CREATE THE NEXT WAVE

Tech Mahindra

IT Services and Telecom Solutions

ANNUAL REPORT 2009-2010

Collaborate to Win

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TECH MAHINDRA LIMITED
SUBSIDIARY COMPANIES

TECH MAHINDRA (AMERICAS) INC.

Board Of Directors

Mr. Vineet Nayyar – Chairman

Mr. Milind Kulkarni

Mr. Ulhas N. Yargop

Registered Office

36, Pittenger Road,
Freehold, New Jersey, 07728,
USA

Bankers

HSBC Bank

Auditors

Catrakilis & Company

CPA's P.C.

Directors' Report to the Shareholders

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2010.

Financial Results:

For the year ended March 31,	**2010 US$**	**2010 INR**	2009 US$	2009 INR
Income	**91,332,302**	**4,121,826,789**	90,840,001	4,099,609,245
Profit/(Loss) before tax	**5,059,024**	**228,313,752**	4,944,989	223,167,353
Profit/(Loss) after tax	**3,082,340**	**139,106,004**	3,021,766	136,372,300

Review of operations:

During the fiscal year, the Company achieved sales of US$ 91,332,302 (equivalent to INR 4,121,826,789), an increase of 0.54% over the sales for the previous year. The Company continues to invest in strengthening its marketing infrastructure in the US which is identified as a future growth area. The increase in business and the focus on right sizing the US operations while preparing for the next level of growth has helped the Company to earn profits in the last few years. The profit has increased by 1% over the last year.

Changes in Director:

During the year under review, Mr. Anand G. Mahindra, Mr. Arun Seth and Mr. Clive Goodwin resigned as directors of the Company and Mr. Milind Kulkarni was appointed as director of the Company. Mr. Vineet Nayyar and Mr. Ulhas N. Yargop are the other members of the Board of Directors.

Outlook for the current year:

The Company believes that the investments made over the last few years in cultivating long term relationships with major telecom companies will result in further increase in business and improvement in profits.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Vineet Nayyar
Director

Pune, April 8, 2010

INDEPENDENT AUDITORS' REPORT
Tech Mahindra (Americas) Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, Richardson, Texas

We have audited the accompanying balance sheets of Tech Mahindra (Americas) Inc., a wholly owned subsidiary of Tech Mahindra Limited, an India corporation (the "Company"), as of March 31, 2010 and 2009, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of Internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra (Americas) Inc. as of March 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 5 and 6 to the financial statements, Tech Mahindra (Americas) Inc. has had numerous significant transactions with the parent company and affiliated company.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedules of Revenue and Expenses (USD) on page 7 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Catrakilis & Company CPA's, P.C.

Atlanta, Georgia
April 8, 2010

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION
Tech Mahindra (Americas) Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, Richardson, Texas

Our report on our audits of the basic financial statements of Tech Mahindra (Americas) Inc., a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, as of March 31, 2010 and 2009, and the related statements of income, retained earnings, and cash flows for the years then ended, appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 6-12 is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Foreign Currency amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 45.13 to 1.00 USD for the both 2010 and 2009.

Catrakilis & Company CPA's, P.C.

Atlanta, Georgia
April 8, 2010

Tech Mahindra (Americas) Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation
Supplemental Balance Sheets

	March 31,			
	2010		2009	
	USD	**INR**	USD	INR
ASSETS:				
Current assets:				
Cash (including $2,200,496 (99,308,384 INR), and $39,013 (1,760,657 INR) in interest bearing accounts as of March 31, 2010 and 2009, respectively)	**2,673,000**	**120,632,490**	1,776,486	80,172,813
Accounts receivable - trade	**1,601,646**	**72,282,284**	80,030	3,611,754
Due from parent company (Note 5)	**8,728,266**	**393,906,645**	7,264,687	327,855,324
Deferred tax assets (Note 4)	**893,800**	**40,337,194**	798,720	36,046,234
Employee advances	**1,323,185**	**59,715,339**	877,397	39,596,927
Prepaid expenses and other current assets	**352,769**	**15,920,465**	37,687	1,700,814
Total current assets	**15,572,666**	**702,794,417**	10,835,007	488,983,866
Property and equipment (less accumulated depreciation of $131,392 (5,929,721 INR) and $124,135 (5,602,213 INR) as of March 31, 2010 and 2009, respectively)	**14,497**	**654,250**	14,182	640,034
Security deposits	**44,523**	**2,009,323**	114,386	5,162,240
Other assets	**4,719**	**212,968**	-	-
Total other assets	**63,739**	**2,876,541**	128,568	5,802,274
Total Assets	**15,636,405**	**705,670,958**	10,963,575	494,786,140
LIABILITIES AND STOCKHOLDER'S EQUITY				
Liabilities:				
Current liabilities:				
Accrued expenses	**5,966,385**	**269,262,955**	4,367,534	197,106,810
Customer advances	**41,717**	**1,882,688**	152,271	6,871,990
Income taxes payable	**127,615**	**5,759,265**	471,157	21,263,315
Due to affiliated company (Note 6)	**494,121**	**22,299,681**	48,386	2,183,660
Total current liabilities	**6,629,838**	**299,204,589**	5,039,348	227,425,775
Stockholder's equity				
Common stock - $1 par value - 500,000 shares authorized 375,000 shares issued and outstanding	**375,000**	**16,923,750**	375,000	16,923,750
Retained earnings	**8,631,567**	**389,542,619**	5,549,227	250,436,615
Total stockholder's equity	**9,006,567**	**406,466,369**	5,924,227	267,360,365
Total Liability and Stockholder's Equity	**15,636,405**	**705,670,958**	10,963,575	494,786,140

See Auditors' Report on Supplemental Information and Notes to Supplemental Financial Statements

Tech Mahindra (Americas) Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation,
Supplemental Statements of Income and Retained Earnings

	Year ended March 31,			
	2010		2009	
	USD	**INR**	USD	INR
		(restated)		(restated)
REVENUE	**91,332,302**	**4,121,826,789**	90,840,001	4,099,609,245
OPERATING EXPENSES:				
Personnel	**70,889,209**	**3,199,230,002**	69,583,738	3,140,314,096
General and administrative	**15,469,778**	**698,151,081**	16,226,059	732,282,043
Sales and marketing	**-**	**-**	19,297	870,874
Depreciation	**7,257**	**327,508**	14,921	673,385
Total operating expenses	**86,366,244**	**3,897,708,591**	85,844,015	3,874,140,398
Operating income	**4,966,058**	**224,118,198**	4,995,986	225,468,847
OTHER INCOME (EXPENSES)				
Other income	**78,626**	**3,548,390**	761	34,344
Interest expense	**907**	**40,933**	(51,758)	(2,335,838)
Gain on foreign currency conversion	**13,433**	**606,231**	-	-
Total other income (expenses)	**92,966**	**4,195,554**	(50,997)	(2,301,494)
Income before income tax expense	**5,059,024**	**228,313,752**	4,944,989	223,167,353
INCOME TAX EXPENSE (Note 4)	**1,976,684**	**89,207,748**	1,923,223	86,795,053
NET INCOME	**3,082,340**	**139,106,004**	3,021,766	136,372,300
Retained earnings, beginning of period	**5,549,227**	**250,436,615**	2,527,461	114,064,315
Retained earnings, end of period	**8,631,567**	**389,542,619**	5,549,227	250,436,615

See Auditors’ Report on Supplemental Information and Notes to Supplemental Financial Statements

Tech Mahindra (Americas) Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation
Supplemental Statements of Cash Flows

	Year ended March 31,			
	2010		2009	
	USD	**INR**	USD	INR
		(restated)		(restated)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	**3,082,340**	**139,106,004**	3,021,766	136,372,300
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation	**7,257**	**327,508**	14,921	673,385
Deferred income tax expense	**(95,080)**	**(4,290,960)**	(9,164)	(413,571)
Changes in operating assets and liabilities:				
Accounts receivable - trade	**(1,521,616)**	**(68,670,530)**	1,159,529	52,329,544
Due from parent company	**(1,463,579)**	**(66,051,320)**	(1,067,515)	(48,176,952)
Due from affiliated companies	-	-	252,650	11,402,095
Employee advances	**(445,788)**	**(20,118,412)**	132,391	5,974,806
Prepaid income taxes	**-**	**-**	117,430	5,299,616
Prepaid expenses and other current assets	**(315,082)**	**(14,219,651)**	(19,263)	(869,339)
Security deposit	**69,863**	**3,152,917**	1,391	62,776
Other assets	**(4,719)**	**(212,968)**	-	-
Accrued expenses	**1,598,851**	**72,156,145**	(83,669)	(3,775,983)
Accounts payable	**-**	**-**	(44,799)	(2,021,779)
Customer advances	**(110,554)**	**(4,989,302)**	(94,245)	(4,253,277)
Income tax payable	**(343,542)**	**(15,504,050)**	471,157	21,263,315
Due to parent company	**-**	**-**	(659,447)	(29,760,843)
Due to affiliated companies	**445,735**	**20,116,021**	48,386	2,183,660
Net Cash Provided by (Used in) Operating Activities	**904,086**	**40,801,402**	3,241,519	146,289,753
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property and equipment purchased	**(7,572)**	**(341,725)**	(12,016)	(542,283)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase (decrease) in bank overdrafts	**-**	**-**	(472,140)	(21,307,678)
Repayment of note payable to parent company	**-**	**-**	(2,500,000)	(112,825,000)
Net Cash Used in Financing Activities	**-**	**-**	(2,972,140)	(134,132,678)
Net increase (decrease) in cash	**896,514**	**40,459,677**	257,363	11,614,792
Cash , beginning of period	**1,776,486**	**80,172,813**	1,519,123	68,558,021
Cash, end of period	**2,673,000**	**120,632,490**	1,776,486	80,172,813
Supplemental disclosure:				
Cash paid for income taxes	**1,944,149**	**87,739,444**	1,323,537	59,731,225
Cash paid for interest (none capitalized)	**-**	**-**	52,872	2,386,113

See Auditors' Report on Supplemental Information and Notes to Supplemental Financial Statements

Tech Mahindra (Americas) Inc.
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation
Supplemental Schedules of Revenue and Expenses (USD & INR)

	Years ended march 31,			
	2010	**2010**	2009	2009
	USD	**INR**	USD	INR
		(restated)	(restated)	
Schedule I				
REVENUE				
Contract revenue	**5,854,606**	**264,218,369**	1,094,644	49,401,284
Transfers to parent and affiliated companies	**(5,854,606)**	**(264,218,369)**	(1,094,644)	(49,401,284)
	-	**-**	-	-
Revenue from parent and affiliated companies	**91,332,302**	**4,121,826,789**	90,840,001	4,099,609,245
	91,332,302	**4,121,826,789**	90,840,001	4,099,609,245
Schedule II				
PERSONNEL EXPENSES				
Salaries				
Software engineers	**52,652,323**	**2,376,199,337**	54,415,067	2,455,751,974
Administrative	**988,183**	**44,596,699**	1,079,949	48,738,098
Sales and marketing	**6,414,414**	**289,482,503**	4,856,421	219,170,280
Payroll taxes	**4,802,662**	**216,744,136**	4,894,731	220,899,210
Employee benefits	**6,031,627**	**272,207,327**	4,337,570	195,754,534
	70,889,209	**3,199,230,002**	69,583,738	3,140,314,096
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**10,730,724**	**484,277,573**	11,119,422	501,819,514
Insurance	**191,849**	**8,658,145**	556,320	25,106,722
Travel	**2,761,622**	**124,632,001**	2,705,376	122,093,619
Entertainment	**43,143**	**1,947,044**	84,577	3,816,960
Professional fees	**223,778**	**10,099,101**	435,810	19,668,105
Rent	**305,315**	**13,778,866**	276,505	12,478,671
Communications	**864,381**	**39,009,515**	802,675	36,224,723
Office expenses	**119,020**	**5,371,373**	141,381	6,380,525
Sales and other indirect taxes	**78,101**	**3,524,698**	-	-
Miscellaneous expenses	**151,845**	**6,852,765**	103,993	4,693,204
	15,469,778	**698,151,081**	16,226,059	732,282,043

See Auditors' Report on Supplemental Information

Tech Mahindra (Americas) Incorporated
a wholly owned subsidiary of Tech Mahindra Limited, an India corporation
Notes to Supplemental Financial Statements
March 31, 2010 and 2009

1 NATURE OF OPERATIONS

Tech Mahindra (Americas) Incorporated (TMA), is a wholly owned subsidiary of Tech Mahindra Limited (TechM), which is incorporated in the country of India. TMA was incorporated in the State of New Jersey in November 1993, and provides computer consulting and programming support services. In terms of an agreement and plan dated May 28, 2008 between TechM, the parent company, and TMA the assets, liabilities and operations of fellow subsidiary, Tech Mahindra (R&D Services), Inc. (TMRD) were merged into TMA effective July 1, 2008. For more details see Note 10 below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of TMA have been prepared on the accrual basis of accounting. Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below:

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and savings accounts. These accounts may, at times, exceed federally insured limits. TMA has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

B. ACCOUNTS RECEIVABLE - TRADE

Accounts receivable consists primarily of amounts due from customers for services provided by TMA. As of March 31, 2010 management was of the opinion that a provision for doubtful accounts was not necessary (March 31, 2009: $0 (0 INR)). Management's estimate of uncollectible accounts is based upon an analysis of past due accounts. Accounts are written off when all methods to collect have been exhausted. In terms of the contract entered into with TechM on April 1, 2007, TechM assumes all business and entrepreneurial risks relating to all customer transactions. In terms of the contract between TechM and TMA, TechM may elect to invoice customers directly. As per the contract, TMA invoices TechM the total costs incurred related to TechM projects plus a percentage (see Note 2D below).

C. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated using the straight-line method over an estimated useful life of three years. TMA capitalizes purchases greater than $500 (22,565 INR) with lesser amounts expensed in the year purchased.

D. REVENUE AND EXPENSES

Effectively April 1, 2007,TMA entered into a contract with TechM. Under the contract TMA remits to TechM 100% of all contract revenues. However, TechM, has agreed to reimburse TMA all direct project expenses and all indirect costs relating to its projects plus 5.75% of these expenses.

On October 1, 2008, TMA entered into a contract with an affiliated company. CanvasM (Americas), Inc. (CAI), a Delaware corporation. Under the contract TMA provides CAI with software development services and in turn, CAI has agreed to remunerate TMA an amount of 5.75% of its costs. Furthermore, on October 1, 2008, TMA and CAI entered into an agreement whereby the parties agree that TMA will reimburse CAI 100% of all contract revenue billed by TMA to CAI customers for CAI projects.

Expenses are recorded when incurred.

E. INCOME TAXES

TMA accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740 the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. TMA records valuation allowances against deferred tax assets as deemed necessary.

F. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognized as income or expense, as the case may be.

Assets and liabilities recorded in foreign currencies are translated at the exchange rate on the balance sheet date. These gains and losses are unrealized; and may or may not be realized depending on the fluctuations of the US dollar exhange to the respective foreign currency when the funds are actually exchanged.

G. RECLASSIFICATIONS

Prior period amounts have been restated to conform with current period presentation.

3. PROPERTY AND EQUIPMENT

At March 31, 2010 and 2009, property and equipment are summarized as follows:

	Years ended March 31,			
	2010		2009	
	USD	INR	USD	INR
Furniture and equipment - cost	145,889	6,583,971	138,317	6,242,247
Less: accumulated depreciation	(131,392)	(5,929,721)	(124,135)	(5,602,213)
Property and equipment, net	14,497	654,250	14,182	640,034

Depreciation expense for the three months ended March 31, 2010 and 2009 was $1,853 (83,626 INR) and $3,709 (167,387 INR), respectively and for the twelve months ended March 31, 2010 and 2009 was $7,257 (327,508 INR) and $14,921 (673,385 INR), respectively. The depreciation policies followed by TMA are described in Note 2C.

4. INCOME TAXES

TMA accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 2E above.

Current income tax expense consists of the following:

	Years ended March 31,		Year ended March 31,	
	2010		2009	
	USD	INR	USD	INR
			(restated)	(restated)
Federal	1,766,737	79,732,841	1,634,179	73,750,498
State	305,027	13,765,868	298,208	13,458,127
	2,071,764	93,498,709	1,932,387	87,208,625
Deferred income tax expense (benefit) consists of the following:				
Federal	(136,618)	(6,165,570)	(45,866)	(2,069,933)
State	41,538	1,874,609	36,702	1,656,361
	(95,080)	(4,290,961)	(9,164)	(413,572)
Total current and deferred income tax expenses	1,976,684	89,207,748	1,923,223	86,795,053
Deferred tax asset consists of the following:				
Federal	718,420	32,422,295	581,801	26,256,679
State	175,380	7,914,899	216,919	9,789,555
	893,800	40,337,194	798,720	36,046,234

As of March 31, 2010 and 2009, TMA had utilized all available federal net operating losses available to be carried forward from prior years. As of March 31, 2010, the Company had approximately $629,091 (28,390,877 INR) (March 31, 2009: $1,513,303 (68,295,365 INR)) of available state NOL which were available to be carried forward through March 31, 2019. TMA expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

5. TRANSACTIONS WITH PARENT COMPANY

TMA has entered into revenue sharing contracts with TechM, its parent company. For details relating to the contracts refer to Note 2D above.

	Years ended March 31,		Year ended March 31,	
	2010		2009	
	USD	INR	USD	INR
Beginning balance, due from parent company	(7,264,687)	(327,855,324)	(5,537,725)	(249,917,529)
Contract revenue-parent company	1,641,831	74,095,833	819,845	36,999,605
Income from parent company	(90,532,959)	(4,085,752,441)	(90,683,695)	(4,092,555,156)
Payments to parent company	(2,366,053)	(106,779,972)	(1,634,843)	(73,780,465)
Collections from parent company	85,634,554	3,864,687,423	85,291,047	3,849,184,952
Advances received from parent company	4, 159,048	187,697,836	4,773,806	215,441,865
Assumption of receivable previously owned by affiliate	-	-	(293,122)	(13,228,596)
Ending balance due from parent company	(8,728,266)	(393,906,645)	(7,264,687)	(327,855,324)

Due (to) from parent company consist of:

	March 31,		March 31,	
	2010		2009	
	USD	INR	USD	INR
Amounts due to parent company	(1,279,416)	(57,740,044)	(1,101,969)	(49,731,861)
Amounts due from parent company	10,007,682	451,646,689	8,366,656	377,587,185
	8,728,266	393,906,645	7,264,687	327,855,324

6. TRANSACTIONS WITH AFFILIATED COMPANY

TMA has entered into revenue sharing contracts with CAI, an affiliated company. For details relating to the contracts refer to Note 2D above.

