,448	1,337,680
Others	-	-	386,175,337	214,479,478
Considered good	-	-	386,175,337	214,479,478
	(B)	-	386,175,337	214,479,478
Total	(A+B)	-	387,481,785	215,817,158

Note 16: Cash and Bank balances

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Cash and cash equivalents				
Balance with bank in current accounts	-	-	190,468,149	164,850,420
Deposits with original maturity of less than three months	-	-	-	36,413,191
Cash in hand	-	-	21,343	52,787
	-	-	190,489,492	201,316,398
Other bank balances				
Deposits with original maturity for more than 3 months	-	-	92,438,093	124,758,431
Margin money deposits*	6,630,000	3,830,000	-	3,373,660
Unpaid application money due for refund	-	-	72,000	86,250
Unpaid dividend account	-	-	1,320,076	559,523
	6,630,000	3,830,000	93,830,169	128,777,864
Amount disclosed under non-current Other assets (Note 14)	(6,630,000)	(3,830,000)	-	-
	-	-	284,319,661	330,094,262

* Margin money deposits given as performance/financial security

Note 17: Revenue from operations

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Software Services	1,578,319,060	1,118,983,577

Notes to Financial Statements for the year ended March 31,2013

Note 18: Other Income

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Interest income on bank deposits	9,721,767	15,993,816
Interest income - others	5,684	8,703
Profit on sale of fixed assets	2,140,071	213,960
Net foreign exchange gain	8,924,046	42,350,361
Write back of provision no longer required (Doubtful debts)	-	1,097,966
Write back of provision no longer required (Others)	-	24,162,297
Rental Income (Sub lease)	1,681,867	5,009,795
Other income	-	70,789
Total	22,473,435	88,907,687

Note 19: Employee benefits expense

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Salaries, wages and Bonus	559,944,488	518,775,416
Contribution to provident and other funds	30,566,087	35,703,998
Gratuity expense	6,689,630	3,774,630
Staff welfare expense	9,836,586	8,014,434
Total	607,036,791	566,268,478

Note 20: Depreciation and amortization expense

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Depreciation on tangible assets	36,478,629	27,218,683
Amortization of intangible assets	9,725,981	9,949,336
	46,204,610	37,168,019

Note 21: General, administrative and other expenses

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Travel and conveyance	104,036,629	98,448,006
Rent	39,276,211	43,883,230
Professional fees	23,968,719	31,760,969
Marketing and selling expenses	8,019,205	8,109,068
Consultancy charges	9,561,955	4,114,053
Onsite service expenses	430,278,814	198,204,239
Software expenses	17,022,904	8,614,390
Power and fuel	20,151,187	14,371,465
Repairs & Maintenance -Buildings	7,426,451	5,066,253
-Plant and machinery	2,861,695	3,773,897
-Others	2,416,820	1,204,389
Communication expenses	9,229,952	6,639,320
Sales commission	-	7,694,733
Training and recruitment	698,267	961,386
Insurance	5,143,203	4,459,560
Audit fees*	1,295,000	1,175,000
Directors sitting fees	700,000	720,000
Rates and taxes	1,137,354	1,928,160
Donation	800,175	944,210
Provision for Doubtful Debts	12,611,803	-
Miscellaneous expenses	6,905,328	4,597,712
Total	703,541,672	446,670,040

*Consists of Audit fee Rs.500,000 (PY 500,000)
Tax audit Rs.300,000(PY 100,000)

Certification Rs.350,000(PY 345,000)
Other services Rs.145,000(PY 230,000)

Notes to Financial Statements for the year ended March 31,2013

Note 22: Finance cost

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Interest	12,027,161	260,380
Bank charges	2,156,643	1,183,551
	14,183,804	1,443,931

Note 23: Earnings per share

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

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Profit for computation of basic EPS	163,015,270	90,716,101
Add / (Less) adjustment	-	-
Profit for computation of Diluted EPS	163,015,270	90,716,101
	Number	Number
Shares at the Beginning of the year	10,051,581	10,051,581
Add: Weighted average of 72,100 shares issued during the year on 24th Jan 2013	13,235	-
Total weighted average number of equity shares for calculating basic EPS	10,064,816	10,051,581
Effect of Dilutive stock option	152,479	14,963
Weighted average number of equity shares for calculating diluted EPS	10,217,295	10,066,544
Earnings per share - Basic	16.20	9.03
Earnings per share - Diluted	15.95	9.01

Note 24 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:

Particulars	Current Year Rs	Previous Year Rs
Liability at the beginning of the year	8,820,409	7,770,000
Leave salary cost accounted for the year	1,500,000	1,050,409
Total liability as at year end	10,320,409	8,820,409

ii. Defined contribution plan - Provident fund & Social Security Schemes

Particulars	Current Year Rs	Previous Year Rs
Employers contribution accounted for the year	27,208,835	29,734,890

iii. Defined Benefit Plan – Gratuity

Particulars	Current Year Rs	Previous Year Rs
Change in Benefit obligation		
Liability at the beginning of the year	26,964,973	26,491,000
Interest cost	2,039,435	1,999,880
Current service cost	5,951,616	5,184,218
Past service cost (Vested benefit)		
Past service cost (Non Vested benefit)		
Benefit paid	(2,944,070)	(2,985,000)
Actuarial (Gain)/Loss on obligations	(1,055,468)	(3,725,125)
Liability at the end of the year	30,956,486	26,964,973
Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	18,100,000	1,916,000
Expected return on plan assets	1,931,877	737,248
Contributions	12,200,000	16,500,000
Benefit paid	(2,944,070)	(2,985,000)
Actuarial Gain/(Loss) on plan assets	(1,685,924)	1,931,752
Fair value of plan assets at the end of the year	27,601,883	18,100,000

Notes to Financial Statements for the year ended March 31, 2013

iii. Defined Benefit Plan - Gratuity (Contd.,)

Particulars	Current Year Rs	Previous Year Rs
Actual return on Plan Assets		
Expected return on plan assets	1,931,877	737,248
Actuarial Gain/(Loss) on plan assets	(1,685,924)	1,931,752
Actual return on Plan Assets	245,953	2,669,000
Amount recognized in the balance sheet		
Present value of the obligation	30,956,486	26,964,973
Fair value of plan assets	27,601,883	18,100,000
Difference (Funded status)	3,354,603	8,864,973
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC		
Amount recognized in the balance sheet	3,354,603	8,864,973
Expenses recognized in the income statement		
Current service cost	5,951,616	5,184,218
Interest cost	2,039,435	1,999,880
Expected return on plan assets	(1,931,877)	(737,248)
Net Actuarial (Gain)/Loss to be recognized	630,456	(5,656,877)
Transitional Liability recognized		
Past service cost - non Vested benefits		
Past service cost - vested benefits		
Expense recognized in P&L	6,689,630	789,973
Balance sheet reconciliation		
Opening net liability as per Books	8,864,973	24,575,000
Transitional liability adjusted to opening reserves and deferred taxes	-	-
Expense as above	6,689,630	789,973
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
Contribution paid	(12,200,000)	(16,500,000)
Amount recognized in the balance sheet	3,354,603	8,864,973
Actuarial assumptions		
Discount rate - Current	8.00%	8.00%
Expected rate of return on plan assets	8.50%	8.50%
Salary Escalation - Current	7.00%	7.00%
Attrition rate	1.50%	2.00%
Investment details		
Funds managed by the Insurer	100%	100%