	Years ended March 31,			
	2010		2009	
	USD	INR	USD	INR
Beginning balance, due to affiliated company	48,386	2,183,660	-	-
Contract revenue - affiliated company	4,212,775	190,122,536	274,799	12,401,679
Income from affiliated company	(799,343)	(36,074,350)	(156,307)	(7,054,135)
Payments to affiliated company	(3,682,773)	(166,203,545)	(305,953)	(13,807,659)
Collections from affiliated company	739,339	33,366,369	238,147	10,747,574
Advances paid to affiliated company	(24,263)	(1,094,989)	(2,300)	(103,799)
Ending balance due to affiliated company	494,121	22,299,681	48,386	2,183,660

Due to (from) parent consists of:

	March 31, 2010		March 31, 2009	
	USD	**INR**	USD	INR
Amounts due to affiliated company	**(603,329)**	**(27,228,238)**	(73,327)	(3,309,247)
Amounts due from affiliated company	**109,208**	**4,928,557**	24,941	1,125,587
	(494,121)	**(22,299,681)**	(48,386)	(2,183,660)

7. CONCENTRATION OF RISK

Revenue from the parent and affiliated companies for the three months ended March 31, 2010 and 2009 was $24,853,028 (1,121,617,154 INR) and $23,192,200 (1,046,663,986 INR), respectively. Revenue from the parent and affiliated companies for the years ended March 31, 2010 and 2009 was $91,332,302 (4,121,826,789 INR) and $90,840,001 (4,099,609,245 INR), repectively, representing 100% of the total operating revenues for both years.

In addition, one customer comprises a significant portion of the company's accounts receivable for the years ended March 31, 2010 and 2009. This revenue is received by TMA and then is transferred to TechM and CAI. It has been treated as agency transactions for financial statement purposes. Accounts receivable concentrations are as follows:

Accounts Receivable Concentration:

	Years ended March 31, 2010		
	USD	**INR**	Concentration
Firebrand Wireless, LLC	**379,226**	**17,114,469**	**24%**
	Years ended March 31, 2009		
	USD	**INR**	Concentration
	-	-	0%

8. EMPLOYEE BENEFITS

TMA's medical benefits are provided under a partially self-insured plan and a contract with an insurance company for major stop-loss coverage. Under the insurance contract, TMA is liable for all expenses under an aggregate annual maximum based on the number of persons covered. Management has included in accrued expenses claims payable and an estimate of incurred but not paid claims as of the year end.

Employees of TMA may be alloted/granted shares in TechM in terms of several Employee Stock Option plans. The allotment of options to eligible employees is decided by the Compensation Committee which is comprised of certain directors of TechM. However, it is the opinion of management that the options granted to the employees relate to the services rendered to the parent company and therefore need not be accounted for by TMA under FASB ASC 718, Compensation - Stock Compensation.

9. COMMITMENTS

TMA leases office space under operating leases. Rent expenses under these operating leases were $305,315 (13,778,865 INR) and $276,505 (12,478,671 INR) for the years ended March 31, 2010 and 2009, and $78,477 (3,541,667 INR) and $73,801 (3,330,639 INR) for the three months ended March 31, 2010 and 2009, respectively. Future minimum lease payments under operating leases are as follows:

Years ending March 31,	USD	INR
2011	145,164	6,551,251
2012	38,002	1,715,030
2013	38,002	1,715,030
2014	9,500	428,735
	230,668	10,410,046

10. TRANSACTIONS BETWEEN ENTITIES UNDER COMMON CONTROL

In terms of a May 28, 2008 agreement between TechM, the parent company, and TMA, effective July 1, 2008, the assets, liabilities and operations of Tech Mahindra (R&D Services), Inc. (TMRD) were merged into TMA. TMRD performed marketing, managerial and administrative functions required to service certain TechM customers based in the United States of America. In accordance with FASB ASC 805 Business Combinations, net assets of TMRD were recognized at the carrying amounts in the accounts of TMA at July 1, 2008.

11. NEW ACCOUNTING PRONOUNCEMENTS

On July 1, 2009, the Company adopted new guidance that established the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as the single source of authoritative GAAP. The ASC establishes a common referencing system for accounting standards and is generally organized by subject matter. Use of ASC has no impact on the Company's financial condition or results of operations.

See Auditors' Report on Supplemental Information

TECH MAHINDRA GmbH, DÜSSELDORF

Supervisory Board

Mr. Vineet Nayyar - Chairman

Mr. Ulhas N. Yargop, Member

Managing Directors

Mr. Sonjoy Anand

Mr. Vivek Agarwal

Registered Office

Prinzenallee 7, 40549
Düsseldorf,
Germany

Bankers

HSBC Bank

Auditors

Deloitte and Touche, GmbH
Düsseldorf, Germany

MANAGING DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Managing Directors present their report together with the audited accounts for the year ended March 31, 2010.

Financial Results

For the year ended March 31	**2010 EUR**	**2010 INR**	2009 EUR	2009 INR
Income	**14,049,518**	**849,574,375**	11,481,025	694,257,595
Profit/(Loss) before tax	**756,259**	**45,730,993**	554,638	33,538,947
Profit/(Loss) after tax	**756,299**	**45,733,417**	552,493	33,409,259

The income for the year has increased by 2,568,493 Euros (equivalent to INR 155,316,780) an increase of 22% as against previous year. The profits improved by 203,806 Euros (equivalent to INR 12,324,158), an increase of 37% over the previous year. The Company continued its investment in sales & marketing in Europe and focused on optimizing costs.

Share Capital

The Company's share capital is Euro 575,000 (INR 34,770,250). The capital is fully paid up.

Management

The Chairman of the Supervisory Board is Mr. Vineet Nayyar. Mr. Ulhas N. Yargop is other member of the Board. Mr. Clive Goodwin resigned as a member of Supervisory Board of the Company during the year under review. Mr. Vivek Agarwal was appointed as Managing Director in place of Mr. Vikram Nair. Mr. Sonjoy Anand is the other Managing Director of the Company.

Acknowledgements

Your Managing Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Managing Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Sonjoy Anand
Managing Director

Düsseldorf, April 8, 2010

Translation of Auditors' Opinion:

Independent Auditors' Report

We have audited the annual financial statements - comprising the balance sheet, the income statement and the notes to the financial statements - together with the bookkeeping system, and the management report of TECH MAHINDRA GmbH, Düsseldorf/Germany, for the business year from 1 April 2009 to 31 March 2010. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ("German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of TECH MAHINDRA GmbH, Düsseldorf/Germany, comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Düsseldorf, May 20, 2010

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Signed: **Thiede**
Wirtschaftsprüfer
[German Public Auditor]

Signed: **Herrel**
Wirtschaftsprüfer
[German Public Auditor]

Memo

Date: 04/19/2010

To: TECH MAHINDRA GmbH, Düsseldorf

Cc:

From: Paul-Herbert Thiede

Subject: Converting of Financial Statements of TECH MAHINDRA GmbH, Düsseldorf

Dear Sirs,

Please find attached the Balance Sheet and Profit and Loss Account of TECH MAHINDRA GmbH, Düsseldorf, signed for identification purposes only.

Foreign Currency amounts (including prior year amounts) are translated for convenience into Indian Rupees (INR) at the exchange rate of Rs. 60.47 = 1 EUR which is the average of the telegraphic transfer buying and selling rates quoted by Mumbai branch of State Bank of India on 31st March, 2010.

Kind regards,

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Paul-Herbert Thiede
Wirtschaftsprüfer

Enc.

BALANCE SHEET AS AT 31 MARCH 2010

	ASSETS		**31 March 2010 EUR**	**31 March 2010 INR**	Prior year EUR	Prior year INR
A.	**Fixed Assets**					
	I.	**Intangible assets**				
		Software	**1.00**	**60.47**	298.11	18,026.71
	II.	**Tangible Assets**				
		Other equipment, factory and office equipment	**3,555.75**	**215,016.20**	6,291.76	380,462.73
			3,556.75	**215,076.67**	6,589.87	398,489.44
B.	**I.**	**Current Assets**				
		Receivables and other assets				
	1	Trade receivables	**20,206.20**	**1,221,868.91**	474,352.20	28,684,077.53
	2	Receivables from affiliated companies	**3,540,448.32**	**214,090,909.91**	2,410,334.25	145,752,912.10
	3	Other assets	**200,530.96**	**12,126,107.16**	127,655.12	7,719,305.11
			3,761,185.48	**227,438,885.98**	3,012,341.57	182,156,294.74
	II.	**Cash-in-hand, bank balances**	**961,130.36**	**58,119,552.87**	771,488.44	46,651,905.97
			4,722,315.84	**285,558,438.85**	3,783,830.01	228,808,200.71
C.	**Prepaid expenses**		**10,133.18**	**612,753.39**	10,205.13	617,104.21
			4,736,005.77	**286,386,268.91**	3,800,625.01	229,823,794.36
	EQUITY & LIABILITIES					
A.	**Equity**					
	I.	**Subscribed capital**	**575,000.00**	**34,770,250.00**	575,000.00	34,770,250.00
	II.	**Capital reserve**	**6,625,000.00**	**400,613,750.00**	6,625,000.00	400,613,750.00
	III.	**Net retained losses**	**(4,714,051.08)**	**(285,058,668.81)**	(5,266,544.20)	(318,467,927.77)
	IV.	**Net income for the year**	**756,299.28**	**45,733,417.46**	552,493.12	33,409,258.97
			3,242,248.20	**196,058,748.65**	2,485,948.92	150,325,331.20
B.	**Accruals**					
	Other accruals		**970,014.31**	**58,656,765.33**	446,120.75	26,976,921.75
C.	**Liabilities**					
	1	Bank payables	**79.40**	**4,801.32**		
	2	Trade payables	**326,399.81**	**19,737,396.51**	109,093.84	6,596,904.50
	3	Payables to affiliated companies	**25,470.00**	**1,540,170.90**	574,803.04	34,758,339.83
	4	Other liabilities Of which taxes: (EUR 101,766.80(Prior year: 148,961.53) Of which relating to social security and similar obligations: EUR 3,185.44(Prior year: 1,395.77)	**171,794.05**	**10,388,386.20**	184,658.46	11,166,297.08
			523,743.26	**31,670,754.93**	868,555.34	52,521,541.41
			4,736,005.77	**286,386,268.91**	3,800,625.01	229,823,794.36

Note: Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 60.47 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai branch of State Bank of India on 31st March 2010

current year	**60.47**
previous year	60.47

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM APRIL 1, 2009 TO MARCH 31, 2010

		2009/2010 EUR	2009/2010 INR	Prior year EUR	Prior year INR
1.	Sales	**14,049,518.36**	**849,574,375.23**	11,481,025.22	694,257,595.05
2	Other operating income	**247,303.03**	**14,954,414.22**	277,961.04	16,808,304.09
3	Cost of services	**(2,951,916.52)**	**(178,502,391.96)**	(4,276,632.91)	(258,607,992.07)
4	Personnel expenses				
	a) Wages and Salaries	**(8,156,116.35)**	**(493,200,355.68)**	(5,320,258.15)	(321,716,010.33)
	b) Social security	**(1,361,776.74)**	**(82,346,639.47)**	(819,532.67)	(49,557,140.55)
5	Depreciation on intangible, fixed assets and tangible assets	**(3,033.12)**	**(183,412.77)**	(4,031.17)	(243,764.85)
6	Other operating expenses	**(1,069,616.75)**	**(64,679,724.87)**	(812,876.97)	(49,154,670.38)
7	Other interest and similar income	**1,897.28**	**114,728.52**	28,983.40	1,752,626.20
8	Result from Ordinary Activities	**756,259.19**	**45,730,993.22**	554,637.79	33,538,947.16
9	Other Taxes	**40.09**	**2,424.24**	(2,144.67)	(129,688.19)
10	Net Income for the year	**756,299.28**	**45,733,417.46**	552,493.12	33,409,258.97

Note: Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 60.47 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai branch of State Bank of India on 31st March 2010

MOVEMENTS IN FIXED ASSETS IN THE BUSINESS YEAR 2009/2010

	Acquisition/Production Cost				Accumulated Depreciation				Net Book Values	
	Balance as at April 1, 2009 EUR	Additions EUR	Disposals EUR	**Balance as at March 31, 2010 EUR**	Balance as at April 1, 2009 EUR	Additions EUR	Disposals EUR	**Balance as at March 31, 2010 EUR**	**Balance as at March 31, 2010 EUR**	Prior Year EUR
I. Intangible assets Software	10,842.01	-	-	**10,842.01**	10,543.90	297.11	-	**10,841.01**	**1.00**	298.11
II. Tangible assets Other equipment, factory and office equipment	22,616.45	-	-	**22,616.45**	16,324.69	2,736.01	-	**19,060.70**	**3,555.75**	6,291.76
	33,458.46	-	-	**33,458.46**	26,868.59	3,033.12	-	**29,901.71**	**3,556.75**	6,589.87

	Acquisition/Production Cost				Accumulated Depreciation				Net Book Values	
	Balance as at April 1, 2009 INR	Additions INR	Disposals INR	**Balance as at March 31, 2010 INR**	Balance as at April 1, 2009 INR	Additions INR	Disposals INR	**Balance as at March 31, 2010 INR**	**Balance as at March 31, 2010 INR**	Prior Year INR
I. Intangible assets Software	655,616.34	-	-	**655,616.34**	637,589.63	17,966.24	-	655,555.87	60.47	18,026.71
II. Tangible assets Other equipment, factory and office equipment	1,367,616.73	-	-	**1,367,616.73**	987,154.00	165,446.52	-	**1,152,600.53**	**215,016.20**	380,462.73
	2,023,233.07	-	-	**2,023,233.07**	1,624,743.63	183,412.76	-	**1,808,156.40**	**215,076.67**	398,489.44

Note: Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 60.47 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai branch of State Bank of India on 31st March 2010

Notes to the Financial Statements 2009/2010

A. General Information

The annual financial statements as at 31 March 2010 have been prepared according to the regulations under the German Commercial Code (HGB) and the German Law on Limited Liability Companies (GmbHG). In some cases, the Company has taken advantage of the exemption rules, when preparing the annual financial statements.

The Company is a medium-sized firm (prior year: medium-sized firm) organised in a corporate form as defined under § 267 (2) German Commercial Code (HGB).

B. Accounting and Valuation Rules

Intangible fixed assets have been recognised at acquisition cost less amortisation performed according to the straight-line method.

Tangible fixed assets are valued at acquisition cost and depreciated on a straight-line basis over their expected useful life. Operating and office equipment is depreciated over a useful life of three to ten years. According to the provisions defined in § 6 (2a) German Income Tax Law (EStG), low-value items are collected in a compound item, which is depreciated over five years. Tangible fixed assets with acquisition cost below EUR 150.00 are directly recognised as an expense.

Receivables and other assets as well as liquid funds are valued at their nominal values. Appropriate specific allowances have been made in order to cover all risks identifiable as at the balance sheet date.

The provisions are set up according to sound business judgement and cover the amounts of anticipated liabilities.

The liabilities have been recognised at the amounts at which they will be repaid.

The liabilities denominated in foreign currency are translated at the rates in effect at the date of transaction or at the rates in effect at the balance sheet date where these are higher.

C. Notes to the Balance Sheet

Receivables and Other Assets

As in the prior year, all receivables and other assets are due within one year.

As in the prior year, the receivables from affiliated companies result from services. They solely relate to the shareholder.

Provisions

The other provisions include commitments from vacation not taken (EUR 471 thousand, prior year: EUR 210 thousand), bonus provisions (EUR 158 thousand, prior year: EUR 72 thousand), fees for the preparation and audit of annual financial statements (EUR 21 thousand, prior year: EUR 17 thousand) and sundry (EUR 320 thousand, prior year: EUR 147 thousand).

Liabilities

As in the prior year, all liabilities have to be repaid within one year.

As in the prior year, the liabilities to affiliated companies result from other services and solely relate to the shareholder.

D. Notes to the Income Statement

Other Operating Income

Analysis:

	2009/2010 EUR'000	Prior year EUR'000
Benefits in kind	**158**	177
Release of provisions	**20**	66
Other	**69**	35
	247	278

The item includes income realised in previous periods of EUR 89 thousand (prior year: EUR 101 thousand).

Other Operating Expenses

Analysis:

	2009/2010 EUR'000	Prior year EUR'000	Variance EUR'000
Legal consulting, bookkeeping	**381**	239	142
Travel expenses, vehicle maintenance cost, entertainment	**380**	335	45
Rent, office services	**86**	62	24
Telephone, fax	**85**	91	-6
Other	**138**	86	52
	1,070	813	257

As in the prior year, the item does not include substantial expenses incurred in previous periods.

E. Other Required Disclosures

Members of Management

The management activities are performed by:

Mr. Sonjoy Anand, Pune/India, Managing Director responsible for financial activities

Mr. Vikram Nair, Slough/UK (Until 20 November 2009)

Mr. Vivek Agarwal, London/UK (since 20 November 2009), Managing Director responsible for the operating activities

The managing directors did not receive any emoluments from the Company.

Supervisory Board

The Company appointed a Supervisory Board, which counts three members:

Ulhas Yargop, Mumbai/India, member of the Board of Directors Tech Mahindra Ltd

Clive Goodwin, Middlesex/Great Britain, member of the Board of Directors Tech Mahindra Ltd

Vineet Nayyar, New Delhi/India, Chairman, Vice Chairman and Managing Director Tech Mahindra Ltd

The members of the Supervisory Board did not receive any emoluments from the Company.