Actuarial valuation

a. Experience adjustment

Particulars	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	30,956,486	26,964,973	26,491,000	18,954,000
Plan assets	27,601,883	18,100,000	1,916,000	1,766,000
Surplus/(Deficit)	(3,354,603)	(8,864,973)	(24,575,000)	(17,188,000)
Exp. adj. on plan liabilities	(122,951)	(5,039,000)	(1,325,000)	(1,678,000)
Exp. adj. on assets	(1,685,924)	(689,000)	2,942,000	730,000

Estimated contribution towards gratuity for next year - Rs. 75 Lakhs

Notes to Financial Statements for the year ended March 31, 2013

Note 25: Employee stock option plans

The company provides share based payment schemes to its employees. During the year ended March 31, 2013 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 setting aside 10,05,100 options under this scheme. 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:

Particulars	Options granted on 25th Oct 2012	Options granted on 24th Oct 2011
Vesting period	3 years	3 years
Exercise period	3 years	3 years
Exercise price	Rs.114.70	Rs.38.05
Market price on the date of grant	Rs.114.70	Rs.38.05

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

Particulars	31-Mar-13		31-Mar-12	
	No. of options	WAEP (Rs.)	No. of options	WAEP (Rs.)
Outstanding at the beginning of the year	339,000	38.05	Nil	Nil
Granted during the year	410,500	114.70	339,000	38.05
Forfeited during the year	Nil	NIL	Nil	Nil
Exercised during the year	72,100	38.05	Nil	Nil
Outstanding at the end of the year	677,400	84.50	339,000	38.05
Exercisable at the end of the year	63,500	38.05	Nil	Nil

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2013 is 3.67 Years (March 31, 2012: 3.96 Years). The range of exercise price for options outstanding at the end of the year was Rs.38.05 to Rs. 114.70 (March 31, 2012 Rs. 38.05)

The weighted average fair value of stock options granted during the year was Rs. 55.08 (March 31, 2012: Rs.21.03). The black scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	31-Mar-13	31-Mar-12
Dividend yield (%)	4.36%	2.63%
Expected volatility	71.84%	76.03%
Risk-free interest rate	8.17%	8.28%
Weighted average share price	114.70	38.05
Exercise price	114.70	38.05
Expected life of options granted in years	4.4 years	4.4 years

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 historical 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:

Particulars	31-Mar-13	31-Mar-12
Profit after tax as reported	163,015,270	90,716,101
Add: ESOP cost using intrinsic value method	NIL	
Less: ESOP cost using fair value method	9,597,370	1,969,964
Proforma profit after tax	153,417,900	88,746,137
Earnings per share		
Basic		
As reported	16.20	9.03
Proforma	15.24	8.83
Diluted		
As reported	15.95	9.01
Proforma	15.02	8.82

Notes to Financial Statements for the year ended March 31,2013

Note 26: 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:

Rs.

Particulars	31-Mar-13	31-Mar-12
Within one year	6,500,768	18,871,935
After one year but not more than five years	5,434,940	3,276,000
More than five years	-	-
	11,935,708	22,147,935
Lease payments recognized in the Statement of Profit and Loss account	39,276,211	43,883,230

Note 27: Segment reporting

Sales revenue by geographical market

Rs.

Particulars	31-Mar-13	31-Mar-12
Within India	101,399,902	93,144,755
Outside India	1,476,919,158	1,025,838,822
	1,578,319,060	1,118,983,577

Note 28: Commitments and contingencies

Rs.

Particulars	31-Mar-13	31-Mar-12
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	-	-
Service tax related matters	7,218,676	7,218,676
Income tax related matters	51,238,609	51,238,609
Counter guarantees issued to the bank for the bank guarantee obtained	27,772,053	27,763,951

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 amounting Rs.23,100,000 in the books of account during the financial year 2011-12 in respect of other earlier financial years considering the issues under dispute.

Notes to Financial Statements for the year ended March 31,2013

Note 29: Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'

a. Related Parties

i. Subsidiaries

Thinksoft Global Services Pte Ltd, Singapore
 Thinksoft Global Services Inc, USA
 Thinksoft Global Services (Europe) GmbH, Germany
 Thinksoft Global Services UK Ltd, UK
 Thinksoft Global Services FZE, UAE

ii. Key Management Personnel (KMP)

Mr. A V Asvini Kumar - Managing Director
 Ms. Vanaja Arvind - Executive Director
 Mr. Mohan Parvatikar - Whole time Director

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

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

b. Transactions with Related Parties

Particulars	Nature of relationship	Name of the related Party	31-Mar-13 Rs.	31-Mar-12 Rs.
Income				
Income from the service rendered	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	-	4,122,952
	Subsidiary	Thinksoft Global Services Inc, USA	40,746,750	-
	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	55,486,522	-
	Subsidiary	Thinksoft Global Services UK Ltd, UK	30,213,190	-
Expenses				
Managerial remuneration *	KMP	Mr.A V Asvini Kumar	12,028,800	6,028,800
	KMP	Ms.Vanaja Arvind	12,028,800	6,028,800
	KMP	Mr.Mohan Parvatikar	3,028,800	2,848,800
Rent	Relatives of KMP	Ms. A K Latha	464,400	193,500
	Relatives of KMP	Mr.A K Krishna	-	193,500
Salary	Relatives of KMP	Ms. Aarti Arvind	5,498,270	4,589,170
Professional services	Relatives of KMP	Mr. C V Rajan	-	25,000
Expenses for services rendered	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	46,735,858	8,589,507
	Subsidiary	Thinksoft Global Services Inc, USA	152,058,328	56,051,455
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	699,580	4,040,335
	Subsidiary	Thinksoft Global Services UK Ltd, UK	97,264,115	105,351,785
	Subsidiary	Thinksoft Global Services FZE, UAE	133,501,092	24,171,157

* Includes Rs. 28,800 each towards perquisite value of motor car provided by the Company.

Notes to Financial Statements for the year ended March 31,2013

Particulars	Nature of relationship	Name of the related Party	31-Mar-13 Rs.	31-Mar-12 Rs.
Other Transactions				
Proposed final dividend				
	KMP	Mr. A V Asvini Kumar	10,962,498	10,928,331
	KMP	Ms. Vanaja Arvind	3,329,286	3,293,286
	KMP	Mr.Mohan Parvatikar	416,559	416,559
	Relatives of KMP	Ms. Aarti Arvind	215,940	215,940
	Relatives of KMP	Mr. A K Krishna	683,334	683,334
	Relatives of KMP	Ms. A K Latha	731,166	731,166
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	18,333	18,333
	Relatives of KMP	Mr. C V Rajan	6,666	6,666
	Relatives of KMP	Ms. Lalitha Devi	-	34,167
Interim dividend				
	KMP	Mr. A V Asvini Kumar	10,962,498	7,285,554
	KMP	Ms. Vanaja Arvind	3,293,286	2,151,324
	KMP	Mr.Mohan Parvatikar	416,559	277,706
	Relatives of KMP	Ms. Aarti Arvind	215,940	94,666
	Relatives of KMP	Mr. A K Krishna	683,334	455,556
	Relatives of KMP	Ms. A K Latha	731,166	487,444
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	18,333	12,222
	Relatives of KMP	Mr. C V Rajan	6,666	4,444
	Relatives of KMP	Ms. Lalitha Devi	-	22,778
Outstanding Balances				
Net Receivable from				
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	-	1,080,458
	Subsidiary	Thinksoft Global Services Inc, USA	-	5,400,190
	Subsidiary	Thinksoft Global Services Pte Ltd, Singapore	1,381,881	-
Net Payable to				
	Subsidiary	Thinksoft Global Services Pte Ltd., Singapore	-	5,864,845
	Subsidiary	Thinksoft Global Services UK Ltd, UK	11,901,923	35,414,005
	Subsidiary	Thinksoft Global Services Inc, USA	9,467,536	
	Subsidiary	Thinksoft Global Services FZE, UAE	13,948,406	5,028,671
	Subsidiary	Thinksoft Global Services (Europe) GmbH, Germany	177,953	-
Trade Payables				
	KMP	Mr. A V Asvini Kumar	37,081	27,680
Loans and advances (Travel advance)				
	KMP	Ms. Vanaja Arvind	6,256	176,841

Notes to Financial Statements for the year ended March 31,2013

Particulars	Nature of relationship	Name of the related Party	31-Mar-13 Rs.	31-Mar-12 Rs.	
Provision for expenses	KMP	Mr. A V Asvini Kumar	6,000,000	900,000	
	KMP	Ms. Vanaja Arvind	6,000,000	900,000	
	KMP	Mr.Mohan Parvatikar	1,500,000	1,320,000	
Final dividend payable	KMP	Mr. A V Asvini Kumar	10,962,498	10,928,331	
	KMP	Ms. Vanaja Arvind	3,329,286	3,293,286	
	KMP	Mr.Mohan Parvatikar	416,559	416,559	
	Relatives of KMP	Ms. Aarti Arvind	215,940	215,940	
	Relatives of KMP	Mr. A K Krishna	683,334	683,334	
	Relatives of KMP	Ms. A K Latha	731,166	731,166	
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	18,333	18,333	
	Relatives of KMP	Mr. C V Rajan	6,666	6,666	
	Relatives of KMP	Ms. Lalitha Devi	-	34,167	
	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	8,696,000	
Subsidiary		Thinksoft Global Services UK Ltd, UK	24,168,000	24,168,000	

Notes to Financial Statements for the year ended March 31,2013

Note 30: 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 is generally a Bank. Forward contracts pending as at the Balance Sheet date are as follows:

Particulars	31-Mar-13 Rs.	31-Mar-12 Rs.
No. of Contracts (sell)	1	1
Value of Foreign currency (USD)	1,500,000	500,000
Value in INR	81,585,000	25,580,000

The company has not entered into any other derivative instruments during the year.

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

Particulars	FCY	31-Mar-13		31-Mar-12	
		Amt in FCY	Amt in Rs.	Amt in FCY	Amt in Rs.
Trade receivables	GBP	741,649	61,052,543	605,293	49,512,967
Trade receivables	USD	2,686,367	146,111,479	1,149,704	58,818,857
Trade receivables	EUR	918,914	63,901,273	932,403	63,720,421
Trade receivables	SGD	-	-	32,075	1,329,188
Trade receivables	AUD	241,602	13,764,066	122,117	6,606,530
Trade receivables	MYR	422,096	7,504,862	6,000	102,060
Loans and advances	USD	52,340	2,846,779	355,734	18,199,351
Loans and advances	SGD	31,357	1,381,881	17,465	723,750
Loans and advances	GBP	11,100	913,803	7,836	640,946
Loans and advances	AUD	8,900	507,033	16,533	894,435
Loans and advances	AED	392,068	5,833,971	431,511	6,118,820
Loans and advances	BHD	716	105,242	-	-
Loans and advances	SAR	17,000	248,030	-	-
Loans and advances	EUR	27,881	1,938,873	9,114	622,802
Other current liabilities	SGD	-	-	140,939	5,840,526
Other current liabilities	EUR	2,559	177,953	-	-
Other current liabilities	USD	174,068	9,467,536	-	-
Other current liabilities	GBP	144,581	11,901,923	278,293	36,296,464
Other current liabilities	AED	937,393	13,948,406	354,631	5,028,673
Trade payables	GBP	-	-	420	34,356
Trade payables	USD	-	-	170,618	8,728,821
Trade payables	EUR	665	46,244	86	5,877
Trade payables	AED	-	-	312,050	4,424,869
Trade payables	MYR	151,666	2,696,621	-	-

Note 31: CIF value of imports

Particulars	31-Mar-13 Rs.	31-Mar-12 Rs.
Capital goods/software	212,044	13,676,458

Note 32: Earnings in foreign exchange (on accrual basis)

Particulars	31-Mar-13 Rs.	31-Mar-12 Rs.
Income from software services	1,476,919,158	1,025,838,822
Interest income	8,499	77,978
Total	1,476,927,657	1,025,916,800

Notes to Financial Statements for the year ended March 31, 2013

Note 33: Expenditure in foreign currency (on cash basis)

Particulars	31-Mar-13 Rs.	31-Mar-12 Rs.
Travel expenses	72,638,096	85,224,799
Marketing and selling expenses	6,372,645	4,619,187
Professional fees/ consultancy fee	8,835,028	14,110,785
Salary	82,628,054	101,093,293
Sales commission	-	180,305
Rent	357,796	-
Others	3,523,011	4,446,139
Total	174,354,630	209,674,508

Note 34: Dues to Micro, Small and Medium enterprises

On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises.

Other disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') are as follows:

Particulars	Year ended March 31, 2013 Rs.	Year ended March 31, 2012 Rs.
Principal amount remaining unpaid to any supplier as at the period end	195,797	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 35: Dividend remitted in foreign currencies

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

Particulars	31-Mar-13		31-Mar-12	
	Interim Dividend	Final Dividend	Interim Dividend	Final Dividend
Period to which it relates	2012-13	2011-12	2011-12	2010-11
Number of non-resident share holders	-	-	2	3
Number of shares	-	-	284,848	349,848
Amount remitted	-	-	569,696	349,848

Note 36: Disclosure made in terms of clause 32 of the listing agreement with stock exchange

Particulars	Name of the company	Amount outstanding as on 31.3.13	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

Notes to Financial Statements for the year ended March 31,2013

b) Investment by the company	Name of the company	Amount (Rs.)	Maximum amount of investment during the year (Rs.)
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 37: Utilization of IPO proceeds

Particulars	Approved amount (Rs. Lakhs)	Actual utilization (Rs. 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	852.28
TOTAL	1,687.50	1,687.50

During the year Company has utilized the IPO proceeds fully for the purposes as approved.

Note 38: Previous year figures

Previous year figures have been regrouped / reclassified so as to conform to the current year's groupings.