Employees

The average number of employees in the financial year was 150 (prior year: 97).

Other Financial Commitments

The other financial commitments result from tenancy agreements of EUR 31 thousand, which are all due within one year.

Group Affiliation

TECH MAHINDRA Limited, Pune/India, is the sole shareholder of TECH MAHINDRA GmbH.

The annual financial statements of the Company are included in the consolidated financial statements of TECH MAHINDRA Ltd., Mumbai/ India, which prepares the consolidated financial statements for both the smallest and largest group of consolidated entities. The consolidated financial statements are available at the registered office of the company.

Düsseldorf, April 19, 2010

Sonjoy Anand	**Vivek Agarwal**
Managing Director	Managing Director

TECH MAHINDRA (SINGAPORE) PTE. LIMITED

Board of Directors

Mr. C. K. Krishnadas

Mr. Jagdish Mitra

Mr. Lim Tiong Beng

Mr. Sonjoy Anand

Registered Office

No. 1, Changi Business
Park Avenue 1 # 04-02
Ultro Building
Singapore 486058

Bankers

HSBC Bank

Auditors

Deloitte and Touche LLP, Singapore
Chartered Public Accountants, Singapore

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company for the financial year ended March 31, 2010.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Lim Tiong Beng
Sonjoy Anand
Krishnadas Chillara
Jagdish Mitra (Appointed on October 7, 2009)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 3 of the Report of the Directors.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

	Shareholding registered in the name of director	
Name of director and company in which interests are held	**At beginning of year or date of appointment if later**	**At end of year**
Tech Mahindra Limited - Immediate holding company	Ordinary shares of Indian Rupees 10 each	
Sonjoy Anand	710	20
Jagdish Mitra	13,479	13,139
Mahindra & Mahindra Limited - Ultimate holding company	Ordinary shares of Indian Rupees 10 each	
Krishnadas Chillara	2,671	3,966

	Options registered in the name of director	
Name of director and company in which interests are held	**At beginning of year or date of appointment, if later**	**At end of year**
Tech Mahindra Limited - Immediate holding company	Units of Indian Rupees 10 each	
Sonjoy Anand	6,750	4,950
Jagdish Mitra	18,060	15,750

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses, other benefit as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacities as directors and/or executives of those related corporations.

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company was granted.

(b) Option exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company under option.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Lim Tiong Beng

Jagdish Mitra

April 22, 2010

Statement of Directors

In the opinion of the directors, the financial statements of the Company as set out on pages 7 to 27 are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the results, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

On behlaf of Directors

Lim Tiong Beng

Jagdish Mitra

April 22, 2010

Independent Auditors' Report
to the Member of Tech Mahindra (Singapore) Pte. Limited

We have audited the accompanying financial statements of Tech Mahindra (Singapore) Pte. Limited (the "Company") which comprise the statement of financial position as at March 31, 2010, the statement of comparehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 32.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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,

(a) the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
April 22, 2010

Statement of Financial Position
March 31, 2010

	Note	2010	2009
		SGD	SGD
ASSETS			
Current assets			
Cash and cash equivalents	7	**1,999,139**	638,913
Trade receivables	8	**1,780,275**	3,223,510
Other receivables and prepayments	9	**178,554**	256,492
Total current assets		**3,957,968**	4,118,915
Non-current asset			
Plant and equipment	10	**13,931**	70,110
Total assets		**3,971,899**	4,189,025
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	11	**-**	910,758
Other payables		**1,055,185**	941,458
Income tax payable		**75,728**	88,994
Total current liabilities		**1,130,913**	1,941,210
Non-current liability			
Deferred tax liability	12	**3,312**	11,909
Capital and reserves			
Share capital	13	**50,000**	50,000
Retained earnings		**2,787,674**	2,185,906
Total equity		**2,837,674**	2,235,906
Total liabilities and equity		**3,971,899**	4,189,025

See accompanying notes to financial statements

STATEMENT OF COMPREHENSIVE INCOME
Year ended March 31, 2010

	Note	2010	2009
		SGD	SGD
Revenue	14	**13,638,264**	16,944,050
Other operating income	15	**185,034**	28,856
Employee benefits expense		**(8,440,499)**	(7,625,482)
Depreciation expense	10	**(110,987)**	(145,847)
Other operating expense	16	**(4,629,989)**	(8,624,084)
Profit before income tax	17	**641,823**	577,493
Income tax expense	18	**(40,055)**	(120,488)
Profit for the year representing total comprehensive income for the year		**601,768**	457,005

See accompanying notes to financial statements

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2010

	Share capital	Retained earnings	Total
	SGD	SGD	SGD
Balance at April 1, 2008	50,000	1,728,901	1,778,901
Total comprehensive income for the year	-	457,005	457,005
Balance at March 31, 2009	50,000	2,185,906	2,235,906
Total comprehensive income for the year	-	601,768	601,768
Balance at March 31, 2010	50,000	2,787,674	2,837,674

See accompanying notes to financial statements

STATEMENT OF CASH FLOWS
Year ended March 31, 2010

	2010	2009
	SGD	SGD
Operating activities		
Profit before income tax	**641,823**	577,493
Adjustments for:		
Allowance for doubtful debt	**18,709**	-
Depreciation expense	**110,987**	145,847
Operating cash flows before movements in working capital changes	**771,519**	723,340
Trade receivables	**1,424,526**	(1,071,290)
Other receivables and prepayments	**77,938**	(102,235)
Trade payables	**(910,758)**	(768,495)
Other payables	**113,727**	239,715
Cash generated from operations	**1,476,952**	558,025
Income tax paid	**(61,918)**	(109,552)
Net cash from operating activities	**1,415,034**	448,473
Investing activity		
Purchase of plant and equipment representing net cash used in investing activities	**(54,808)**	(17,708)
Net increase in cash and cash equivalents	**1,360,226**	430,765
Cash and cash equivalents at beginning of year	**638,913**	208,148
Cash and cash equivalents at end of year (Note 7)	**1,999,139**	638,913

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS March 31, 2010

1 GENERAL

The Company (Registration No. 200203658M) is incorporated in the Republic of Singapore with its principal place of business and registered office at No.1 Changi Business Park Avenue 1 #04-02 Ultro Building, Singapore 486058 (2009 : 150 Kampong Ampat #01-01, KA Centre, Singapore 368324). The financial statements are expressed in Singapore dollars.

The Company is principally engaged in providing consultancy and services relating to information technology and development of software solutions and products.

The financial statements of the Company for the financial year ended March 31, 2010 were authorised for issue by the Board of Directors on April 22, 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2009. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

FRS 1 - Presentation of Financial Statements (Revised) - FRS 1 (2008) introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the Company applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

The comparatives for 2009 have been restated to conform to the requirements of FRS 1 (Revised), where applicable.

At the date of authorisation of these financial statements, management has considered and anticipates that the adoption of the FRSs, INT FRS and amendments to FRSs that were issued but not yet effective will not have a material impact on the financial statements of the Company in the period of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expenses are recognised on an effective interest basis for debt instruments.

Financial assets

<u>Cash and cash equivalents</u>

Cash and cash equivalents comprise cash at banks that are subject to an insignificant risk of changes in value.

<u>Loans and receivables</u>

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

<u>Impairment of financial assets</u>

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

<u>Derecognition of financial assets</u>

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

<u>Classification as debt or equity</u>

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

<u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

<u>Other financial liabilities</u>

Trade and other payables and amount due to immediate holding company are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis, except for short-term balances when the recognition of interest would be immaterial.

<u>Derecognition of financial liabilities</u>

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

LEASES – Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that incentives are received to enter into operating leases, such incentives are recognised as liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line-basis.

PLANT AND EQUIPMENT – Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Equipment	-	1 year
Renovation	-	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010 (Contd.)

IMPAIRMENT OF ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

GOVERNMENT GRANTS – Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

<u>Rendering of services</u>

Revenue from the rendering of services that are short-term duration is recognised when the services are completed.

<u>Interest income</u>

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

<u>Rental Income</u>

Rental income is recognised on a straight-line basis over the term of the relevant lease.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax are recognised as an expense or income in the profit or loss.

FOREIGN CURRENCY TRANSACTIONS – The financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The financial statements of the Company are presented in Singapore dollars which is the functional currency of the Company.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) Critical judgements in applying the entity's accounting policies

The management is not aware of any instances of application of judgement that has a significant effect on the amounts recognised in the financial statements.

ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

<u>Allowance for bad and doubtful receivables</u>

The Company makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade receivables. Allowances are applied to trade receivables when events or changes in circumstances indicate that the balance may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and doubtful debts expenses in the period in which such estimate has been changed. The carrying amount of the Company's trade and other receivables are disclosed in Notes 8 and 9 to the financial statements respectively.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010 (Contd.)

4 FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

The Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company.

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period.

	2010	2009
	$	$
Financial assets		
Loan and receivables (including cash and cash equivalents)	**3,904,180**	4,084,945
Financial liabilities		
At amortised cost	**1,055,185**	1,852,216

(b) *Financial risk management policies and objectives*

The management of the Company monitors and manages the financial risk relating to the operations of the Company to ensure appropriate measures are implemented in a timely and effective manner.

a) Credit risk management

The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties. Trade receivables that are neither past due nor impaired relate to customers that the Company has assessed to be creditworthy, based on the credit evaluation process performed by the management.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the Statement of Financial Position.

Although the Company's credit exposure is concentrated mainly in Singapore, it has no significant concentration of credit risk with any single customer of group of customers.

Further details of credit risks on trade receivables are disclosed in Note 8 to the financial statements.

b) Interest rate risk management

The Company does not have any interest bearing financial assets and liabilities. Accordingly, no sensitivity analysis is performed.

c) Foreign currency risk management

The Company also transacts business in Great Britain Pounds ("GBP") and therefore is exposed to foreign exchange risk.

The carrying amounts foreign currency denominated in monetary assets and monetary liabilities at the reporting date are as follows:

	2010	2009
	$	$
Trade receivables	**309,337**	378,037

Foreign currency sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency ("SGD"), with all the other variables held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If foreign currency strengthens by 10% against the SGD, with all the other variables held constant, profit before income tax will increase by:

	2010	2009
	$	$
Profit or loss	**30,934**	37,804

For a 10% weakening of the foreign currency against the SGD, there would be an equal and opposite impact on the profit before income tax and the balance above would be negative.

d) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management manages liquidity risk by maintaining adequate reserves and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All financial liabilities in 2010 and 2009 are repayable on demand or due within 1 year from the end of the reporting period, and are non-interest bearing.

e) Fair value of financial assets and financial liabilities

The management considers that the carrying amounts of the Company's financial assets and liabilities approximate their respective fair values due to the relatively short term maturity of these financial statements.

f) Capital risk management policies and objectives

The management manages its capital to ensure that the Company will be able to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Company consists of equity attributable to owners of the Company, comprising issued capital and retained earnings as disclosed in the notes to financial statements.

The Company's overall strategy remains unchanged from prior year.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Tech Mahindra Limited, incorporated in India which is also the Company's immediate holding company. The Company's ultimate holding company is Mahindra and Mahindra Limited, incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant intercompany transactions:

	2010	2009
	$	$
Immediate holding company		
Rendering of services	**(11,338,956)**	(10,202,371)
Sub contract expenses	**2,299,380**	6,741,679

6 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2010	2009
	$	$
Short-term benefits	**237,309**	380,400
Post-employment benefits	**7,179**	14,057
Total	**244,488**	394,457

7 CASH AND CASH EQUIVALENTS

	2010	2009
	$	$
Cash at banks	**1,999,139**	638,913

Cash and cash equivalents comprise cash at banks that are subject to an insignificant risk of changes in value. The carrying amounts of these assets approximate their fair values.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010 (Contd.)

8 TRADE RECEIVABLES

	2010	2009
	$	$
Third parties	**806,394**	3,461,385
Less: Allowance for doubtful debts	**(256,584)**	(237,875)
Net	**617,895**	3,223,510
Immediate holding company	**1,229,465**	-
Total	**1,780,275**	3,223,510

The average credit period on services rendered ranges from 30 to 60 days. (2009 : 30 to 60 days). No interest is charged on overdue trade receivables.

The table below is an analysis of trade receivables as at March 31:

	2010	2009
	$	$
Not past due and not impaired	**1,751,086**	2,631,288
Past due but not impaired (i)	**29,189**	592,222
	1,780,275	3,223,510
Impaired receivables - individually assessed (ii)	**256,584**	237,875
Less: Allowance for doubtful debts	**(256,584)**	(237,875)
Net trade receivables	**1,780,275**	3,223,510

(i) Aging of receivables that are past due the average credit period but not impaired:

61 to 90 days	-	28,623
>91 days	29,189	563,599
Total	29,189	592,222

In determining the recoverability of a trade receivable, the Company considers any changes in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. There was no significant change in credit quality for the Company's trade receivable balances which are past due and not impaired. Accordingly, the management believes that no credit provision is required.

(ii) These amounts are stated before any deduction for impairment losses and are not secured by any collateral or credit enhancements.

The allowance for doubtful trade receivables have been determined by taking into consideration recovery propects and past doubtful experience.

Movement in the allowance for doubtful debts:

	2010	2009
	$	$
Balance at beginning of year	**237,875**	237,875
Charge to profit or loss (Note 16)	**18,709**	-
Balance at end of year	**256,584**	237,875

The Company's trade receivables that are not denominated in the functional currency of the Company are as follows:

	2010	2009
	$	$
Great Britain Pounds	**309,337**	378,037

9 OTHER RECEIVABLES AND PREPAYMENTS

	2010	2009
	$	$
Advances to employees	**36,835**	112,875
Prepayments	**53,788**	33,970
Deposits	**-**	71,817
Others	**87,931**	37,830
Total	**178,554**	256,492

The advances to staffs are unsecured, interest-free and repayable on demand.

The above balances are all denominated in the functional currency of the Company.

10 PLANT AND EQUIPMENT

	Equipment	Renovation	Total
	$	$	$
Cost:			
At April 1, 2008	287,881	236,032	523,913
Additions	17,708	-	17,708
At March 31, 2009	305,589	236,032	541,621
Additions	54,808	-	54,808
At March 31, 2010	360,397	236,032	596,429
Accumulated depreciation:			
At April 1, 2008	214,224	111,440	325,664
Depreciation	60,613	85,234	145,847
At March 31, 2009	274,837	196,674	471,511
Depreciation	71,629	39,358	110,987
At March 31, 2010	346,466	236,032	582,498
Carrying amount:			
At March 31, 2010	13,931	-	13,931
At March 31, 2009	30,752	39,358	70,110

11 TRADE PAYABLES

	2010	2009
	$	$
Immediate holding company (Note 5)	**-**	858,272
Third parties	**-**	52,486
Total	**-**	910,758

The average credit period on purchases is 30 days (2009 : 30 days).

The above balances are all denominated in the functional currency of the Company.

12 DEFERRED TAX (LIABILITY) ASSET

The following are the major deferred tax recognised by the Company and movements during the year:

	Excess of book over tax depreciation	Provisions	Total
	$	$	$
At April 1, 2008	-	34,509	34,509
Overprovision in prior year (Note 18)	-	(34,509)	(34,509)
Charge to profit or loss (Note 18)	(11,909)	-	(11,909)
At March 31, 2009	(11,909)	-	(11,909)
Credit to profit or loss (Note 18)	8,597	-	8,597
At March 31, 2010	(3,312)	-	(3,312)

13 SHARE CAPITAL

	2010	2009	2010	2009
	Number of ordinary shares		**$**	$
Issued and paid up:				
At beginning and at end of year	**5,000**	5,000	**50,000**	50,000

The Company has one class of ordinary shares which has no par value, carry one vote per share and a right to dividends when declared by the Company.

14 REVENUE

Revenue represents rendering of services at invoiced value, net of goods and services tax, where applicable.

15 OTHER OPERATING INCOME

	2010	2009
	$	$
Job Credit Scheme	**112,025**	-
Net foreign exchange gain	**51,830**	-
Rental income	**14,288**	26,194
Others	**6,891**	2,662
Total	**185,034**	28,856

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010 (Contd.)

16 OTHER OPERATING EXPENSES

	2010	2009
	$	$
Sub contract cost		
- Immediate Holding Co. (Note 5)	**2,299,308**	6,741,679
- Third parties	**648,749**	750,616
Travelling expense	**655,724**	491,520
Telephone charges	**244,690**	159,489
Staff welfare	**200,039**	62,439
Rental expense	**174,329**	142,820
Insurance expense	**104,158**	83,563
Recruitment expense	**48,398**	19,430
Allowance for doubtful debt (Note 8)	**18,709**	-
Entertainment expense	**14,414**	16,872
Net foreign exchange loss	**-**	23
Others	**221,471**	155,633
Total	**4,629,989**	8,624,084

17 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived after charging:

	2010	2009
	$	$
Employee benefits expense (including directors' remuneration)	**8,440,499**	7,625,482
Directors' fees	**2,000**	2,000
Directors' remuneration	**244,488**	394,457
Cost of defined contribution plans included in employee benefits expense	**130,485**	147,221

18 INCOME TAX EXPENSE

	2010	2009
	$	$
Current tax	**75,608**	74,070
Deferred tax (Note 12)	**(8,597)**	11,909
	67,011	85,979
Overprovision in prior year:		
- Current tax	**(26,956)**	-
- Deferred tax (Note 12)	**-**	34,509
Total income tax expense	**40,055**	120,488

Domestic income tax expense is calculated at 17% (2009 : 17%) of the estimated assessable profit for the year. Tax for the year can be reconciled to the accounting profit as follows:

	2010	2009
	$	$
Profit before income tax	**641,823**	577,493
Income tax expense at statutory rate of 17% (2009 : 17%)	**109,110**	98,174
Tax effect expenses that are not deductible in determining taxable profit	**(19,044)**	-
Tax exempt income	**(25,925)**	(25,925)
Overprovision in prior year		
- deferred tax benefit	**-**	34,509
- current tax	**(26,956)**	-
Others	**2,870**	13,730
Total income tax expense	**40,055**	120,488

19 CONTINGENT LIABILITIES

	2010	2009
	$	$
Performance guarantees	**213,894**	213,894

The performance guarantees pertain to a certain agreement for the supply of software and professional services to customers.