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

S Krishnamoorthy
Company Secretary

Place: Chennai
Date : April 25, 2013

Place: Chennai
Date : April 25, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Thinksoft Global Services Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Thinksoft Global Services Limited ("the Company") and its subsidiaries (collectively called the "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements (net of inter company transactions) reflect total assets (net) of Rs. 970 lacs as at March 31, 2013, total revenues of Rs. 379 lacs and net cash outflows amounting to Rs. 360 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

T V Balasubramanian
Partner
Membership No 27251

Place : Chennai
Date : 25th April 2013

Consolidated Balance Sheet as at March 31, 2013

Particulars	Note	31-Mar-13 Rs	31-Mar-12 Rs
EQUITY and LIABILITIES			
Shareholder's Funds			
Share capital	3	101,236,810	100,515,810
Reserves and Surplus	4	780,654,770	654,568,841
		881,891,580	755,084,651
Share application money pending allotment		182,640	-
Non-Current liabilities			
Long term Borrowings	5	114,258,118	-
Current Liabilities			
Trade payables	6	12,939,963	10,559,034
Other current liabilities	7	156,671,579	148,162,878
Short-term provisions	8	119,063,787	104,405,047
		288,675,329	263,126,959
TOTAL		1,285,007,667	1,018,211,610
ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	9	291,599,190	79,262,258
Intangible assets	10	19,876,032	28,839,501
Capital work in progress		594,864	634,800
		312,070,086	108,736,559
Deferred tax asset (Net)	11	9,472,949	3,970,255
Long term loans and advances	12	5,208,116	1,054,657
Other Non-current assets	13	6,630,000	5,496,990
		21,311,065	10,521,902
Current Assets			
Trade receivables	14	413,228,959	235,774,687
Cash and bank balances	15	387,305,925	400,643,919
Short term loans and advances	12	106,158,848	153,032,522
Other current assets	13	44,932,784	109,502,021
		951,626,516	898,953,149
TOTAL		1,285,007,667	1,018,211,610
Summary of significant accounting policies	2		
The accompanying notes are an integral part of this Balance Sheet			
As per our report of even date			
PKF Sridhar & Santhanam	For and on behalf of the Board of Directors		
Chartered Accountants Firm Registration No. 003990S			
T V Balasubramanian Partner (Membership No.: 027251)	A V Asvini Kumar Managing Director	Vanaja Arvind Executive Director	S Krishnamoorthy Company Secretary
Place: Chennai Date : April 25, 2013	Place: Chennai Date : April 25, 2013		

Statement of Consolidated Profit and Loss for the year ended March 31, 2013

Particulars	Note	31-Mar-13 Rs	31-Mar-12 Rs
Revenue from Operations	16	1,614,434,968	1,214,418,365
Other income	17	24,262,386	95,606,306
Total Revenue		1,638,697,354	1,310,024,671
Employee benefits expense	18	945,481,714	784,110,455
Depreciation and amortization expense	19	46,423,743	37,402,608
General, administrative and other expenses	20	367,049,243	301,716,243
Finance cost	21	14,940,910	1,793,565
Total expenses		1,373,895,610	1,125,022,871
Profit before exceptional and extraordinary items and tax		264,801,744	185,001,800
Exceptional items		-	-
Profit before extraordinary items and tax		264,801,744	185,001,800
Extraordinary items			
Profit before tax		264,801,744	185,001,800
Tax expense:			
Current Tax			
Current year		75,896,332	42,781,164
Earlier years		-	23,100,000
Deferred Tax (Credit)		(5,502,694)	5,347,346
Profit for the year		194,408,106	113,773,290
Earnings per Equity share (Par value of Rs.10 each)	22		
Basic		19.32	11.32
Diluted		19.03	11.30
Summary of significant accounting policies	2		
The accompanying notes are an integral part of this Statement of Profit and Loss			
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	S Krishnamoorthy Company Secretary
Place: Chennai Date : April 25, 2013	Place: Chennai Date : April 25, 2013		

Statement of Consolidated Cash flow for the year ended March 31, 2013

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Cash flow from operating activities		
Net profit/(loss) before taxation	264,801,744	185,001,801
Adjustments for:		
Depreciation/amortisation	46,423,743	37,402,608
Loss/(profit) on sale of fixed assets	(2,140,071)	(213,960)
Unrealised forex exchange loss/(gain), net	41,850,439	(32,598,050)
Interest income	(9,730,341)	(16,002,519)
Interest expense	12,027,161	260,380
Provision for bad and doubtful debts	12,611,803	(1,097,966)
Operating profit before working capital changes	365,844,478	172,752,294
(Increase)/Decrease in sundry debtors	(212,956,974)	12,983,382
(Increase)/Decrease in loans and advances and other current assets	104,783,836	(117,161,000)
Increase/(Decrease) in current liabilities and provisions	(18,783,791)	10,466,924
Cash generated from operations	238,887,549	79,041,600
Direct taxes paid (net of refunds)	(54,773,095)	(33,798,410)
Net cash from/(used in) operating activities	184,114,454	45,243,190
Cash flows from investing activities		
Purchase of fixed assets	(250,649,972)	(34,698,146)
Proceeds from sale of fixed assets	3,032,754	272,447
Interest received	8,601,214	14,568,367
Fixed deposits matured/(invested) during the year	32,320,338	14,941,569
Net cash from/(used in) investing activities	(206,695,666)	(4,915,763)
Cash flows from financing activities		
Proceeds from Issue of Shares/Share Application money	2,926,045	-
Term loan availed	143,795,085	-
Repayment of short-term borrowings	(690,813)	-
Interest paid	(12,027,161)	(260,380)
Dividends paid	(60,309,486)	(30,154,743)
Tax on dividend paid	(9,783,708)	(4,891,854)
Net cash from/(used in) financing activities	63,909,962	(35,306,977)
Net increase in cash and cash equivalents	41,328,750	5,020,449
Cash and cash equivalents at the beginning of the year	271,866,055	253,052,093
Effect of changes in exchange rate on cash and cash equivalents	(19,719,049)	13,793,513
Cash and cash equivalents at the end of the year (Ref Note 15)	293,475,756	271,866,055
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
		S Krishnamoorthy Company Secretary
Place: Chennai Date : April 25, 2013	Place: Chennai Date : April 25, 2013	

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Note 1

i. Background :

Thinksoft Global Services Limited ("Thinksoft" or "the Company"), incorporated on June 8, 1998 as a private limited company was converted into a public limited company with effect from 19th August 2008. The Company made its Initial Public Offering (IPO) of its Equity Shares on 24th September 2009 (issue open date) and shares under IPO were allotted on 14th October 2009. The Company's shares are listed in National Stock exchange and Bombay Stock exchange with effect from 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 subsidiaries in Singapore, USA, Germany, UK and UAE for market development and service delivery 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%

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 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 in 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 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 Assets

Tangible assets 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 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 are as follows:

Asset description	Percentage
Building	5%
Plant 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

Assets individually costing Rs 5,000 or less are depreciated in full 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 are carried at cost less accumulated amortization and impairment losses, if any. These assets are amortized on straight line basis over the estimated useful economic life. The amortization period and amortization method are reviewed 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Amortization rates currently applied are as follows:

Asset description	Percentage
Intangible assets – Computer software	33.3%
Intangible assets – Software tools	20%

iv. Impairment

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.

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 Statement of profit and loss account.

vi. Revenue recognition

Software service income

- Revenue from software validation and allied services comprises revenue from time and material contracts and fixed price contracts.
- Revenue in respect of time-and-materials contracts is recognized based on time/efforts spent on and / or billed to clients as per the terms of specific contracts.
- Revenue in respect of fixed-price contracts is recognized on proportionate completion method on the basis of the work completed.
- Revenue includes reimbursement of expenses wherever 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. Employee benefits

- Employee benefits in the form of Provident Fund / Social Security payments are defined contribution schemes and the contributions made are charged to the Statement of Profit and Loss for the year. The Company has no further obligations under these plans beyond its periodic contributions.
- 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 the Statement of Profit & Loss as Income/Expense.