20 OPERATING LEASE COMMITMENTS

(a) The lessee

	2010	2009
	$	$
Minimum lease payments under operating lease recognised as an expense in the year	**174,329**	142,820

At the end of the reporting period, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2010	2009
	$	$
Within one year	**194,295**	81,339
In the second to fifth year inclusive	**291,442**	-
Total	**485,737**	81,339

Operating lease payments represent rentals payable by the Company for its office premises. Leases are negotiated for an average term of 3 years (2009 : 3 years) and rentals are fixed for an average of 3 years (2009 : 3 years).

(b) The lessor

	2010	2009
	$	$
Rental income under operating leases	14,288	26,194

At the end of the reporting period, the Company has contracted with tenants for the following future minimum lease payments.

	2010	2009
	$	$
Within one year	-	15,478

MEMO

To: Member of Tech Mahindra (Singapore) Pte. Limited

From: Deloitte & Touche Singapore

Subject: Accounts of Tech Mahindra (Singapore) Pte. Limited Year Ended March 31, 2010 denominated in Indian Rupees.

Dear Sirs,

Please find the attached Balance Sheet, Profit and Loss statement, Statement of Changes in Equity, Cash Flow Statement and notes to accounts of Tech Mahindra (Singapore) Pte. Limited, signed for identification purpose only in respect of the above fmancial year end.

All balances (including prior year balances) are translated for convenience into Indian Rupees (Rs.) at the exchange rate of Rs. 32.21 = SGD 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on March 31, 2010.

Yours truly,

Deloitte & Touche LLP
Certified Public Accountants
Singapore
April 22, 2010

Statement of Financial Position
March 31, 2010

	2010	2009	2010	2009
	$	$	**INR**	INR
Assets				
Current Assets				
Cash and cash equivalents	**1,999,139**	638,913	**64,392,271**	20,579,388
Trade receivables	**1,780,275**	256,492	**57,342,686**	8,261,607
Other receivables	**178,554**	3,223,510	**5,751,217**	103,829,257
Total Current Assets	**3,957,968**	4,118,915	**127,486,174**	132,670,252
Non-current asset Total				
Plant and equipment	**13,931**	70,110	**448,703**	2,258,243
Total Assets	**3,971,899**	4,189,025	**127,934,877**	134,928,495
Liabilities And Equity				
Current liabilities				
Trade payables	**-**	910,758	**-**	29,335,515
Other Payable	**1,055,185**	941,458	**33,987,506**	30,324,362
Income tax payable	**75,728**	88,994	**2,439,201**	2,866,497
Total Current liabilities	**1,130,913**	1,941,210	**36,426,707**	62,526,374
Non-Current liabilities				
Deferred tax liabilities	**3,312**	11,909	**106,680**	383,589
Capital and reserves				
Share capital	**50,000**	50,000	**1,610,500**	1,610,500
Retained earnings	**2,787,674**	2,185,906	**89,790,990**	70,408,032
Total equity	**2,837,674**	2,235,906	**91,401,490**	72,018,532
Total Liabilities and equity	**3,971,899**	4,189,025	**127,934,877**	134,928,495

Statement Of Comprehensive Income
Year ended March 31, 2010

	2010	2009	**2010**	2009
	$	$	**INR**	INR
Revenue	**13,638,264**	16,944,050	**439,288,480**	545,767,851
Other operating income	**185,034**	28,856	**5,959,945**	929,452
Employee benefits expense	**(8,440,499)**	(7,625,482)	**(271,868,488)**	(245,616,775)
Depreciation expense	**(110,987)**	(145,847)	**(3,574,881)**	(4,697,732)
Other operating expenses	**(4,629,989)**	(8,624,084)	**(149,131,927)**	(277,781,746)
Profit before income tax	**641,823**	577,493	**20,673,129**	18,601,050
Income tax expense	**(40,055)**	(120,488)	**(1,290,172)**	(3,880,918)
Profit for the year representing total comprehensive income for the year	**601,768**	457,005	**19,382,957**	14,720,132

Statament of Changes in Equity
Year ended March 31, 2010

	Share Capital	Retained earnings	Total
	INR	INR	INR
Balance at April 1, 2008	1,610,500	55,687,901	57,298,401
Total comprehensive income for the year	-	14,720,132	14,720,132
Balance at March 31, 2009	1,610,500	70,408,032	72,018,532
Total comprehensive income for the year	-	19,382,957	19,382,957
Balance at March 31, 2010	1,610,500	89,790,990	91,401,490

TECH MAHINDRA (THAILAND) LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. C. P. Gurnani

Mr. C. K. Krishnadas

Mr. Jagdish Mitra

Mr. Sonjoy Anand

Registered Office

999/9, Unit No. 2972, 29th Floor,
The Offices at Central World, Rama I Road,
Phatumwan, Bangkok 10330
Thailand

Bankers

HSBC Bank

Auditors

Mazars Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2010.

Financial Results

For the year ended March 31	**2010 THB**	**2010 INR**	2009 THB	2009 INR
Income	**18,250,242**	**25,732,842**	15,650,394	22,067,055
Profit/(Loss) before tax	**534,535**	**753,695**	668,273	942,265
Profit/(Loss) after tax	**534,535**	**753,695**	668,273	942,265

Review of Operations:

The income for the year has increased by 2,599,848 (equivalent to INR 3,665,787) an increase of 17% over previous year. The profit has declined by THB 133,738 (equivalent to INR 188,370) i.e. 20% over the previous year.

Directors:

During the year under review, Mr. Rohit Gandhi resigned from the position of Director and Mr. Jagdish Mitra was appointed on the Board as a Director.

Outlook for the current year:

Business has been encouraging in Thailand and the Company looks forward to improved growth in future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Vineet Nayyar
Chairman

Place: Pune
Date : April 20, 2010

Report of the Independent Auditor

To: The Shareholders of Tech Mahindra (Thailand) Ltd.

I have audited the balance sheets of Tech Mahindra (Thailand) Ltd. as at 31 March 2010 and 2009, the related statements of income and statements of changes in shareholders' equity for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tech Mahindra (Thailand) Ltd. as at 31 March 2010 and 2009, and the result of its operations for the years then ended in conformity with generally accepted accounting principles.

SULEEPORN TRIYAPRASERTPORN
Certified Public Accountant (Thailand) No. 5236
MAZARS LIMITED

Bangkok
20 April 2010

Balance Sheets as at 31 March 2010 and 2009

ASSETS

(Exchange rate 1 Baht = 1.41 INR)

	Note	2010 Baht	2010 INR	2009 Baht	2009 INR
CURRENT ASSETS					
Cash and cash equivalents		**2,421,853**	**3,414,813**	788,100	1,111,221
Trade accounts receivable - net	4	**8,024,806**	**11,314,976**	2,802,651	3,951,738
Amount due from related company	6	**6,055,016**	**8,537,573**	5,421,579	7,644,426
Other current assets		**1,564,162**	**2,205,468**	1,727,822	2,436,228
TOTAL CURRENT ASSETS		**18,065,837**	**25,472,830**	10,740,152	15,143,613
NON - CURRENT ASSETS					
Equipment - net	5	**43,928**	**61,939**	65,408	92,226
TOTAL NON - CURRENT ASSETS		**43,928**	**61,939**	65,408	92,226
TOTAL ASSETS		**18,109,765**	**25,534,769**	10,805,560	15,235,839

LIABILITIES AND SHAREHOLDERS EQUITY

(Exchange rate 1 Baht = 1.41 INR)

	Note	2010 Baht	2010 INR	2009 Baht	2009 INR
CURRENT LIABILITIES					
Amount due to related company	6	**7,705,742**	**10,865,096**	1,645,184	2,319,709
Accrued expenses		**128,792**	**181,597**	133,100	187,671
Other current liabilities		**1,459,798**	**2,058,315**	746,378	1,052,393
TOTAL CURRENT LIABILITIES		**9,294,332**	**13,105,008**	2,524,662	3,559,773
TOTAL LIABILITIES		**9,294,332**	**13,105,008**	2,524,662	3,559,773
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
- 50,000 ordinary shares of Baht 100 each		**5,000,000**	**7,050,000**	5,000,000	7,050,000
Issued and fully paid-up					
- 50,000 ordinary shares of Baht 100 each		**5,000,000**	**7,050,000**	5,000,000	7,050,000
Retained earnings					
Unappropriated		**3,815,433**	**5,379,761**	3,280,898	4,626,066
TOTAL SHAREHOLDERS' EQUITY		**8,815,433**	**12,429,761**	8,280,898	11,676,066
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**18,109,765**	**25,534,769**	10,805,560	15,235,839

These financial statements were approved at the directors meeting of Tech Mahindra (Thailand) Limited dated on April 20, 2010

Sonjoy Anand
Director

The accompanying notes form an integral part of these financial statements.

Statements of Income for the years ended 31 March 2010 and 2009

(Exchange rate 1 Baht = 1.41 INR)

	Note	2010 Baht	2010 INR	2009 Baht	2009 INR
REVENUES					
Service income	6	**18,250,242**	**25,732,842**	15,597,028	21,991,809
Other income		**-**	**-**	53,366	75,246
TOTAL REVENUES		**18,250,242**	**25,732,842**	15,650,394	22,067,055
EXPENSES					
Cost of services	6	**15,611,677**	**22,012,465**	8,224,271	11,596,222
Administrative expenses		**2,104,030**	**2,966,682**	6,757,850	9,528,568
TOTAL EXPENSES		**17,715,707**	**24,979,147**	14,982,121	21,124,790
NET PROFIT		**534,535**	**753,695**	668,273	942,265
BASIC EARNINGS PER SHARE					
Net profit		**10.69**	**15.07**	13.37	18.85
Weighted average number of ordinary share (shares)		**50,000**	**50,000**	50,000	50,000

Statements of changes in Shareholders' Equity for the year ended 31 March, 2010 and 2009

(Exchange rate 1 Baht = 1.41 INR)

	Baht			Indian Rupee		
	Issued and fully paid-up share capital	Unappro-priated Retained earnings	Total	Issued and fully paid-up share capital	Unappro-priated Retained earnings	Total
Balance as at 1 Apr 08	5,000,000	2,612,625	7,612,625	7,050,000	3,683,801	10,733,801
Net profit for the year ended 31 Mar 09	**-**	**668,273**	**668,273**	**-**	**942,265**	**942,265**
Balance as at 31 Mar 09	5,000,000	3,280,898	8,280,898	7,050,000	4,626,066	11,676,066
Net profit for the year ended 31 Mar 10	**-**	**534,535**	**534,535**	**-**	**753,695**	**753,695**
Balance as at 31 Mar 10	**5,000,000**	**3,815,433**	**8,815,433**	**7,050,000**	**5,379,761**	**12,429,761**

Sonjoy Anand
Director

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements for the years ended 31 March 2010 and 2009

1. GENERAL INFORMATION

Tech Mahindra (Thailand) Ltd. was registered as a limited company under the Thai Civil and Commercial Code on 26 August 2005. The Company is engaged in providing IT services and development for computer software. The registered address of the Company is unit No. 2972R, 29th Floor, The office of the central world, Rama I Road, Phatumwan Bangkok.

The information about the Company's employees for the years ended 31 March 2010 and 2009 are as follows:

	2010	2009
Average number of employees (Persons)	5	2
Employee expenses (Million Baht)	5.53	2.75
Employee expenses (Million Indian Rupee)	7.79	3.87

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

The accompanying financial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Profession ("FAP") and with generally accepted accounting principles in Thailand which are issued under the Accounting Act B.E. 2543, being those Thai Accounting Standards ("TAS") issued under the Accounting Profession Act B.E. 2547.

The financial statements have been prepared in accordance with the Notification of the Department of Commercial Registration (currently the Department of Business Development) dated 30 January 2009 regarding "The Brief Particulars in the Financial statement B.E. 2552".

On 15 May 2009, the FAP issued Announcement no. 12/2009, regarding the re-numbering of TAS to the same numbers as the International Accounting Standards ("IAS") on which the TAS/TFRS are based.

The Company has adopted the following revised TAS/TFRS and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

The Federation of Accounting Profession has issued the notification no. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows:

a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year.

TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Leasehold Right (effective on 26 June 2009)

Accounting Guidance about Business Combination under Common Control

The adoption of these revised TAS/TFRS and accounting guidance does not have any material impact on the Company's financial statements.

b) The FAP has issued during 2009 a number of new and revised TAS/TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS/TFRS are disclosed in note 9.

The FAP issued an Announcement No.21/2550 (B.E.2550) re: Exemption of Accounting Standards for non-public limited companies. Accordingly, the Company selected not to apply the following TAS;

TAS 7 (revised 2007)	Cash Flow Statement (formerly TAS 25)
TAS 14	Segment Reporting (formerly TAS 24)
TAS 24 (revised 2007)	Related Party Disclosure (formerly TAS 47)
TAS 27 (revised 2007)	Consolidated and Separate Financial Statement (formerly TAS 44)
TAS 28 (revised 2007)	Investment in Associates (formerly TAS 45)
TAS 31 (revised 2007)	Interests in Joint Ventures (formerly TAS 46)
TAS 32	Financial Instruments : Disclosure and Presentation (formerly TAS 48)
TAS 36 (revised 2007)	Impairment of Assets

The financial statements have been prepared under the historical cost convention except as stated in the accounting policies.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

Equipment

Equipment is recorded at cost. Cost is measured by the cash or equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Equipment is presented in the balance sheets at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Computer equipment 5 years

Revenue and expense recognition

Service incomes are recognised when service has already been rendered. Expenses are recognised on an accrual basis.

Foreign currency translation

Foreign currency amounts are translated for convenience into Indian Rupees at the exchange rate of Baht 1 equal to Rs 1.41which is the group reporting as at 31 March 2010

Basic earnings per share

The basic earnings per share is determined by dividing the net profit for the years by the weighted average number of common shares outstanding during the year.

Notes to the financial statements for the years ended 31 March, 2010 and 2009 (Contd.)

4. TRADE ACCOUNTS RECEIVABLE

(Exchange rate 1 Baht = 1.41 INR)

	2010		2009	
	Baht	**Indian Rupee**	**Baht**	**Indian Rupee**
Trade accounts receivable - Local	**13,463,089**	**18,982,955**	8,240,934	11,619,717
Less : Allowance for doubtful accounts	**(5,438,283)**	**(7,667,979)**	(5,438,283)	(7,667,979)
Trade accounts receivable - net	**8,024,806**	**11,314,976**	2,802,651	3,951,738

5. EQUIPMENT-NET

	Baht			
	31 Mar 09	**Increase**	**Decrease**	**31 Mar 10**
Cost				
Computer equipment	107,472	-	-	107,472
Total Cost	107,472	-	-	107,472
Less : Accumulated depreciation				
Computer equipment	42,064	21,480	-	63,544
Total - Accumulated depreciation	42,064	21,480	-	63,544
Net book value	**65,408**			**43,928**
Depreciation for the year	**230,567**			**21,480**

	Indian Rupee			
	31 Mar 09	**Increase**	**Decrease**	**31 Mar 10**
Cost				
Computer equipment	151,536	-	-	151,536
Total Cost	151,536	-	-	151,536
Less : Accumulated depreciation				
Computer equipment	59,310	30,287	-	89,597
Total Accumulated depreciation	59,310	30,287	-	89,597
Net book value	92,226			61,939
Depreciation for the year	325,099			30,287

6. RELATED PARTY TRANSACTIONS

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated company and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Notes to the financial statements for the years ended 31 March, 2010 and 2009 (Contd.)

Significant transactions with related company for the years ended 31 March 2010 and 2009 consist of:

(Exchange rate 1 Baht = 1.41 INR)

		2010		2009	
	Relationship	**Baht**	**Indian Rupee**	**Baht**	**Indian Rupee**
Service income					
Tech Mahindra Limited	Parent company	8,170,750	11,520,758	10,215,028	14,403,189
Cost of services					
Tech Mahindra Limited	Parent company	10,079,492	14,212,084	5,382,000	7,588,620

In 2008, the Company entered into service agreements with its related company commencing from 1 April 2007 to 31 March 2010. Under the provisions of the Agreement, the related company will pay a service fee calculating from the cost plus the agreed profit percentage.

The significant account balances with related party as at 31 March 2010 and 2009 are as follows:

(Exchange rate 1 Baht = 1.41 INR)

		2010		2009	
	Relationship	**Baht**	**Indian Rupee**	**Baht**	**Indian Rupee**
Amount due from related company					
Tech Mahindra Limited	Parent company	6,055,016	8,537,573	5,421,579	7,644,426
Amount due to related companies					
Tech Mahindra Limited	Parent company	7,705,742	10,865,096	1,645,184	2,319,709

7. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Investments Promotion Act B.E. 2520, in 2006, the Company was granted certain promotional privileges according to the certificate No. 1239(7)/2549 for carrying on the business of Software. The promotional privileges include, among other things, the following:

1. Exemption from payment of import duties on machinery as be approved by the Board of Investment.
2. Exemption from payment of corporate income tax on the net profits derived from the promoted activity for the period of eight years from the first derived from the promoted activity on 15 December 2005.
3. Exemption from payment of import duties on the raw and essential materials imported for use specifically in producing for export for a period of one year from the date of first import.
4. Exemption from payment of import duties on items that the Company imports for re-export for a period of one year from the date of first import.

As a promoted industry, the Company must comply with certain terms and conditions provided for in the promotional certificates.

8. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Exchange rate 1 Baht = 1.41 INR)

	2010		2009	
	Baht	Indian Rupee	Baht	Indian Rupee
Employee expense	**5,527,473**	**7,793,737**	2,747,942	3,874,598
Subcontractor expense	**10,079,492**	**14,212,084**	5,382,000	7,588,620
Professional fee	**1,367,048**	**1,927,538**	1,086,268	1,531,638
Rental expense	**150,000**	**211,500**	473,545	667,698
Depreciation	**21,480**	**30,287**	230,567	325,099
Communication charges	**95,189**	**134,216**	508,011	716,296
Loss on disposal of assets	**-**	**-**	2,385,510	3,363,569
Loss on exchange rate	**139,085**	**196,110**	6,121	8,631
Traveling expenses	**107,617**	**151,740**	517,399	729,532
Other expenses	**228,323**	**321,935**	1,644,758	2,319,109
Total expenses	**17,715,707**	**24,979,147**	14,982,121	21,124,790

Notes to the financial statements for the years ended 31 March, 2010 and 2009 (Contd.)

9. NEW ACCOUNTING STANDARDS AND AMENDMENT TO ACCOUNTING STANDARDS

The Company has not adopted the following new and revised TAS/TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TAS/TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS/TFRS	Topic	Year effective
Framework for the Preparation and Presentation of Financial Statements (revised 2009)		2011
TAS 1 (revised 2009)	Presentation of Financial Statements (formerly TAS 35)	2011
TAS 2 (revised 2009)	Inventories (formerly TAS 31)	2011
TAS 7 (revised 2009)	Statement of Cash Flows (formerly TAS 25)	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors (formerly TAS 39)	2011
TAS 10 (revised 2009)	Events after the Reporting Period (formerly TAS 52)	2011
TAS 11 (revised 2009)	Construction Contracts (formerly TAS 49)	2011
TAS 16 (revised 2009)	Property, Plant and Equipment (formerly TAS 32)	2011
TAS 17 (revised 2009)	Leases (formerly TAS 29)	2011
TAS 18 (revised 2009)	Revenue (formerly TAS 37)	2011
TAS 19	Employee Benefits	2011
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance	2012
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates (formerly TAS 30)	2011
TAS 23 (revised 2009)	Borrowing Costs (formerly TAS 33)	2011
TAS 24 (revised 2009)	Related Party Disclosures (formerly TAS 47)	2011
TAS 26	Accounting and Reporting by Retirement Benefit Plans	2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements (formerly TAS 44)	2011
TAS 28 (revised 2009)	Investments in Associates (formerly TAS 45)	2011
TAS 29	Financial Reporting in Hyperinflationary Economies	2011
TAS 31 (revised 2009)	Interests in Joint Ventures (formerly TAS 46)	2011
TAS 33 (revised 2009)	Earnings per Share (formerly TAS 38)	2011
TAS 34 (revised 2009)	Interim Financial Reporting (formerly TAS 41)	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets (formerly TAS 53)	2011
TAS 38 (revised 2009)	Intangible Assets (formerly TAS 51)	2011
TAS 40 (revised 2009)	Investment Property	2011
TFRS 2	Share-based Payment	2011
TFRS 3 (revised 2009)	Business Combinations (formerly TAS 43)	2011
TFRS 4	Insurance Contracts	2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)	2011
TFRS 6	Exploration for and Evaluation of Mineral Resources	2011

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS/TFRS on the Company's financial statements and has not been able to reach a conclusion yet.

10. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issued by the Company dirertor on 20 April 2010.

PT TECH MAHINDRA INDONESIA

Board of Directors

Mr. Jagdish Mitra - President

Mr. C. K. Krishnadas

Mr. Milind Kulkarni

Registered Office

Ariobimo Sentral 4th Flr.
Suite # 403, Jl. H. R. Rasuna Said
Kav X-2, No. 5,
Jakarta 12950,
Indonesia

Bankers

HSBC Bank

Auditors

Kosasih, Nurdiyaman, T Jahjo & Rekan

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2010.

Financial Results (US$)

For the year ended March 31	**2010 US$**	**2010 INR**	2009 US$	2009 INR
Income	**21,281,741**	**960,338,572**	14,192,421	640,432,984
Profit/(Loss) before tax	**627,449**	**28,313,624**	2,578,262	116,344,085
Profit/(Loss) after tax	**420,736**	**18,985,705**	1,788,520	80,706,981

Review of Operations:

During the year under review, your company recorded an income of US$ 21,281,741 (equivalent to INR 960,338,572) an increase of 50% over the last year. Profit after tax was US$ 420,736 (equivalent to INR18,985,705), an increase of 136% over the last year. The Company continues to invest in strengthening its marketing infrastructure in Indonesia which is identified as a future growth area.

Directors:

During the year under review, Mr. Rohit Gandhi and Mr. Andrew Tan resigned from the position of Directors and Mr. Jagdish Mitra was appointed on the Board as Director.

Outlook for the current year:

Business has been encouraging in Indonesia and the Company looks forward to excellent growth in future.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors also thank the customers, suppliers, bankers, State and Federal Government Authorities and the shareholder/s for the co-operation and assistance received from them.

Milind Kulkarni
Director

Pune, April 8, 2010

Report of Independent Auditors

Report No. KNT&R-0146/10

The Stockholders, the Boards of Commissioners and Directors

PT TECH MAHINDRA INDONESIA

We have audited the balance sheet of PT Tech Mahindra Indonesia (the "Company") as of March 31, 2010, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company for the year ended March 31, 2009 were audited by other independent auditors whose report dated April 7, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the 2010 financial statements referred to above present fairly, in all material respects, the financial position of PT Tech Mahindra Indonesia as of March 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in Indonesia.

KOSASIH, NURDIYAMAN, TJAHJO & REKAN

Drs. Nunu Nurdiyaman, CPA
Public Accountant License No. 98.1.0062

April 8, 2010

The accompanying financial statements are not intended to present the financial position, results of operations, changes in stockholders' equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Indonesia.

Balance Sheets
March 31, 2010

(With Comparative Figures For 2009)

(Expressed in US Dollar, unless otherwise stated)

	Notes	2010	2009
ASSETS			
CURRENT ASSETS			
Cash on hand and in banks	3	**923,556.11**	559,733.81
Trade receivable - net	2, 4	**7,910,190.88**	5,772,920.25
Prepaid taxes	2, 11	**256,799.14**	1,817,874.61
Prepaid expense and advances	2, 5	**1,143,561.29**	498,569.35
Total Current Assets		**10,234,107.42**	8,649,098.02
NON-CURRENT ASSETS			
Deferred tax asset	2, 11	**10,111.75**	1,939.56
Estimated claims for tax refund	11	**285,729.64**	925,147.38
Fixed assets - net of accumulated depreciation	2, 6	**80,664.70**	51,319.90
Total Non-Current Assets		**376,506.09**	978,406.84
TOTAL ASSETS		**10,610,613.51**	9,627,504.86
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Stockholders loan	2, 7, 17	**-**	500,000.00
Trade payable	2, 8, 17	**-**	-
Related party		**2,385,312.11**	2,819,804.60
Third parties		**2,229,793.67**	1,072,517.62
Accrued expenses	9	**296,207.28**	43,792.92
Taxes payables	11	**661,693.01**	1,699,580.12
Other payables	10	**1,175,617.00**	84,075.00
Total Current Liabilities		**6,748,623.07**	6,219,770.26
NON - CURRENT LIABILITIES			
Employee benefit liabilities	12	**40,447.00**	6,927.00
Total Non - Current Liabilities		**40,447.00**	6,927.00
STOCKHOLDERS' EQUITY			
Capital stock - USD 1 par value per share Authorized - 1,000,000 share Issued and fully paid - 500,000 share	13	**500,000.00**	500,000.00
Retained earnings		**3,321,543.44**	2,900,807.60
Total Stockholders' Equity		**3,321,543.44**	3,400,807.60
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**10,610,613.51**	9,627,504.86

See accompanying Notes to Financial Statements which are an integral part of these financial statements.

Statement of Income for the year ended March 31, 2010

(With Comparative Figures For 2009)

(Expressed in US Dollar, unless otherwise stated)

	Notes	2010	2009
REVENUE	2, 14	**21,281,741.21**	14,192,420.69
COST OF REVENUE	2, 15	**14,302,352.08**	6,991,880.12
GROSS PROFIT		**6,979,389.13**	7,200,540.57
OPERATING EXPENSES	2, 16	**6,336,547.36**	4,630,747.61
INCOME FROM OPERATIONS		**642,841.77**	2,569,792.96
OTHER INCOME (EXPENSES)			
Loss on foreign exchange		**(17,296.16)**	(2,337.49)
Interest income (expense) - net		**1,903.11**	1,322.05
Miscellaneous		**-**	9,484.76
Other Income (Expense) - net		**(15,393.05)**	8,469.32
NET INCOME BEFORE INCOME TAX BENEFIT		**627,448.72**	2,578,262.28
INCOME TAX BENEFIT (EXPENSE)	2, 11		
Current		**(214,885.07)**	(791,681.48)
Deferred		**8,172.19**	1,939.56
NET INCOME		**420,735.84**	1,788,520.36

See accompanying Notes to Financial Statements which are an integral part of these financial statements.

Statements of Changes in Stockholders' Equity for the years ended March 31, 2010

(With Comparative Figures For 2009)
(Expressed in US Dollar, unless otherwise stated)

	Notes	Capital Stock	Retained Earnings	Total Stockholders' Equity
Balance as of April 1, 2008	13	**500,000.00**	**1,112,287.24**	**1,612,287.24**
Net income		-	1,788,520.36	1,788,520.36
Balance as of March 31, 2009		**500,000.00**	**2,900,807.60**	**3,400,807.60**
Net income		-	420,735.84	420,735.84
Balance as of March 31, 2010		**500,000.00**	**3,321,543.44**	**3,821,543.44**

See accompanying Notes to Financial Statements which are an integral part of these financial statements.

Statement of cash flows for the years ended March 31, 2010

(With Comparative Figures For 2009)
(Expressed in US Dollar, unless otherwise stated)

	Notes	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**420,735.84**	1,788,520.36
Adjustments to reconcile net income to			
net cash provided by operating activities:			
Depreciation	6	**41,300.30**	28,012.97
Deferred tax Asset		**(8,172.19)**	(1,939.56)
Employee benefits	12	**33,520.00**	6,927.00
Changes in operating assets and liabilities			
Accounts receivable		**(2,137,270.63)**	(1,493,207.46)
Other receivable		**321,051.19**	7,881.87
Prepaid taxes and expenses		**595,032.34**	(748,564.90)
Claim for tax refund		**639,417.74**	401,685.97
Other assets		**-**	12,116.97
Accounts payable		**722,783.56**	1,227,353.28
Taxes payable		**(1,037,887.11)**	869,065.36
Accrued expenses		**252,414.36**	-
Other payable		**1,091,542.00**	(1,773,911.56)
Net Cash Provided by Operating Activities		**934,467.40**	323,940.30
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets		**(70,645.10)**	(9,949.32)
Net Cash Used in Investing Activities		**(70,645.10)**	(9,949.32)
CASH FLOWS FROM FINANCING ACTIVITIES			
Stockholders' loan	7	**(500,000.00)**	-
Net Cash Used in Financing Activities		**(500,000.00)**	-
INCREASE IN CASH IN BANK		**363,822.30**	313,990.98
CASH ON HAND AND IN BANK AT THE BEGINNING OF THE YEAR	4	**559,733.81**	245,742.83
CASH ON HAND IN BANK AT THE END OF THE YEAR	4	**923,556.11**	559,733.81

Notes to the financial statements for the years ended March 31, 2010
(With Comparative Figures For 2009)
(Expressed in US Dollar, unless otherwise stated)

1. **GENERAL**

PT Tech Mahindra Indonesia (the "Company") was established under the Agreement Letter of the Foreign Capital Investment No. 282/I/PMA/2006 and based on the notarial deed of Kasir SH No. 62 dated March 23, 2006. The Company's Articles of Association was approved by the Ministry of Law and Human Rights in its decision letter No. C-11861HT.01.01 dated April 25, 2006. The Company's Articles of Association has been amended several times, the latest amendment of which was made under notarial deed No.19 dated August 13, 2008 of Siti Safarijah, S.H. to comply with UU No. 40 year 2007 concerning limited liability company and changes in the boards of commissioners and directors. The deed of establishment was approved by The Ministry of Law and Human Rights under decree No. AHU-62134.01.02.Tahun 2008 dated September 12, 2008.

According to the articles of association, the Company's scope of activities consists of telecommunications and business consulting and currently engaged in providing Billing and Customer Care System Managed Services such as to PT Hutchison CP Telecommunication and others (see Note 15).

The Company commenced its commercial operations on May 1, 2006.

The Company's head office is located in Ariobimo Sentral Building at Jalan H. R. Rasuna Said Setiabudi, Jakarta Selatan.

The members of the Company's Boards of Commissioners and Directors as of March 31, 2010 (2009) are as follows:

		2010	2009
Board of Commissioners			
President Commissioner	:	Chander Prakash Gurnani	Chander Prakash Gurnani
Vice President Commissioner	:	Sonjoy Anand	Sonjoy Anand
Board of Directors			
President Director	:	Jagdish Mitra	Manish Kumar Vyas
Director	:	C. Krishandas	Andrew Tan Chee Seong
		Milind Kulkarni	Milind Kulkarni

As of March 31, 2010 (2009), the Company has 105 (129) employees. (unaudited)

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Financial Statements

The financial statements have been prepared on the accrual basis using historical cost concept and are presented in US Dollar, unless otherwise stated. The Company maintains its books in US Dollars and has obtained approval from the Ministry of Finance No. KEP-208/PJ.42/2006 dated July 25, 2006.

The statement of cash flows, which is prepared using the indirect method, presents the receipts and payments of cash classified into operating, investing and financing activities.

Prepaid Expenses

Prepaid expenses are amortized over the periods benefited using the straight-line method.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of 4 years.

The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of income.

Foreign Currency Transactions and Balances

Transactions denominated in currencies other than US Dollar are recorded at the exchange rate prevailing at the time the transactions are made. At balance sheet date, monetary assets and liabilities denominated in currencies other than US Dollars are adjusted to reflect the US Dollar prevailing rate of exchange as published by Bank Indonesia at the last transaction date for the prior.

Exchange gains or losses arising on transactions and on translation of monetary assets and liabilities in currencies other than US Dollars are recognized in the statement of income.

The exchange rates used for every US Dollar as of March 31, 2010 (2009) were Rp 9,115.00 (Rp 11,965.02).

Revenue Recognition

Revenue from time bound fixed price engagements is recognized using the percentage of completion method of accounting, unless work completed cannot be reasonably estimated. Provision for estimated losses, if any on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Trade Receivable

Trade receivables are stated at gross less allowance for doubtful accounts. The Company provides allowance for doubtful accounts based on the result of a review on collectibles of status of individual receivable accounts at the end of the prior.

Transactions with Related Parties

The Company has transactions with entities which are regarded as having special relationship as defined under PSAK No. 7, "Related Party Disclosures".

Significant transactions with related parties, whether or not conducted under normal, terms and conditions as those with third parties, are disclosed in the related notes herein.

Income Tax

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax is calculated at the tax rates that have been enacted or substantially enacted at balance sheet date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged or credited to the current year's operations, except to the extent that they relate to items previously charged or credited to stockholders' equity.

Amendment to a tax obligation is recorded when an assessment is received or, if appealed, when the result of the appeal is determined.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates

Notes to the financial statements for the years ended March 31, 2010 (Contd.)
(With Comparative Figures For 2009)
(Expressed in US Dollar, unless otherwise stated)

and assumptions that affect amount report therein. Due to the inherent uncertainty in making estimate, actual results reported in future periods may be based on amounts that differ from this estimate.

3. CASH ON HAND AND IN BANK

Details are as follows:

	2010	2009
Cash on hand	**10,294.59**	237.89
Cash in bank		
US. Dollar	**834,892.53**	282,690.31
Rupiah	**78,368.99**	276,805.61
Total	**923,556.11**	559,733.81

4 TRADE RECEIVABLES - NET

This account consists of:

	2010	2009
PT Hutchison CP Telecommunication	**6,009,063.00**	5,277,197.80
PT Natrindo Telepon Seluler	**1,652,445.57**	213,599.10
PT Openet	**116,709.25**	-
PT Konsulindo Informatika Perdana	**112,592.25**	721.15
PT Clarity	**19,380.81**	281,402.20
Total Trade Receivables - net	**7,910,190.88**	5,772,920.25

The Company's management believes that the allowance for doubtful accounts is adequate to cover possible loss that may arise from the uncollection of trade receivables.

5 PREPAID EXPENSES AND ADVANCES

Details are as follows:

	2010	2009
Advance to employees	**512,296.66**	368,023.39
Rental software	**511,737.36**	60,512.08
Advance to suppliers	**107,410.31**	57,916.92
Rental deposits	**12,116.96**	12,116.96
Total	**1,143,561.29**	498,569.35

6 FIXED ASSETS

2010	Beginning April 1, 2009	Additions	Deductions	Ending March 31, 2010
Carrying Value				
Computer	118,186.03	70,645.10	-	188,831.13
Accumulated Depreciation				
Computer	66,866.13	(41,300.30)	-	(108,166.43)
Net Book Value	51,319.90			80,664.70

2009	Beginning April 1, 2008	Additions	Deductions	Ending March 31, 2009
Carrying Value				
Computer	108,236.71	9,949.32	-	118,186.03
Accumulated Depreciation				
Computer	38,853.16	28,012.97	-	66,866.13
Net Book Value	69,383.55			51,319.90

As of March 31, 2010 (2009), depreciation charged to operations amounted to USD 41,300.30 (USD 28,012.97), respectively (Note 12)

As of March 31, 2010 (2009), fixed assets were not covered by insurance.

7. STOCKHOLDERS' LOAN

This account represents unsecured loan not exceeding USD 3,000,000 obtained from Tech Mahindra Limited, India (stockholder) and the interest will be entitled to interest bear fixed of 6 % per annum. In 2009 the loan had already fully paid.