- The Company does not allow leave encashment on retirement. However, appropriate provision is made at the end of each financial year based on estimates for the accrued and unavailed leave entitlement 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

- 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 recorded by applying the monthly weighted average exchange rate of the respective currencies.
- Conversion:** Monetary items denominated in foreign currency are reported using the closing rate. Non-monetary items are carried at historical cost.
- 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2013

- 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. **Classification of foreign operations as integral / non-integral :** The company classifies all its foreign operations as integral foreign operations. Transaction of integral foreign operations are translated as if the transactions of the foreign operation are 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**
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 business segment.
The segmental sales 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

Notes forming part of the Consolidated Financial Statements

Note 3: Share capital

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Authorized		
12,000,000 equity shares (31-Mar-2012: 12,000,000) of Rs.10 each	120,000,000	120,000,000
Issued, subscribed and fully paid up		
10,123,681 equity shares (31-Mar-2012 10,051,581) of Rs.10 each	101,236,810	100,515,810

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

Equity shares Particulars	31-Mar-13		31-Mar-12	
	Number	Rs.	Number	Rs.
At the beginning of the year	10,051,581	100,515,810	10,051,581	100,515,810
Issued during the year	72,100	721,000		
Outstanding at the end of the year	10,123,681	101,236,810	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:

Particulars	31-Mar-13	31-Mar-12
Equity shares allotted 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

Particulars	31-Mar-13		31-Mar-12	
	Number	% Holding	Number	% Holding
A V Asvini Kumar	3,654,166	36.10%	3,642,777	36.24%
Vanaja Arvind	1,109,762	10.96%	1,097,762	10.92%

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 24

Note 4: Reserves and surplus

Particulars	Note	31-Mar-13 Rs	31-Mar-12 Rs
Securities premium account			
Balance at the beginning of the year		148,759,605	148,759,605
Add: Additions during the year		2,022,405	-
Balance at the end of the year	A	150,782,010	148,759,605
General Reserve			
Balance at the beginning of the year		39,171,695	30,071,695
Add: Additions during the year		16,400,000	9,100,000
Balance at the end of the year	B	55,571,695	39,171,695
Surplus/(Defecit) in the statement of profit and Loss			
Balance as per last financial statements		466,637,541	420,336,397
Profit for the year		194,408,106	113,773,290
Less: Appropriations			
Interim dividend paid on equity shares		(30,154,743)	(20,103,162)
Proposed final equity dividend		(30,371,043)	(30,154,743)
Tax on Interim equity dividend		(4,891,854)	(3,222,388)
Tax on proposed final equity dividend		(4,926,942)	(4,891,853)
Transfer to general reserve		(16,400,000)	(9,100,000)
Total appropriations		(86,744,582)	(67,472,146)
Net surplus in statement of Profit and Loss	C	574,301,065	466,637,541
Total Reserves and Surplus	(A+B+C)	780,654,770	654,568,841

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Note 5: Long term borrowings - Secured

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Term Loan from Bank (Secured against the property including moveable fixed assets, furniture & fixtures, Interiors, equipments and other assets purchased out of the above loan)	143,104,272	-
Less: Current maturities classified under other current liabilities (Refer note 7)	(28,846,154)	-
Total	114,258,118	-
<p>The company also has a cash credit facility with bank which is secured by hypothecation of fixed assets and book debts of the company both present and future and also personal guarantee of two Directors of the Company. There is no outstanding amount due on this account, as at the end of the year.</p>		

Note 6: Trade payables

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Sundry Creditors	12,939,963	10,559,034
Total	12,939,963	10,559,034

Note 7: Other current liabilities

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Advance received from customers	1,058,103	3,620,391
Employee benefits payable	51,782,798	40,131,001
Liabilities for other expenses	52,070,623	81,254,690
Unpaid application money due for refund	72,000	86,250
Unpaid dividend	1,320,076	559,523
Statutory Liabilities	21,521,825	22,511,023
Current maturities of long term borrowings (Refer note 5)	28,846,154	-
	156,671,579	148,162,878

Note 8: Short-term provisions

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Provision for Employee Benefits:		
for Leave salary	10,320,409	8,820,409
for gratuity	3,354,603	8,864,973
Proposed equity dividend	30,371,043	30,154,743
Provision for tax on proposed equity dividend	4,926,942	4,891,854
Provision for taxation (Net of pre paid taxes)	70,090,790	51,673,068
Total	119,063,787	104,405,047

Notes to Consolidated Financial Statements for the year ended March 31,2013

Note 9: Tangible assets

in Rs.

	Leasehold rights & Improvement	Building	Plant and equipments	Computer equipment	Furniture and fittings	Office equipment	Vehicles	Temporary partitions	Total
Cost or valuation									
At Apr 1 2011	9,504,000	7,421,627	7,755,827	62,483,277	10,043,340	7,253,801	6,366,667	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	18,122,166	75,218,787	15,062,503	8,798,892	6,363,466	505,784	168,031,931
Additions	-	197,688,137	21,467,453	17,575,846	9,087,066	3,976,943	-	112,805	249,908,249
Disposals	-	-	(2,537,307)	(8,926,184)	(6,763,680)	(288,629)	-	(21,399)	(18,537,200)
At Mar 31 2013	9,504,000	232,144,469	37,052,312	83,868,449	17,385,889	12,487,206	6,363,466	597,190	399,402,980
Depreciation									
At Apr 1 2011	2,376,000	937,502	4,863,680	45,310,922	3,609,076	5,167,216	1,887,223	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	55,655,075	8,758,365	5,599,472	3,254,210	505,784	88,769,673
Additions	960,960	4,672,084	6,829,748	13,723,976	6,582,886	2,597,436	1,198,738	112,805	36,678,632
Disposals	-	-	(2,498,855)	(8,577,996)	(6,257,636)	(288,629)	-	(21,399)	(17,644,515)
At Mar 31 2013	4,287,360	7,212,805	13,460,539	60,801,055	9,083,615	7,908,278	4,452,948	597,190	107,803,790
Net Block									
At Mar 31 2012	6,177,600	31,915,611	8,992,520	19,563,712	6,304,138	3,199,420	3,109,256	-	79,262,258
At Mar 31 2013	5,216,640	224,931,664	23,591,773	23,067,394	8,302,274	4,578,928	1,910,518	-	291,599,190

Note 10: Intangible assets - Computer Software

in Rs.

	Gross Block	Amortization	Net Block
At Apr 1 2011	55,063,901	17,998,581	
Additions	1,739,230	9,965,049	
Disposals	-	-	
At Mar 31 2012	56,803,131	27,963,630	28,839,501
Additions	781,642	9,745,111	
Disposals	-	-	
At Mar 31 2013	57,584,773	37,708,741	19,876,032

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Note 11: Deferred tax asset

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Opening Balance	3,970,255	9,317,601
Deferred tax credit (provision) for the year	5,502,694	(5,347,346)
Closing Balance	9,472,949	3,970,255
Break up of deferred tax asset		
on account of timing difference in claiming depreciation allowance	3,966,265	962,071
on account of timing difference in claiming provision for gratuity and doubtful debts	5,506,684	3,008,184
Total	9,472,949	3,970,255

Note 12: Loans and advances (Unsecured considered good)

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Capital advances	-	-	-	-
Security deposit	5,208,116	1,054,657	30,854,566	32,603,657
Advances to Key Management Personnel	-	-	6,256	176,841
Trade and Staff advances	-	-	16,788,860	51,909,580
Other Loans and advances				
Prepaid expenses	-	-	4,746,103	15,915,078
MAT credit entitlement	-	-	28,398,035	28,398,039
Income tax refund due / deposits	-	-	5,339,067	8,044,578
Input tax credit	-	-	20,025,961	15,984,749
	-	-	58,509,166	68,342,444
Total	5,208,116	1,054,657	106,158,848	153,032,522

Note 13: Other assets (Unsecured, considered good)

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Non-current bank balances (Note 15)	6,630,000	3,830,000	-	-
(A)	6,630,000	3,830,000	-	-
Unbilled revenue	-	-	38,641,719	107,235,900
(B)	-	-	38,641,719	107,235,900
Others				
Forward cover premium	-	-	1,603,525	374,698
Interest accrued on fixed deposits	-	1,666,990	4,687,540	1,891,423
(C)	-	1,666,990	6,291,065	2,266,121
Total	6,630,000	5,496,990	44,932,784	109,502,021
(A + B + C)				

Note 15: Trade receivables (Unsecured)

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	1,306,448	1,337,680
Considered doubtful	-	-	13,019,231	407,428
	-	-	14,325,679	1,745,108
Provision for doubtful receivables	-	-	(13,019,231)	(407,428)
(A)	-	-	1,306,448	1,337,680
Others				
Considered good	-	-	411,922,511	234,437,007
(B)	-	-	411,922,511	234,437,007
Total	-	-	413,228,959	235,774,687
(A + B)				

Notes to Consolidated Financial Statements for the year ended March 31,2013

Note 15: Cash and Bank balances

Particulars	Non-Current		Current	
	31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-13 Rs	31-Mar-12 Rs
Cash and cash equivalents				
Balance with bank on current accounts	-	-	293,454,413	235,400,077
Deposits with original maturity of less than three months	-	-	-	36,413,191
Cash in hand	-	-	21,343	52,787
	-	-	293,475,756	271,866,055
Other bank balances				
Deposits with original maturity for more than 3 months	-	-	92,438,093	124,758,431
Margin money deposits*	6,630,000	3,830,000	-	3,373,660
Unpaid application money due for refund	-	-	72,000	86,250
Unpaid dividend account	-	-	1,320,076	559,523
	6,630,000	3,830,000	93,830,169	128,777,864
Amount disclosed under non-current Other assets (Note 13)	(6,630,000)	(3,830,000)	-	-
	-	-	387,305,925	400,643,919

* Margin money deposits given as performance/financial security

Note 16: Revenue from operations

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Software Services	1,614,434,968	1,214,418,365

Note 17: Other income

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Interest income on bank deposits	9,724,657	15,993,816
Interest income - others	5,684	8,703
Profit on sale of fixed assets	2,140,071	213,960
Net foreign exchange gain	10,488,819	48,856,767
Write back of provision no longer required (Doubtful debts)	-	1,097,966
Write back of provision no longer required (Others)	-	24,162,297
Rental Income (Sub lease)	1,681,867	5,009,795
Government grant	221,288	191,150
Other income	-	71,852
Total	24,262,386	95,606,306

Note 18: Employee benefits expense

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Salaries, wages and bonus	889,316,194	723,769,479
Contribution to provident and other fund	37,387,479	48,353,685
Gratuity expense	6,689,630	3,774,630
Staff welfare expense	12,088,411	8,212,661
Total	945,481,714	784,110,455

Note 19: Depreciation and amortization expense

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Depreciation on tangible assets	36,678,632	27,437,559
Amortization of intangible assets	9,745,111	9,965,049
	46,423,743	37,402,608

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Note 20: General, administrative and other expenses

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Travel and conveyance	136,394,184	114,765,149
Rent	44,008,768	48,685,773
Professional fees (Including Audit Fees)	36,412,739	42,409,192
Marketing and selling expenses	21,587,215	18,959,358
Consultancy charges	9,642,678	5,356,373
Software expenses	17,614,184	8,614,390
Power and fuel	20,194,658	14,386,956
Repairs & Maintenance - Buildings	8,060,265	5,362,385
- Plant and machinery	2,899,297	3,778,880
- Others	3,230,535	1,207,657
Communication expenses	13,996,398	9,073,589
Sales commission	23,804,230	12,920,277
Training and recruitment	698,267	961,386
Insurance	5,495,645	6,552,862
Director sitting fees	700,000	767,682
Rates and taxes	1,622,059	2,021,448
Donation	800,175	944,210
Provision for Doubtful Debts	12,611,803	-
Miscellaneous expenses	7,276,143	4,948,676
Total	367,049,243	301,716,243

Note 21: Finance cost

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Interest	12,027,161	260,380
Bank charges	2,913,749	1,533,185
	14,940,910	1,793,565

Note 22: Earnings per share

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

Particulars	31-Mar-13 Rs	31-Mar-12 Rs
Profit for computation of basic EPS	194,408,106	113,773,290
Add/ (Less) adjustment	-	-
Profit for computation of Diluted EPS	194,408,106	113,773,290
	Number	Number
Shares at the Beginning of the year	10,051,581	10,051,581
Add: Weighted average of 72,100 shares issued during the year on 24th Jan 2013	13,235	-
Total weighted average number of equity shares for calculating basic EPS	10,064,816	10,051,581
Effect of Dilutive stock option	152,479	14,963
Weighted average number of equity shares in calculating diluted EPS	10,217,295	10,066,544
Earnings per share - Basic	19.32	11.32
Earnings per share - Diluted	19.03	11.30

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Note 23 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:

Particulars	Current Year Rs	Previous Year Rs
Liability at the beginning of the year	8,820,409	7,770,000
Leave salary cost accounted for the year	1,500,000	1,050,409
Total liability as at year end	10,320,409	8,820,409

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

Particulars	Current Year Rs	Previous Year Rs
Employers contribution	27,208,835	29,734,890

iii. Defined Benefit Plan – Gratuity

Particulars	Current Year Rs	Previous Year Rs
Change in Benefit obligation		
Liability at the beginning of the year	26,964,973	26,491,000
Interest cost	2,039,435	1,999,880
Current service cost	5,951,616	5,184,218
Past service cost (Vested benefit)		
Past service cost (Non Vested benefit)		
Benefit paid	(2,944,070)	(2,985,000)
Actuarial (Gain)/Loss on obligations	(1,055,468)	(3,725,125)
Liability at the end of the year	30,956,486	26,964,973
Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	18,100,000	1,916,000
Expected return on plan assets	1,931,877	737,248
Contributions	12,200,000	16,500,000
Benefit paid	(2,944,070)	(2,985,000)
Actuarial Gain/(Loss) on plan assets	(1,685,924)	1,931,752
Fair value of plan assets at the end of the year	27,601,883	18,100,000
Actual return on Plan Assets		
Expected return on plan assets	1,931,877	737,248
Actuarial Gain/(Loss) on plan assets	(1,685,924)	1,931,752
Actual return on Plan Assets	245,953	2,669,000
Amount recognized in the balance sheet		
Present value of the obligation	30,956,486	26,964,973
Fair value of plan assets	27,601,883	18,100,000
Difference (Funded status)	3,354,603	8,864,973
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC		
Amount recognized in the balance sheet	3,354,603	8,864,973