8. TRADE PAYABLES

Details are as follows:

	2010	2009
Related Party (notes 17)		
Tech Mahindra Limited	**2,385.312,11**	2,819,804.60
Third Parties		
Intec Systems (Asia) Sdn Bhd	**1,364,000.00**	-
Convergys	**256,246.90**	8.90
Comviva	**215,000.00**	-
KAP Haryanto Sahari & Rekan	**70,109.94**	-
PT Amanja Mega Persada	**51,920.00**	-
Subex Azure	**39,237.43**	13,000.00
PT Arsena solusindo	**27,190.41**	-
Tibco Software Inc	**25,270.00**	101,430.86
VIZ Sector Consultant	**22,173.89**	15,917.89
Infogain Systems Pvt Limited	**20,936.00**	-
6D Technologies	**19,873.75**	-
PT Focus Com	**18,920.33**	55,603.17
PT Madawani Mandiri	**13,608.00**	-
Elite Technologies Ltd	**11,587.00**	180.00
PT VisioNet International	**8,801.47**	-
Bharti Telesoft Ltd	**8,440.00**	18,257.50
Landsat Communication Pte.Ltd	**8,000.00**	8,000.00
PT Mitra Integrasi	**6,186.95**	-
Xprint	**6,164.55**	5,853.61
HQ	**6,144.37**	7,484.07
PT Datacraft Indonesia	**6,046.75**	6,046.75
PT Berca Hardaya Perkasa	**5,695.98**	164,836.69
CBA	**4,066.38**	18,554.58
PT IMSI	**3,194.64**	-
Tiendas Law Offices	**2,636.29**	2,514.09
Allianz	**2,019.85**	3,743.93
PT Iditya Putra	**1,926.22**	1,926.22
PT Sumber Daya Info Prima	**1,238.18**	1,238.18
Aston Rasuna	**991.96**	1,845.33
PT Hewlett-Packard Berce Servicindo	**432.11**	10,424.68
Atreus Global	**153.00**	153.00
Kosasih & Nurdiyaman	**32.64**	-
Bahwan Cybertek	**18.00**	18.00
Sidola	**-**	467,500.00
PT Oracle Indonesia	**-**	136,988.19
PT Aiditya Putra	**-**	18.436.10
Openet	**-**	11,025.00
Others	**1,530.68**	1,530.88
Total third parties	**2,229,793.67**	1,072,517.62
Total Trade Payables	**4,615,105.78**	3,892,322.22

9. ACCRUED EXPENSES

Details are as follows:

	2010	2009
Salary payable	**277,367.92**	37,572.20
Payable to employee	**16,145.76**	5,873.10
Medical claim payable	**2,693.60**	347.62
Total	**296,207.28**	43,792.92

Notes to the financial statements for the years ended March 31, 2010 (Contd.)

(With Comparative Figures For 2009)

(Expressed in US Dollar, unless otherwise stated)

10 OTHER PAYABLES

Details are as follows:

	2010	2009
Leave encashment liabilities	145,117.00	53,575.00
Provision for expense	1,030,500.00	30,500.00
Total	**1,175,617.00**	84,075.00

11. TAXATION

This account consists of:

a Prepaid tax

	2010	2009
VAT on import purchase	**256,799.14**	1,817,874.61

Based on the prevailing tax regulations, VAT on import purchases is eligible to credit against VAT Output Payable upon payment to State Treasury.

b Tax payables

	2010	2009
Value added tax	**-**	1,405,494.91
Income tax Article 21	**57,045.00**	49,349.45
Witholding income tax Article 23	**678.99**	4,387.51
Witholding income tax Article 26	**603,969.02**	7,016.17
Estimated income tax payable Article 29	**-**	233,127.66
Witholding income tax Article 4 (2)	**-**	204.42
Total	**661,693.01**	1,699,580.12

c **Current income tax expense**

A reconciliation between income before income tax benefit (expense), as shown in the statements of income and estimated taxable income for the year ended March 31, 2010 (2009) is as follows:

	2010	2009
Income before corporate income tax per statements of income	**627,448.72**	2,578,262.28
Permanent differences:		
Insurance - medical claim	**65,324.00**	44,126.87
Meals	**26,537.65**	19,142.69
Income tax expenses	**15,302.34**	-
Fiscal	**671.46**	3,784.17
Staff welfare	**545.69**	-
Income already subject to final income tax:		
Interest on bank balance	**(1,903.11)**	(1,322.05)
Temporary differences:		
Employee benefit	**33,520.00**	6,927.00
Estimated taxable income	**767,446.75**	2,650,920.96

Taxable income is calculated by converting the income before corporate income tax and the reconciling items as stated in the income tax computations by rate of exchange as of March 31, 2010 (2009) is US Dollar = Rp 9,126.60 (Rp 11,965.02)

The computation of income tax expense - current and estimated claim for tax refund for the year ended March 31, 2010 (2009), is as follows:

	2010	2009
Estimated taxable income	**767,446.75**	2,650,920.96
Income tax expense	**214,885.07**	791,681.48
Prepayments of income tax:		
Withholding tax Article 23	**(437,673.21)**	(558,553.82)
Advance tax	**(62,941.50)**	-
Tax payable (Estimated claims for tax refund)	**(285,729.64)**	233,127.66

d **Estimated claim of tax refund**

	2010	2009
March 31, 2010	**285,729.64**	-
March 31, 2008	**-**	925,147.33
March 31, 2007	**-**	401,686.02
Adjustment by the tax office- (SKPLB No. 00136/406/06/058/08)	**-**	(372,681.62)
Adjustment	**-**	(29,004.35)
Total	**285,729.64**	925,147.38

On June 25, 2008, the Company received SKP No. 00136/406/06/058/08 for fiscal year 2008. Based on such SKP, the Company's overpayment of corporate income tax Article 23 amounted to USD 372,691.62.

e **Deferred tax**

Deffered income tax benefit, computed on the tax benefit of significant temporary differences between financial and tax reporting, using 25%, the maximum tax rate is as follows:

	2010	2009
Employee benefit	**8,172.19**	1,939.56
Total	**8,172.19**	1,939.56

f **Deferred tax asset**

	2010	2009
Employee benefit	**10,111.75**	1,939.56
Total	**10,111.75**	1,939.56

12. EMPLOYEES' BENEFITS LIABILITY

The company provides Post-Retirement Employee Benefit program in the form of severance and gratuity in accordance to labor regulation in Indonesia (Labor Law No. 13/2003 dated March 25, 2003) since the effect on the financial statements is not material. Number of employees covered by the program as of March 31, 2010 is 94 employees, (March 31, 2009 is 35 employees).

The following tables summarize the components of employee benefit expense recognized in the statements of income and the balance sheets for the employee benefit liability, as determined by

PT Padma Radya Aktuaria, an independent actuary.

a **Net employee benefit expense:**

	2010	2009
Current service cost	**21,330.00**	8,436.00
Interest cost	**738.00**	-
Actuarial losses	**(39.00)**	-
Forex (gain) loss	**11,491.00**	(1,509.00)
Total	**33,520.00**	6,297.00

b Employee benefit expense:

	2010	2009
Present value of defined benefit obligation	**54,070.00**	5,899.00
Actuarial gain (loss) not recognized in balance sheet	**(13,623.00)**	1,028.00
Total	**40,447.00**	6,297.00

Notes to the financial statements for the years ended March 31, 2010 (Contd.)
(With Comparative Figures For 2009)
(Expressed in US Dollar, unless otherwise stated)

c **Movements in the employee benefit liability are as follows:**

	2010	2009
Balance at beginning of year	**6,297.00**	-
Additional expense current year	**33,520.00**	6,297.00
Total	**40,447.00**	6,297.00

The principal assumptions used in determining the employee benefit liability as of March 31, 2010 (2009) are as follow:

	2010	2009
Discount rate	**10.00%**	12.50%
Annual salary increment rate	**10.00%**	10.00%
Mortality rate	**100% TMI2**	100% TMI2
Morbidity rate	**5% TMI2**	5% TMI2
Normal retirement age	**60**	60

13. CAPITAL STOCK

The details of the Company's shareholdings as of March 31, 2010 (2009) are as follows:

Stockholders	Number of shares	Percentage of Ownership(%)	Share value
Tech Mahindra Limited	495,000	99	495,000.00
Mr. Atanu Sarkar	5,000	1	5,000.00
Total	**500,000**	**100**	**500,000.00**

14. REVENUE

	2010	2009
PT Hutchinson CP Telecommunications	**17,811,221.64**	12,678,275.34
PT Natrindo Telepon Selular	**2,665,303.14**	-
PT Telkom Tbk	**560,306.47**	648,442.00
PT Clarity	**191,629.96**	194,181.00
PT Sanshine	**53,280.00**	103,509.39
PT Konsulindo Informatika Perdana	**-**	568,012.96
Total	**21,281,741.21**	14,192,420.69

15. COST OF REVENUE

This account represents the costs incurred in developing the billing and customer care system which consist of hardware, software and services.

16. OPERATING EXPENSES

	2010	2009
Salaries	**4,853,470.11**	3,206,061.43
Travel expenses - Air Fare	**569,024.64**	38,021.93
Professional fees	**398,396.31**	528,397.76
Travelling expenses	**68,315.12**	412,497.59
Insurance	**65,324.00**	44,126.87
Telecommunication	**47,204.28**	15,339.11
Rental	**45,738.72**	64,054.73
Bank charges	**45,153.61**	35,854.71
Depreciation of fixed assets	**41,300.30**	28,012.97
Insurance Jamsostek	**34,683.79**	7,219.40
Employee benefit	**33,520.00**	6,927.00
Meals	**26,537.65**	19,142.69
Income tax	**15,302.34**	-
Other interest paid	**9,321.92**	38,284.60
Pantry expense	**9,259.10**	5,266.61
Travel inland	**4,582.47**	6,743.73
Maintenance charges	**2,864.60**	2,669.08
Car/Running expense	**1,670.70**	27,707.74
Power	**1,292.38**	-
Courier expenses	**1,115.71**	1,411.27
General office expenses	**891.39**	45,986.41
Fiscal expense	**671.46**	3,784.17
Airport tax	**671.26**	1,142.25
Staff welfare	**545.69**	-
Recruitment expense	**189.86**	-
Subscription charges	**-**	15,000.00
Advertising & publicity expenses	**-**	12,610.93
Gas, water and electricity	**-**	4,349.50
Training expense - Fees	**-**	3,227.77
Consumable	**-**	2,084.93
Miscellaneous (each account below US. Dollar 100.00)	**59,499.95**	54,822.43
Total	**6,336,547.36**	4,630,747.61

17. TRANSACTION WITH RELATED PARTIES

The nature of transactions and the related balances summarized below:

	2010	2009
Trade Payable (Note 8)		
Tech Mahindra Limited (shareholder)	**2,385,312.11**	2,819,804.60
Percentage to total liabilities	**38.12%**	45.85%
Stockholder's loan (Note 7)		
Tech Mahindra Limited (shareholder)	**-**	500,000.00
Percentage to total liabilities	**-**	10.45%

18. SIGNIFICANT CONTRACT

In 2006, the Company and Tech Mahindra Limited (formerly known as Mahindra-British-Telecom Limited), the shareholder, entered into an agreement with PT Hutchison CP Telecommunication (HCPT). The Company and the shareholder, as the Contractor, agreed to provide Billing and Customer Care System (System) Management Services to HCPT. Under the agreement, the Contractor shall supply a complete turnkey delivery of the System, which includes (but not limited to) HCPT Customer Care, order management, provisioning, mediation, product management/catalogue, resource management, billing and invoicing, payment and collection, interconnect accounting, dealer and partner management, fraud management, reporting, revenue sharing and settlement, rating engine, tariff management, account and balance management and voucher management system. The System shall include hardware, software and services. The agreement shall be valid until December 31, 2009 or until terminated earlier in accordance with the provisions of the agreement.

19 REVISED STATEMENT OF FINANCIAL ACCOUNTING STANDARDS

The Indonesian Institute of Certified Public Accountants issued the Revised Statement of Financial Accounting Standards (PSAK), as follows:

1 PSAK No. 50 (revised 2006), "Financial Instruments: Presentation and Disclosures" contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification or related interests, dividend, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. This standard requires the disclosure, among others, of information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments. PSAK No. 50 (Revised 2006) supersedes PSAK No. 50, "Accounting for Certain Investments in Securities" and is applied prospectively for the periods.

Beginning on or after January 1, 2009 (which was subsequently revised to January 1, 2010). Earlier application is permitted and should be disclosed.

2 PSAK No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement" establishes the principles for recognizing and

Notes to the financial statements for the year ended March 31, 2010 (Contd.)

(With Comparative Figures For 2009)

(Expressed in US Dollar, unless otherwise stated)

measuring financial assets, financial liabilities, and some contracts to buy or sell non- financial items. This standard provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others PSAK No. 55 (Revised 2006) supersedes, "Accounting for derivative Instruments and Hedging Activities, and is applied prospectively for financial statements covering the periods beginning on or after January 1, 2009 (which was subsequently revised to January 1, 2010). Earlier application is permitted and should be disclosed.

The Company is currently evaluating the impact of the Revised PSAK No. 50, 55 and has not yet determined the effects on its financial statements.

20 COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of these financial statements that were completed on April 8, 2010.

SCHEDULE A

Notes to supplementary information for the year ended March 31, 2010

(With Comparative Figures For 2009)

(Expressed in Indian Rupee, unless otherwise stated)

Preparation of Indian Rupee Accounts

The Company's statutory financial statements are presented in United States Dollar. The translation of the US Dollar amounts into Indian Rupee is presented solely for the purpose of additional analysis of the ultimate holding company and therefore, should not be used for any other purposes. The translation of the US Dollar financial statement balances into Indian Rupee should not be construed as representing that the US Dollar amount have been, could have been, or could in the future be, converted into Indian Rupee at the exchange rates applied in the translation of US Dollar amount into Indian Rupee or any other rates of exchange.

The US Dollar amounts are translated for convenience into Indian Rupees at the exchange rate of INR 45.125 to USD 1 for the year ended March 31, 2010 (INR 45.125 to USD 1 for the year ended March 31, 2009) respectively, which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on March 31, 2010 (2009), respectively.

SCHEDULE B

Balance Sheets March 31, 2010

(With Comparative Figures For 2009)
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

	Notes	2010	2009
ASSETS			
CURRENT ASSETS			
Cash on hand and in banks	A	**41,675,469.60**	25,257,988.18
Trade receivable - net		**356,947,363.46**	260,503,026.28
Prepaid taxes	F	**11,588,061.41**	82,031,591.78
Prepaid expense and advances		**51,603,203.21**	22,497,941.92
Total Current Assets		**461,814,097.68**	390,290,548.16
NON-CURRENT ASSETS			
Deferred tax asset	F	**456,292.72**	87,522.65
Estimated claims for tax refund	F	**12,893,549.81**	41,747,275.41
Fixed assets - net of accumulated depreciation	B	**3,639,994.59**	2,315,810.49
Total Non-Current Assets		**16,989,837.12**	44,150,608.55
TOTAL ASSETS		**478,803,934.80**	434,441,156.71

	Notes	2010	2009
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Stockholders' Loan		**-**	22,562,500.00
Trade payable	C		
Related party		**107,637,208.96**	127,243,682.58
Third parties		**100,619,439.36**	48,397,357.60
Accrued expenses	D	**13,366,353.51**	1,976,155.52
Taxes payables	F	**29,858,897.08**	76,693,552.92
Other payable	E	**53,049,717.28**	3,793,884.26
Total Current Liabilities		**304,531,616.19**	280,667,132.88
NON - CURRENT LIABILITIES			
Employee benefit liabilities		**1,825,170.88**	312,580.88
Total Non - Current Liabilities		**1,825,170.88**	312,580.88
STOCKHOLDERS' EQUITY			
Capital stock - USD 1 par value per share			
Authorized - 1,000,000 share			
Issued and fully paid - 500,000 share	G	**22,562,500.00**	22,562,500.00
Retained earnings		**149,884,647.73**	130,898,942.95
Total Stockholders' Equity		**172,447,147.73**	153,461,442.95
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**478,803,934.80**	434,441,156.71

SCHEDULE C

Statements of Income for the year ended March 31, 2010

(With Comparative Figures For 2009)
(Expressed in India Rupee, unless otherwise stated)
UNAUDITED

	Notes	2010	2009
REVENUE	H	**960,338,572.16**	640,432,983.64
COST OF REVENUE		**645,393,637.61**	315,508,590.42
GROSS PROFIT		**314,944,934.55**	324,924,393.22
OPERATING EXPENSES	I	**285,936,699.62**	208,962,485.90
INCOME FROM OPERATIONS		**29,008,234.93**	115,961,907.32

SCHEDULE C (Contd.)
Statements of Income for the year ended March 31, 2010

(With Comparative Figures For 2009)
(Expressed in India Rupee, unless otherwise stated)
UNAUDITED

	Notes	2010	2009
OTHER INCOME (EXPENSES)			
Gain (Loss) on foreign exchange		**(780,489.08)**	(105,479.24)
Interest income (expense) - net		**85,877.84**	59,657.51
Miscelaneous		**-**	427,999.80
Other Income (Expense) - net		**(694,611.24)**	382,178.07
NET INCOME BEFORE INCOME TAX BENEFIT		**28,313,623.69**	116,344,085.39
INCOME TAX BENEFIT (EXPENSE)	F		
Current		**(9,696,688.98)**	(35,724,626.79)
Deferred		**368,770.07**	87,522.65
NET INCOME		**18,985,704.78**	80,706,981.25

SCHEDULE D
Statements of Changes in Shareholders' equity for the year ended March 31, 2010

(With Comparative Figures For 2009)
(Expressed in India Rupee, unless otherwise stated)
UNAUDITED

	Notes	Capital Stock	Retained Earnings	Total Shareholders' Equity
Balance as of **April 1, 2008**	**G**	**22,562,500.00**	**50,191,961.70**	**72,754,461.70**
Net income		-	80,706,981.25	80,706,981.25
Balance as of **March 31, 2009**		**22,562,500.00**	**130,898,942.95**	**153,461,442.95**
Net income		-	18,985,704.78	18,985,704.78
Balance as of **March 31, 2010**		**22,562,500.00**	**149,884,647.73**	**172,447,147.73**