Notes to Consolidated Financial Statements for the year ended March 31, 2013

iii. Defined Benefit Plan - Gratuity (Contd.,)

Particulars	Current Year Rs	Previous Year Rs
Expenses recognized in the income statement		
Current service cost	5,951,616	5,184,218
Interest cost	2,039,435	1,999,880
Expected return on plan assets	(1,931,877)	(737,248)
Net Actuarial (Gain)/Loss to be recognized	630,456	(5,656,877)
Transitional Liability recognized		
Past service cost - non Vested benefits		
Past service cost - vested benefits		
Expense recognized in P&L	6,689,630	789,973
Balance sheet reconciliation		
Opening net liability as per Books	8,864,973	24,575,000
Transitional liability adjusted to opening reserves and deferred taxes	-	-
Expense as above	6,689,630	789,973
Expected return on plan assets and actuarial gains thereon not recognized pending confirmation from LIC	-	-
Contribution paid	(12,200,000)	(16,500,000)
Amount recognized in the balance sheet	3,354,603	8,864,973
Actuarial assumptions		
Discount rate - Current	8.00%	8.00%
Expected rate of return on plan assets	8.50%	8.50%
Salary Escalation - Current	7.00%	7.00%
Attrition rate	1.50%	2.00%
Investment details		
Funds managed by the Insurer	100%	100%

Actuarial valuation

a. Experience adjustment

Particulars	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	30,956,486	26,964,973	26,491,000	18,954,000
Plan assets	27,601,883	18,100,000	1,916,000	1,766,000
Surplus/(Deficit)	(3,354,603)	(8,864,973)	(24,575,000)	(17,188,000)
Exp. adj. on plan liabilities	(122,951)	(5,039,000)	(1,325,000)	(1,678,000)
Exp. adj. on assets	(1,685,924)	(689,000)	2,942,000	730,000

Estimated contribution towards gratuity for next year - Rs. 75 Lakhs

Note 24: Employee stock option plans

The company provides share based payment schemes to its employees. During the year ended March 31, 2013 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 and as set aside 10,05,100 Options under this scheme. 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:

Particulars	Options granted on 25th Oct 2012	Options granted on 24th Oct 2011
Vesting period	3 years	3 years
Exercise period	3 years	3 years
Exercise price	Rs.114.70	Rs.38.05
Market price on the date of grant	Rs.114.70	Rs.38.05

Notes to Consolidated Financial Statements for the year ended March 31, 2013

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

Particulars	31-Mar-13		31-Mar-12	
	No. of options	WAEP (Rs.)	No. of options	WAEP (Rs.)
Outstanding at the beginning of the year	339,000	38.05	Nil	Nil
Granted during the year	410,500	114.70	339,000	38.05
Forfeited during the year	Nil	NIL	Nil	Nil
Exercised during the year	72,100	38.05	Nil	Nil
Outstanding at the end of the year	677,400	84.50	339,000	38.05
Exercisable at the end of the year	63,500	38.05	Nil	Nil

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2013 is 3.67 Years (March 31, 2012: 3.96 Years). The range of exercise price for options outstanding at the end of the year was Rs.38.05 to Rs.114.70 (March 31, 2012 Rs. 38.05)

The weighted average fair value of stock options granted during the year was Rs. 55.08 (March 31, 2012: Rs.21.03). The black scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	31-Mar-13	31-Mar-12
Dividend yield (%)	4.36%	2.63%
Expected volatility	71.84%	76.03%
Risk-free interest rate	8.17%	8.28%
Weighted average share price	114.70	38.05
Exercise price	114.70	38.05
Expected life of options granted in years	4.4 years	4.4 years

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 historical 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:

Particulars	31-Mar-13	31-Mar-12
Profit after tax as reported	194,408,106	113,773,290
Add: ESOP cost using intrinsic value method	-	-
Less: ESOP cost using fair value method	9,597,370	1,969,964
Proforma profit after tax	184,810,736	111,803,326
Earnings per share		
Basic		
As reported	19.32	11.32
Proforma	18.36	11.12
Diluted		
As reported	19.03	11.30
Proforma	18.09	11.11

Note 25: 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:

Particulars	31-Mar-13	31-Mar-12
Within one year	7,885,430	20,548,206
After one year but not more than five years	10,690,743	3,276,000
More than five years	-	-
	18,576,173	23,824,206
Lease payments recognised in the Statement of Profit and Loss account	44,008,768	48,685,773

Note 26: Segment reporting

Sales revenue by geographical market

Particulars	31-Mar-13	31-Mar-12
Within India	101,399,902	93,144,755
Outside India	1,513,035,066	1,121,273,610
	1,614,434,968	1,214,418,365

Notes to Consolidated Financial Statements for the year ended March 31,2013

Note 27: Commitments and contingencies

Particulars	31-Mar-13	31-Mar-12
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	-	-
Service tax related matters	7,218,676	7,218,676
Income tax related matters	51,238,609	51,238,609
Counter guarantees issued to the bank for the bank guarantee obtained	27,772,053	27,763,951

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 amounting Rs.23,100,000 in the books of account during the financial year 2011-12 in respect of other earlier financial years considering the issues under dispute.

Note 28: Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'

Related Parties

1. Key Management Personnel (KMP)

- Mr. A V Asvini Kumar - Managing Director
- Ms. Vanaja Arvind - Executive Director
- Mr. Mohan Parvatikar - Whole time Director

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

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

3. Transaction with Related Parties

Particulars	Nature of relationship	Name of the related Party	31-Mar-13 Rs.	31-Mar-12 Rs.
Expenses				
Managerial remuneration *	KMP	Mr. A V Asvini Kumar	12,028,800	6,028,800
	KMP	Ms. Vanaja Arvind	12,028,800	6,028,800
	KMP	Mr. Mohan Parvatikar	3,028,800	2,848,800
* Includes Rs.28,800 each towards perquisite value of motor car provided by the company				
Rent	Relatives of KMP	Ms. A K Latha	464,400	193,500
	Relatives of KMP	Mr. A.K.Krishna	-	193,500
Salary	Relatives of KMP	Ms. Aarti Arvind	5,498,270	4,589,170
Professional services	Relatives of KMP	Mr. C V Rajan	-	25,000