SCHEDULE E
Statements of Cash Flows for the year ended March 31, 2010

(Expressed in India Rupee, unless otherwise stated)
UNAUDITED

	Notes	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES			
Net income		**18,985,704.78**	80,706,981.25
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	B	**1,863,676.04**	1,264,085.27
Deffered tax asset		**(368,770.07)**	(87,522.65)
Employee benefits		**1,512,590.00**	312,580.88
Changes in operating assets and liabilities			
Accounts receivable		**(96,444,337.18)**	(67,380,986.63)
Other receivable		**14,487,434.95**	355,669.38
Prepaid taxes and expenses		**26,850,834.12**	(33,778,991.11)
Claim for tax refund		**28,853,725.60**	18,126,079.40
Other assets		**-**	546,778.27
Accounts payable		**32,615,608.15**	55,384,316.76
Taxes payable		**(46,834,655.84)**	39,216,574.37
Accrued expenses		**11,390,198.00**	-
Other payable		**49,255,833.02**	(80,047,759.15)
Net Cash Provided by (Used in) Operating Activities		**42,167,841.57**	14,617,806.04
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets		**(3,187,860.14)**	(448,963.07)
Net Cash Provided by (Used in) Investing Activities		**(3,171,258.54)**	(448,963.07)
CASH FLOWS FROM FINANCING ACTIVITIES			
Stockholders' loan		**(22,562,500.00)**	-
Net Cash Used in Financing Activities		**(22,562,500.00)**	-
INCREASE (DECREASE) IN CASH IN BANK		**16,417,481.43**	14,168,842.97
CASH ON HAND AND IN BANKS AT BEGINNING OF THE YEAR	A	**25,257,988.18**	11,089,145.20
CASH ON HAND IN BANKS AT END OF THE YEAR	A	**41,675,469.60**	25,257,988.18

SCHEDULE F
Details of Accounts for the year ended March 31, 2010

(With Comparative Figures For 2009)
(Expressed in India Rupee, unless otherwise stated)
UNAUDITED

A CASH ON HAND AND IN BANK

Details are as follows:

	2010	2009
Cash on hand	**464,543.37**	10,734.79
Cash in bank		
US Dollar	**37,674,525.42**	12,490,853.15
Rupiah	**3,536,400.81**	12,756,400.24
Total	**41,675,469.60**	25,257,988.18

B FIXED ASSETS

The details of fixed assets are as follows:

	2010	2009
Cost	**8,521,004.74**	5,333,144.60
Accumulated depreciation	**(4,881,010.15)**	(3,017,334.12)
Total	**3,639,994.59**	2,315,810.48

C TRADE PAYABLE

Details are as follows:

	2010	2009
Related Party		
Tech Mahindra Limited	**107,637,208.96**	127,243,682.58
Third Parties		
Intec System (Asia) Sdn Bhd	**61,550,500.00**	-
Convergys	**11,563,141.36**	401.61
Comviva	**9,701,875.00**	-
KAP Haryanto Sahari & Rekan	**3,163,711.04**	-
PT Amanja Mega Persada	**2,342,890.00**	-
Subex Azure	**1,770,589.03**	586,625.00
PT Arsena solusindo	**1,226,967.25**	-
Tibco Software Inc	**1,140,308.75**	4,577,067.56
VIZ Sector Consultant	**1,000,596.79**	718,294.79
Infogain Systems Pvt Limited	**944,737.00**	-
6D Technologies	**896,802.97**	-
PT Focus Com	**853,779.89**	2,509,093.05
PT Madawani Mandiri	**614,061.00**	-
Elite Technologies Ltd,	**522,863.38**	8,122.50
PT VisioNet International	**397,166.33**	-
Bharti Telesoft Ltd	**380,855.00**	823,869.69
Landsat Communication Pte,Ltd,	**361,000.00**	361,000.00
PT Mitra Integrasi	**279,186.12**	-
Xprint	**278,175.32**	264,144.15
HQ	**277,264.70**	337,718.66
PT Datacraft Indonesia	**272,859.59**	272,859.59
PT Berca Hardaya Perkasa	**257,031.10**	7,438,255.64
CBA	**183,495.40**	837,275.42
PT IMSI	**144,158.13**	-
Tiendas Law Offices	**118,962.59**	113,448.31
Allianz	**91,145.73**	168,944.84
Iditya Putra	**86,920.68**	86,920.68
PT Sumber Daya Info Prima	**55,872.87**	55,872.87
Aston Rasuna	**44,762.20**	83,270.52
PT Hewlett-Packard Berce Servicindo	**19,498.96**	470,413.69
Atreus Global	**6,904.13**	6,904.13
Kosasih, Nurdiyaman, Tjahjo, and Partners	**1,472.88**	-
Bahwan Cybertek	**812.25**	812.25
PT Oracle Indonesia	**-**	6,181,592.07
Openet	**-**	497,503.13
PT Aiditya Putra	**-**	831,929.01
Sidola	**-**	21,095,937.50
Others	**69,071.94**	69,080.96
Total third parties	**100,619,439.36**	48,397,357.60
Total trade payables	**208,256,648.32**	175,641,040.18

SCHEDULE F (Contd.)
PT TECH MAHINDRA INDONESIA
DETAILS OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2010
(With Comparative Figures For 2009)
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

D ACCRUED EXPENSES

Details are as follows:

	2010	2009
Salary payable	**12,516,226.94**	1,695,445.53
Payable to employee	**728,577.42**	265,023.64
Medical claim payable	**121,549.15**	15,686.35
Total	**13,366,353.51**	1,976,155.52

E OTHER PAYABLES

Details are as follows:

	2010	2009
Leave encashment liabilities	**6,548,404.62**	2,417,571.87
Provision for expense	**46,501,312.66**	1,376,312.39
Total	**53,049,717.28**	3,793,884.26

F TAXATION

This account consists of:

a **Prepaid tax**

	2010	2009
VAT on import purchase	**11,588,061.41**	82,031,591.78

Based on the prevailing tax regulations, VAT on import purchases is eligible to credit against VAT Output Payable upon payment to State Treasury.

b **Tax payables**

	2010	2009
Value added tax	**-**	63,422,957.82
Income tax Article 21	**2,574,155.63**	2,226,893.93
Witholding income tax Article 23	**30,639.42**	197,986.39
Witholding income tax Article 26	**27,254,102.03**	316,604.67
Estimated income tax payable Article 29	**-**	-
Witholding income tax Article 4 (2)	**-**	9,224.45
Provision tax	**-**	10,519,885.66
Advance tax	**-**	-
Total	**29,858,897.08**	76,693,552.92

c **Current income tax expense**

A reconciliation between income before income tax, as shown in the statements of income and estimated taxable income for the nine months period ended March 31, 2010 (2009) is as follows:

	2010	2009
Income before corporate income tax per statements of income	**28,313,623.69**	116,344,085.39
Permanent differences:		
Insurance - medical claim	**2,947,745.50**	1,991,225.01
Meals	**1,197,511.46**	863,813.89
Income tax expenses	**690,518.09**	
Fiscal	**30,299.63**	170,760.67
Staff welfare	**24,624.26**	-
Income already subject to final income tax:		
Interest on bank balance	**(85,877.84)**	(59,657.51)
Temporary differences:		
Employee benefit	**1,512,590.00**	312,580.88
Estimated taxable income	**34,631,034.79**	119,622,808.33

SCHEDULE F (Contd.)
PT TECH MAHINDRA INDONESIA
DETAILS OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2010
(With Comparative Figures For 2009)
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

The computation of income tax expense - current and estimated claim for tax refund for the year ended March 31, 2010 (2009), is as follows:

	2010	2009
Estimated taxable income	34,631,034.79	119,622,808.33
Income tax expense	9,696,688.98	35,724,626.79
Prepayments of income tax:		
Withholding tax Article 23	(19,750,003.60)	(25,204,741.13)
Advance tax	(2,840,235.19)	-
Tax payable (Estimated claims for tax refund)	**(12,893,549.81)**	10,519,885.66

d **Estimated claim of tax refund**

	2010	2009
March 31, 2010	**12,893,549.81**	-
March 31, 2008	**-**	41,747,273.27
March 31, 2007	**-**	18,126,081.65
Adjustment by the tax office- (SKPLB No. 00136/406/06/058/08)	**-**	(16,817,258.10)
Adjustment	**-**	(1,308,821.41)
Total	**12,893,549.81**	41,747,275.41

On June 25, 2008, the Company received SKP No. 00136/406/06/058/08 for fiscal year 2008. Based on such SKP, the Company's overpayment of corporate income tax article 23 amounted to USD 372,691.62.

G CAPITAL STOCK

The details of the Company's shareholdings as of March 31, 2010 (2009) are as follows:

	2010	2009
Capital stock	**22,562,500.00**	22,562,500.00
Retained earning	**130,898,942.95**	50,191,961.70
Current earning of the year	**18,985,704.78**	80,706,981.25
Total	**172,447,147.73**	153,461,442.95

H REVENUE

	2010	2009
PT Hutchinson CP Telecommunications	**803,731,376.51**	572,107,174.72
PT Natrindo Telepon Selular	**120,271,804.19**	-
PT Telkom Tbk	**25,283,829.07**	29,260,945.25
PT Clarity	**8,647,302.40**	8,762,417.63
PT Sanshine	**2,404,260.00**	4,670,861.22
PT Konsulindo Informatika Perdana	**-**	25,631,584.82
Total	**960,338,572.16**	640,432,983.64

SCHEDULE F (Contd.)
PT TECH MAHINDRA INDONESIA
DETAILS OF ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2010
(With Comparative Figures For 2009)
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

I OPERATING EXPENSES

	2010	2009
Salaries	**219,012,838.71**	144,673,522.03
Travelling expenses	**25,677,236.88**	1,715,739.59
Professional fees	**17,977,633.49**	23,843,948.92
Travel expenses - Air Fare	**3,082,719.79**	18,613,953.75
Insurance	**2,947,745.50**	1,991,225.01
Telecommunication	**2,130,093.14**	692,177.34
Rental	**2,063,959.74**	2,890,469.69
Bank charges	**2,037,556.65**	1,617,943.79
Depreciation of property and equipment	**1,863,676.04**	1,264,085.27
Insurance Jamsostek	**1,565,106.02**	325,775.43
Employee benefits	**1,512,590.00**	312,580.88
Meals	**1,197,511.46**	863,813.89
Income tax	**690,518. 09**	-
Other interest paid	**420,651.64**	1,727,592.58
Pantry expense	**417,816.89**	237,655.78
Travel inland	**206,783.96**	304,310.82
Maintenance charges	**129,265.08**	120,442.24
Car/Running expense	**75,390.34**	1,250,311.77
Power	**58,318.65**	-
Courier expenses	**50,346.41**	63,683.56
General office expenses	**40,223.97**	2,075,136.75
Fiscal expense	**30,299.63**	170,760.67
Airport tax	**30,290.61**	51,544.03
Staff welfare	**24,624.26**	-
Recruitment expense	**8,567.43**	-
Subscription charges	**-**	676,875.00
Advertising & publicity expenses	**-**	569,068.22
Gas, water and electricity	**-**	196,271.19
Training expenses	**-**	145,653.12
Consumable	**-**	94,082.47
Miscellaneous (each account below US Dollar 100.00)	**2,684,935.24**	2,473,862.15
Total	**285,936,699.62**	208,962,485.90

See accompanying notes to Financial Statement, which are an integral part of these financial statements.

CANVASM TECHNOLOGIES LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. C. P. Gurnani

Mr. Geoffrey Roman

Mr. Navin Mehta

Mr. Sanjay Kalra

Mr. Ulhas N. Yargop

Registered Office

Oberoi Gardens Estate,
Chandivali,
Off Saki Vihar Road,
Andheri (E)
Mumbai 400 072

Bankers

HSBC Bank

Auditors

Deloitte Haskins & Sells,
Chartered Accountants

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Fourth Annual Report together with the audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS

(Rupees)

For the year ended March 31,	2010	2009
Income	**763,425,160**	440,821,119
Expenditure	**571,460,085**	422,101,155
Depreciation	**33,152,599**	14,601,096
Profit/(Loss) Before Tax & Extra Ordinary items	**158,812,476**	4,118,868
Provision for Taxation	**34,808,541**	-
Deferred Taxes Charge/(Credit)	**(12,608,395)**	-
Provision for Fringe Benefit Tax	**-**	698,930
Extra Ordinary Items		
Profit/(Loss) after Tax	**136,612,330**	3,419,938
APPROPRIATIONS		
Transfer to General Reserve	**-**	-
Proposed dividend (Equity)		
Dividend Distribution tax		
Profit Carried forward to Balance Sheet	**-**	-

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

BUSINESS OVERVIEW

Value Added Services has evolved from a mere communication service to a plethora of information and varied customized services to serve the consumer requirements spanning from livelihood to lifestyle. In the changing market scenario, VAS is being seen fueling its expansion in emerging markets like MEA & APAC where large chunks of revenues are expected to flow in the near future.

CanvasM has been focusing on building, operating and managing end-to-end VAS solutions for customers spanning across Telco's, Enterprise and Media house with focus on VAS verticals of Commerce, Utility and Digital Asset Management.

We are well positioned to contribute to the VAS landscape, through evolved offerings and 360 degree service delivery expertise spanning across Telco's from Tech Mahindra and cross -domain eco-system partner like Banks, Media houses etc from Mahindra Satyam.

As way forward we are focusing on two pronged strategy which is as follows:-

- CanvasM has planed and is in process of launching few VAS services on D2C model for Indian market spanning across VAS verticals like Voice based solutions for the bottom of the pyramid segment, Commerce solutions for enabling contact less payments, Digital promotion solutions replacing paper based coupons with mobile coupons powered by quick response technology and Entertainment solutions with focus on aggregation of niche content like education etc. Besides contributing to top line of CanvasM these VAS services would also enable our positioning as potential VAS Managed Services partners for our customers and create a set of services that will become ubiquitous with the consumers lifestyle

- Leveraging the installed Telco customer base of Tech Mahindra across the focus geographies of North America, Europe, India, MEA & APAC to cross sell and up sell VAS solutions. Dedicated pre-sales / sales teams have been set up for each of these focus geos. In these customers Canvasm is focussed on providing VAS solutions around platforms and applications providing content, location and commerce solutions.

HUMAN RESOURCE MANAGEMENT

Recognizing the value of human resources as the Company's growth potential, your company has been focusing on development and management of human resources in the Company. The Company has put in place a scalable recruitment and human resource management process, enabling it to attract and retain high caliber employees.

The Company recognizes the fact that to grow and compete in an extremely fierce competitive environment it needs to retain and grow the best talent in the industry. A number of steps were taken during the year to further strengthen the HR Processes within the Company.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

SUBSIDIARY COMPANIES

The Company has a subsidiary in USA namely CanvasM (Americas) Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The Financial Statements of your Company and its subsidiary are attached herewith. These consolidated Financial Statements of the Company and its subsidiary have been prepared in accordance with Accounting Standard 21. These Consolidated accounts have been prepared on the basis of audited financial statements received from the Subsidiary Company as approved by its Board. A statement pursuant to section 212 of the Companies Act, 1956 forms part of the Annual Report.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has an adequate system of internal controls commensurate with the size of the Company and the nature of its business which ensures that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and disposition.

The internal control system is supplemented by well documented policies, guidelines and procedures. An extensive programme of internal audit by a firm of chartered accountants and management review of the same is in place.

DIRECTORS

Mr. Vineet Nayyar and Mr. Ulhas N Yargop retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s Deloitte Haskins & Sells to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 of the Companies Act, 1956.The Board recommends the re-appointment of M/s Deloitte Haskins & Sells as the Auditors of the Company.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

1. **Conservation of Energy**

   The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption. As energy costs comprise a very small part of your company's total expenses, the financial impact of these measures is not material.

2. **Research & Development (R&D)**

   Research and development of new services, designs, frameworks, process and methodologies continue to be of importance to the Company. This allows your Company to increase quality, productivity and customer satisfaction through continuous innovation.

3. **Foreign Exchange earnings and outgo**

   The foreign exchange earnings of your Company during the year were Rs. 633,041,353 (Previous Year - Rs. 317,779,273) while the outgoings were Rs. 427,890,125 (Previous Year - 261,057,735).

PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956, and the Rules made thereunder, a statement containing particulars of the Company's employees who were in receipt of remuneration of not less than Rs. 2,400,000 during the year ended 31st March 2010, or of not less than Rs. 200,000 per month, if employed for part of the year, is given in the Annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the profit of the Company for the year ended on that date;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, STPI, regulatory and governmental authorities in India and abroad and its shareholders.

For and on behalf of the Board

Vineet Nayyar
Chairman

Place : New Delhi
Date : April 29, 2009

Particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent company, Tech Mahindra Limited:

Loans and advances in the nature of loans to subsidiaries - NIL

Loans and advances in the nature of loans to associates, loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 372A of the Companies Act, 1956 and loans and advances in the nature of loans to firms/companies in which directors are interested - NIL

AUDITORS' REPORT

TO THE MEMBERS OF
CANVASM TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of CANVASM TECHNOLOGIES LIMITED ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account ;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ;

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

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 ;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and

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

5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 015125N)

Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : April 29, 2010

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses (ii), (viii), (x) and (xiii) of CARO are not applicable.

(ii) In respect of its fixed assets:

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) According to the information and explanations given to us, the Company has during the year, neither granted nor taken any loans, secured or unsecured to/from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b) to (g) of the Order are not applicable.

(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 purchases of fixed assets and the sale of services and its related products. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, we are of the opinion that during year, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section. Accordingly, paragraphs 4(v) (a) and (b) of the Order are not applicable.

(vi) As the Company has not accepted any deposits from the public, paragraph 4(vi) of the Order is not applicable.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes.

(ix) The Company has neither taken loans from any financial institutions or banks nor has issued any debentures during the year.

(x) In our opinion and according to the explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

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

(xiii) The Company has not obtained any term loans during the year.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xv) The Company has not made any preferential allotment of shares during the year.