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Particulars	Nature of relationship	Name of the related Party	31-Mar-13 Rs.	31-Mar-12 Rs.
Other Transactions				
Proposed final dividend				
	KMP	Mr. A V Asvini Kumar	10,962,498	10,928,331
	KMP	Ms. Vanaja Arvind	3,329,286	3,293,286
	KMP	Mr. Mohan Parvatikar	416,559	416,559
	Relatives of KMP	Ms. Aarti Arvind	215,940	215,940
	Relatives of KMP	Mr. A K Krishna	683,334	683,334
	Relatives of KMP	Ms. A K Latha	731,166	731,166
	Relatives of KMP	Mr. Chalapathi Rao Peddineni	18,333	18,333
	Relatives of KMP	Mr. C V Rajan	6,666	6,666
	Relatives of KMP	Ms. Lalitha Devi	-	34,167
Interim dividend				
	KMP	Mr. A V Asvini Kumar	10,962,498	7,285,554
	KMP	Ms. Vanaja Arvind	3,293,286	2,151,324
	KMP	Mr. Mohan Parvatikar	416,559	277,706
	Relative of KMP	Ms. Aarti Arvind	215,940	94,666
	Relative of KMP	Mr. A K Krishna	683,334	455,556
	Relative of KMP	Ms. A K Latha	731,166	487,444
	Relative of KMP	Mr. Chalapathi Rao Peddineni	18,333	12,222
	Relative of KMP	Mr. C V Rajan	6,666	4,444
	Relative of KMP	Ms. Lalitha Devi	-	22,778
Outstanding Balances				
Trade Payables				
	KMP	Mr. A V Asvini Kumar	37,081	27,680
Loans and advances (Travel advance)				
	KMP	Ms. Vanaja Arvind	6,256	176,841
Provision for expenses				
	KMP	Mr. A V Asvini Kumar	6,000,000	900,000
	KMP	Ms. Vanaja Arvind	6,000,000	900,000
	KMP	Mr. Mohan Parvatikar	1,500,000	1,320,000
Final dividend payable				
	KMP	Mr. A V Asvini Kumar	10,962,498	10,928,331
	KMP	Ms. Vanaja Arvind	3,329,286	3,293,286
	KMP	Mr. Mohan Parvatikar	416,559	416,559
	Relative of KMP	Ms. Aarti Arvind	215,940	215,940
	Relative of KMP	Mr. A K Krishna	683,334	683,334
	Relative of KMP	Ms. A K Latha	731,166	731,166
	Relative of KMP	Mr. Chalapathi Rao Peddineni	18,333	18,333
	Relative of KMP	Mr. C V Rajan	6,666	6,666
	Relative of KMP	Ms. Lalitha Devi	-	34,167

Notes to Consolidated Financial Statements for the year ended March 31, 2013

Note 29: 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	31-Mar-13 Rs.	31-Mar-12 Rs.
No. of Contracts (sell)	1	1
Value of Foreign currency (USD)	1,500,000	500,000
Value in INR	81,585,000	25,580,000

The company has not entered into any other derivative instruments during the year.

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

Particulars	FCY	31-Mar-13		31-Mar-12	
		Amt in FCY	Amt in Rs.	Amt in FCY	Amt in Rs.
Trade receivables	GBP	861,259	70,898,838	613,554	50,188,717
Trade receivables	USD	2,716,764	147,764,767	1,438,599	73,598,725
Trade receivables	EUR	918,914	63,901,273	932,403	63,720,421
Trade receivables	SGD	323,295	14,247,590	132,976	5,510,525
Trade receivables	AUD	241,602	13,764,066	122,117	6,606,530
Trade receivables	MYR	422,096	7,504,862	6,000	102,060
Loans and advances	USD	126,766	6,894,803	106,562	5,451,688
Loans and advances	SGD	-	-	45,915	1,902,718
Loans and advances	GBP	32,120	2,644,151	26,574	2,173,752
Loans and advances	AUD	8,900	507,033	16,533	894,435
Loans and advances	AED	392,068	5,833,971	573,984	8,139,098
Loans and advances	EUR	27,881	1,938,873	1,003	68,529
Loans and advances	BHD	716	105,242	-	-
Loans and advances	SAR	17,000	248,030	-	-
Trade payables	GBP	-	-	588	48,138
Trade payables	SGD	6,755	297,694	12,829	531,634
Trade payables	USD	50,448	2,743,851	204,376	10,455,879
Trade payables	EUR	1,002	69,671	86	5,877
Trade payables	AED	-	-	313,496	4,445,371
Trade payables	MYR	151,666	2,696,621	-	-

Note 30: Disclosure made in terms of clause 32 of the listing agreement with stock exchange

Particulars	Name of the company	Amount outstanding as on 31st Mar 13	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

Notes to Consolidated Financial Statements for the year ended March 31,2013

b) Investment by the company	Name of the company	Amount (Rs.)	Maximum amount of investment during the year (Rs.)
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 31: Utilization of IPO proceeds

Particulars	Approved amount (Rs. Lakhs)	Actual utilization (Rs. 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	852.28
TOTAL	1,687.50	1,687.50

Company had utilised the IPO proceeds fully for the purposes as approved.

Note 32: Previous year figures

Previous year figures have been regrouped / reclassified so as to conform to the current year's groupings.

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

S Krishnamoorthy
Company Secretary

Place: Chennai
Date : April 25, 2013

Place: Chennai
Date : April 25, 2013

THINKSOFT GLOBAL SERVICES LIMITED

Regd. Off: 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4 Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096 Tamil Nadu

ATTENDANCE SLIP

(To be presented at the entrance)

15TH ANNUAL GENERAL MEETING ON THURSDAY, 25TH JULY 2013 AT 3.30 P.M.

at Rani Seethai Hall, No.603, Anna Salai, Chennai – 600 006.

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

I/we hereby record my/our presence at the 15th Annual General Meeting of the members of the Company held on Thursday, 25th July, 2013 at 3.30 p.m. at Rani Seethai Hall, No. 603, Anna Salai, Chennai – 600006.

Name of the Member/Proxy holder:

Signature of Shareholder / Proxy holder

THINKSOFT GLOBAL SERVICES LIMITED

Regd. Off: 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4 Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096 Tamil Nadu

PROXY FORM

I/We _____ of _____ being a Member/Members(s) of Thinksoft Global Services Limited appoint _____ or failing him/her _____ of _____ or _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on Thursday, 25th July, 2013 at 3.30 p.m. at Rani Seethai Hall, No. 603, Anna Salai, Chennai – 600006 and at any adjournment thereof.

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

No. of Shares.....

Signed this _____ day of _____ 2013

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 should quote their Demat Account no. and Depository Participant (DP) ID No.



Team Thinksoft at Odyssey Conference, Chennai, January 2013

www.thinksoftglobal.com

CORPORATE OFFICE & REGISTERED OFFICE

6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai 600096

DELIVERY CENTERS

Chennai: 6A, 6th Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai 600096

Chennai: Plot No. B-17, Phase II, 2nd Main Road, MEPZ-SEZ, Tambaram, Chennai 600045

Mumbai: Unit No. B-601/602/603, 6th Floor, Citi Point, Andheri-Kurla Road, Andheri East, Mumbai 400059

Bengaluru: 511 & 512, Prestige Meridian I, No. 29-30, M.G. Road, Bengaluru 560 001.

INTERNATIONAL OFFICES

Singapore: 1, North Bridge Road, No. 1904/05, High Street Centre, Singapore 179094

USA: 38, 3rd Floor, Stark Business Suites, 500, Mamaroneck Ave, Suite 320, Harrison, NY 10528

Germany: Büttenweg 5, D - 55545, Bad Kreuznach, Germany.

UK: 26-28, Hammersmith Grove, London W67BA

UAE: PO Box 82840, Dubai

OTHER PLACES OF BUSINESS

Australia | Belgium | Cyprus | Hong Kong | Malaysia



FORM A

**Format of covering letter of the annual audit report to be filed with the
Stock Exchanges**

1.	Name of the Company:	Thinksoft Global Services Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by-	
		
	A. V. Asvini Kumar Managing Director	N. Vaidyanathan Chief Financial Officer
	 	
	T. V. Balasubramanian Membership Number 027251 Partner PKF Sridhar & Santhanam Chartered Accountants Chennai. Firm Regn No. 003990S Auditor of the Company	K. Kumar Chairman of Audit Committee

Date: April 25, 2013