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

(xvii) The Company has not raised any money by way of public issue during the year.

(xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.015125N)

Vijay Agarwal
Partner
Membership No. 094468

Place : Gurgaon
Date : April 29, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule		As at March 31, 2010		As at March 31, 2009
					Rupees
I. SOURCES OF FUNDS :					
1. Shareholders' Funds :					
Share Capital	A		**576,733,000**		576,733,000
2. Reserves and Surplus	B		**120,022,738**		-
TOTAL			**696,755,738**		576,733,000
II. APPLICATION OF FUNDS :					
1. Fixed Assets :	C				
(a) Gross Block		**110,496,001**		86,509,892	
(b) Less: Depreciation		**47,964,832**		14,812,233	
(c) Net Block			**62,531,169**		71,697,659
2. Investments	D		**448,922,578**		362,377,616
3. Deferred tax assets	E		**12,608,395**		-
4. Current Assets, Loans and Advances :	F				
(a) Sundry Debtors		**403,533,197**		227,508,878	
(b) Cash and Bank Balances		**56,097,819**		223,693,237	
(c) Other Current Assets		**-**		535,585	
(d) Loans and Advances		**34,080,329**		31,523,066	
		493,711,345		483,260,766	
Less : Current Liabilities and Provisions :	G				
(a) Current Liabilities		**312,151,275**		350,225,613	
(b) Provisions		**8,866,474**		6,967,020	
		321,017,749		357,192,633	
Net Current Assets			**172,693,596**		126,068,133
5. Profit and Loss Account	B		**-**		16,589,592
TOTAL			**696,755,738**		576,733,000
Notes on Accounts	L				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner

Gurgaon
Dated: April 29, 2010

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

C. P. Gurnani
Director

Suresh Sarawagi
Company Secretary

New Delhi
Dated: April 29, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Rupees

	Schedule	Year ended March 31, 2010	Year ended March 31, 2009
INCOME :			
Sales		**725,368,931**	407,070,572
Other Income	H	**38,056,229**	33,750,547
		763,425,160	440,821,119
EXPENDITURE :			
Employee Remuneration and Benefits	I	**121,841,469**	87,323,307
Operating and Other Expenses	J	**449,201,819**	333,390,252
Depreciation	C	**33,152,599**	14,601,096
Interest and Finance Charges	K	**416,797**	1,387,596
		604,612,684	436,702,251
Profit/(Loss) before taxation		**158,812,476**	4,118,868
Provision for taxation :			
Income tax		**34,808,541**	-
Deferred tax charge/(credit)		**(12,608,395)**	-
Fringe benefit tax		**-**	698,930
Profit/(Loss) after taxation		**136,612,330**	3,419,938
Balance brought forward from the previous year		**(16,589,592)**	(20,009,530)
Balance Carried to Balance Sheet		**120,022,738**	(16,589,592)
Earnings per Share :			
Basic (Rs.)		**23.69**	**0.59**
Diluted (Rs.)		**23.69**	**0.59**
(Refer note 5 of Schedule L)			
Notes on Accounts	L		

In terms of our report attached to the Balance Sheet

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner

Gurgaon
Dated: April 29, 2010

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

C. P. Gurnani
Director

Suresh Sarawagi
Company Secretary

New Delhi
Dated: April 29, 2010

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2010

		Schedule	For the year ended March 31, 2010	Rupees For the year ended March 31, 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	Net Profit/ (Loss) before tax		**158,812,476**	4,118,868
	Adjusted for:			
	Interest on Deposits		**(1,334,127)**	(2,408,301)
	Depreciation		**33,152,599**	14,601,096
	Profit on sale of Investments		**(19,579,641)**	(898,053)
	Dividend income from Investments		**(17,142,461)**	(18,998,990)
	Provision for dimunition in value of Investments		**151,387**	24,413
	Unrealised Exchange Loss/(Gain) (net)		**6,474,368**	(6,429,297)
	Provision for doubtful debts		**719,021**	358,869
	Operating profit before working capital changes		**161,253,622**	(9,631,395)
	Adjusted for:			
	Sundry Debtors		**(176,743,340)**	(166,802,842)
	Other Current Assets		**-**	2,206,055
	Loans and Advances		**(2,440,643)**	(11,300,417)
	Current Liabilities and Provisions		**(25,274,455)**	277,315,118
	Cash generated from Operations		**(43,204,817)**	91,786,519
	Income taxes Paid		**(34,925,162)**	(1,674,497)
	Net Cash From/(Used In) Operating Activities		**(78,129,979)**	90,112,022
B.	**CASH FLOWS FROM INVESTING ACTIVITIES :**			
	Interest on Deposits		**1,869,712**	2,408,301
	Proceeds on sale of Investments		**384,477,021**	982,273,129
	Purchase of Investments		**(451,593,727)**	(843,701,453)
	Dividend income from Investments		**17,142,461**	18,998,990
	Purchase of Fixed Assets		**(34,886,538)**	(44,099,473)
	Net Cash From/(Used In) Investing Activities		**(82,991,071)**	115,879,494
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		-	-
	Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		**(161,121,050)**	205,991,516
	Cash and Cash Equivalents at the beginning of the year		**223,693,237**	11,272,424
	Unrealised Gain/(Loss) on reinstatement of foreign currency bank account		**(6,474,368)**	6,429,297
	Cash and Cash Equivalents at the end of the year	F	**56,097,819**	223,693,237

In terms of our report attached to the Balance Sheet

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner

Gurgaon
Dated: April 29, 2010

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

C. P. Gurnani
Director

Suresh Sarawagi
Company Secretary

New Delhi
Dated: April 29, 2010

Schedules forming part of the Balance Sheet

	As at March 31, 2010	Rupees As at March 31, 2009
Schedule A		
SHARE CAPITAL:		
Authorised:		
10,000,000 Equity shares of Rs.100 each	**1,000,000,000**	1,000,000,000
	1,000,000,000	1,000,000,000
Issued, subscribed and paid up:		
5,767,330 (previous year 5,767,330) Equity shares of Rs.100 each	**576,733,000**	576,733,000
	576,733,000	576,733,000

Note:
Out of the above 4,619,631 (previous year 4,619,631) equity shares of Rs. 100 each fully paid-up are held by Tech Mahindra Limited, the holding company.

	As at March 31, 2010	Rupees As at March 31,2009
Schedule B		
RESERVES AND SURPLUS:		
Profit and Loss Account:		
As per last balance Sheet	**(16,589,592)**	(20,009,530)
Add: Profit for the year	**136,612,330**	3,419,938
	120,022,738	(16,589,592)

Schedule C
FIXED ASSETS

Rupees

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	**Cost as at April 1, 2009**	**Additions during the year**	**Deletion/ adjustment during the year**	**As at March 31, 2010**	**Upto March 31, 2009**	**For the year**	**Deletion/ adjustment during the year**	**Upto March 31, 2010**	**As at March 31, 2010**	**As at March 31, 2009**
Data Processing Machines including Computers	83,922,291	27,933,851	4,046,900*	**107,809,242**	14,497,156	32,623,378	-	**47,120,534**	**60,688,708**	69,425,135
Furniture and Fixtures	2,425,118	-	-	**2,425,118**	282,931	485,024	-	**767,955**	**1,657,163**	2,142,187
Office Equipment	162,483	99,158	-	**261,641**	32,146	44,197	-	**76,343**	**185,298**	130,337
TOTAL	**86,509,892**	**28,033,009**	**4,046,900**	**110,496,001**	**14,812,233**	**33,152,599**	**-**	**47,964,832**	**62,531,169**	
PREVIOUS YEAR	2,595,219	83,914,673	-	86,509,892	211,137	14,601,096	-	14,812,233		71,697,659

*During the year, exchange gain of Rs.4,046,900 decapitalised (previous year capitalised Rs.2,706,100) in line with the notification No. G.S.R. 225(E) dated March 31, 2009 issued by The Ministry of Corporate Affairs, Government of India. Reversal of depreciation in current year is Rs. 1,201,575 due to decapitalisation (Depreciation in previous year Rs. 489,208)

Schedule D
INVESTMENTS (NON TRADE)

Rupees

Acquired during the year (Nos.)	**Sold/ redeemed during the year (Nos.)**	**Balance at the end of the year (Nos.)**	**Particulars**	**As at March 31, 2010**	**As at March 31, 2009**
			LONG TERM INVESTMENTS		
			(Valued at cost unless there is permanent fall in value thereof)		
			Shares		
			Unquoted :		
			In wholly owned subsidiary company		
Nil (Nil)	Nil (Nil)	100 (100)	CanvasM (Americas) Inc. 100 Common Stock of US $ 1 each fully paid up	**4,425**	4,425
			SUB-TOTAL	**4,425**	4,425
			CURRENT INVESTMENTS		
			(Valued at lower of cost or fair value)		
			Mutual Funds		
			Unquoted		
Nil (318,826)	Nil (15,966,275)	Nil (Nil)	Kotak Flexi Debt Scheme - Daily Dividend	**-**	-
167,930 (4,019,271)	Nil (Nil)	4,187,201 (4,019,271)	Kotak Floater Long Term - Weekly Dividend	**42,203,395**	40,511,312
Nil (16,221,083)	Nil (16,221,083)	Nil (Nil)	Kotak Flexi Debt Scheme - Weekly Dividend	**-**	-
61,768 (13,641,227)	2,705,304 (10,997,691)	- (2,643,536)	FRDD ICICI Prudential Floating Rate Plan D Daily Dividend - Reinvest Dividend	**-**	26,440,912
274,636 (Nil)	Nil (Nil)	274,636 (Nil)	1542 ICICI Prudential Floating Rate Plan D Daily Dividend	**27,475,672**	**-**
134,385 (4,464,875)	Nil (1,169,899)	3,429,361 (3,294,976)	Reliance Medium Term Fund- Daily Dividend Plan - Reinvestment	**58,626,643**	56,329,260
209,312 (5,096,226)	Nil (Nil)	5,305,538 (5,096,226)	B332WD Birla Sun Life Savings Fund Instl - Weekly Dividend -Reinvestment	**53,099,367**	51,006,017
Nil (1,283,091)	Nil (1,283,091)	Nil (Nil)	Birla Sun Life Income Plus Growth	**-**	-
Nil (Nil)	18,811,010 (Nil)	Nil (18,811,010)	Birla Sun Life FTP - INSTL - Series AN Growth	**-**	188,110,103
14,933,258 (Nil)	Nil (Nil)	14,933,258 (Nil)	B321MD Birla Sun Life Dynamic Bond Fund -Retail Plan - Monthly Dividend	**155,659,637**	-
25,869,653 (Nil)	14,806,333 (Nil)	11,063,320 (Nil)	B851F Birla Sun Life Short Term Fund -Institutional Fortnightly Dividend	**112,029,239**	-
Nil (32,339,227)	Nil (47,839,227)	Nil (Nil)	Standard Chartered Fixed Maturity Plan	**-**	-
				449,093,953	362,397,604
			Less: Provision for diminution in value of Current Investments	**175,800**	24,413
			SUB-TOTAL	**448,918,153**	362,373,191
			GRAND TOTAL	**448,922,578**	362,377,616
			Aggregate Cost of Unquoted Investments	**448,922,578**	362,377,616
			Aggregate NAV of Mutual Funds	**449,741,549**	381,603,687

Schedules forming part of the Balance Sheet

Schedule E		Rupees
	As at **March 31, 2010**	As at **March 31, 2009**
DEFERRED TAX ASSETS:		
Deferred tax assets on:		
Depreciation	**7,475,078**	-
Provision for Gratuity andLeave Encashment	**3,013,715**	-
Others	**2,119,602**	-
	12,608,395	-

Schedule F		
CURRENT ASSETS, LOANS AND ADVANCES:		
A. CURRENT ASSETS:		
1. Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
Considered good	**34,708,370**	52,964,950
Considered Doubtful	**1,077,890**	358,869
	35,786,260	53,323,819
Others		
Considered good *	**368,824,827**	174,543,928
Considered Doubtful	**-**	-
	368,824,827	174,543,928
Less: Provision for Doubtful Debts	**1,077,890**	358,869
	403,533,197	227,508,878

* Includes Rs.22,830,611 (previous year Rs. 1,380,464) recoverable from Tech Mahindra Limited, the holding company and Rs.106,227,068 (previous year Rs. 62,587,212) recoverable from CanvasM (Americas) Inc., 100% subsidiary company of the Company.

2. Cash and Bank Balances		
Balance with Scheduled Banks		
In Current Accounts	**20,194,098**	4,298,980
In EEFC Account	**35,903,721**	134,394,257
In Fixed Deposit Account$	**-**	85,000,000
	56,097,819	223,693,237

$ Lien with Bank against bank guarantee

3. Other Current Assets		
Interest accrued but not due on deposits	**-**	535,585
B. LOANS AND ADVANCES (Unsecured)		
1. Advances recoverable in cash or in kind or for value to be received ##	**9,375,728**	8,411,640
2. Advances to Suppliers	**4,484,205**	3,087,651
3. Security Deposits#	**15,080,000**	15,000,000
4. Advance income tax[net of provisions aggregating to Rs. 38,644,873 (Previous year Rs. 3,836,332)]	**5,140,396**	5,023,775
	34,080,329	31,523,066
	493,711,345	483,260,766

\# Includes Rs. 15,000,000 (previous year Rs.15,000,000) with holding company (Tech Mahindra Limited).

\## Includes Rs. 1,412,549 (previous year Rs.Nil) recoverable from holding company (Tech Mahindra Limited).

Schedule G		
CURRENT LIABILITIES AND PROVISIONS:		
A. CURRENT LIABILITIES:		
1. Sundry Creditors#		
Due to subsidiary company -CanvasM (Americas) Inc.	**32,366,265**	27,448,726
Total outstanding dues of creditors other than micro and small enterprises	**247,944,155**	157,324,902
(Also refer note 9 of schedule L)		
2. Advance from Customers	**8,184,037**	143,914,754
3. Unearned Revenue	**17,020,960**	19,326,618
4. Other Liabilities	**6,635,858**	2,210,613
	312,151,275	350,225,613
B. PROVISIONS		
Staff Benefits	**8,866,474**	6,967,020
	321,017,749	357,192,633

Note:

\# Sundry Creditors do not include any amount outstanding as on March 31, 2010, which are required to be credited to Investor Education and Protection Fund.

Schedules forming part of the Profit and Loss Account

		Rupees
	Year ended March 31, **2010**	2009
Schedule H		
OTHER INCOME:		
Interest on deposits [Tax deducted at source Rs.329,695 (previous year Rs. 156,187)]	**1,334,127**	2,408,301
Profit on sale of Investments (net)	**19,579,641**	898,053
Dividend income from Investments	**17,142,461**	18,998,990
Exchange Gain (net)	**-**	11,445,203
	38,056,229	33,750,547
Schedule I		
EMPLOYEES REMUNERATION AND BENEFITS:		
Salaries and Wages	**116,650,662**	83,473,830
Contribution to Provident Fund and Other funds	**4,523,511**	3,311,840
Staff Welfare Expenses	**667,296**	537,637
	121,841,469	87,323,307
Schedule J		
OPERATING AND OTHER EXPENSES:		
Rent	**2,979,050**	3,347,279
Hire charges	**-**	36,304
Auditors' Remuneration		
Statutory Audit	**350,000**	386,050
Other Services	**350,000**	389,140
Out of pocket expenses	**115,000**	39,287
Recruitment charges	**-**	1,010,820
Training expenses	**41,375**	4,500
Legal and Professional charges	**3,237,753**	1,928,371
Business promotion	**265,932**	176,018
Advertisement expenses	**-**	998,840
Software packages	**7,041,242**	70,910
Conference and Seminar expenses	**-**	161,404
Communication expenses	**4,159,731**	2,920,864
Car Lease rental	**450,000**	160,796
Membership and subscription	**281,830**	117,277
Repairs and maintenance:		
- Building	**7,495**	407,179
- Others	**3,760,031**	2,662,474
Printing and stationery	**150,578**	145,743
Subcontracting costs:		
Services	**224,619,739**	198,623,282
Hardware	**60,529,913**	49,687,948
Software	**104,403,378**	57,345,501
Provision for doubtful debts	**719,021**	358,869
Provision for dimunition in value of Investments	**151,387**	24,413
Donation	**73,816**	-
Travelling and conveyance	**21,853,747**	11,750,695
Exchange loss (net)	**13,037,091**	-
Miscellaneous expenses	**623,710**	636,288
	449,201,819	333,390,252
Schedule K		
INTEREST AND FINANCE CHARGES		
Bank Charges	**416,797**	1,387,596
	416,797	1,387,596

SCHEDULE L

NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND:

CanvasM Technologies Limited ('the Company') was incorporated in India on July 28, 2006 and received certificate of commencement of business on September 13, 2006. The Company is a closely held company with 4,619,631 equity shares being held by Tech Mahindra Limited and the balance 1,147,699 equity shares being held by Motorola Cyprus Holding Limited and provides its partners a one-stop shop for all Value Added Service (VAS) requirements which includes VAS platform, application and product development, integration, hosting and deployment services.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Accounting:

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the accounting standards notified under the Companies Accounting Standard Rules, 2006 and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

The Company follows the mercantile system of accounting and recognises items of income and expenditure on an accrual basis.

ii) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented. Actual results could differ from those estimates.

iii) Revenue Recognition:

Revenue from services priced on a time and material basis is recognised as services are performed on the basis of billable time spent by employees working on the project, priced at the contracted rate.

Revenue from services on fixed price contracts is recognised on the proportionate completion method and where no significant uncertainty exists regarding the amount of consideration that will be derived on completion of the contract.

Revenue from interest on bank deposits is recognised on accrual basis.

Dividend income from units in mutual funds is recognised on receipt.

iv) Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

v) Depreciation:

Depreciation on all fixed assets is provided on the straight line method over the estimated useful life of the assets at rates, which are higher than that specified in Schedule XIV to the Companies Act, 1956. The depreciation rates used by the Company is as follows:

Category of Assets	*Rates of Depreciation*
Office Equipments	20.00%
Furniture and Fixtures	20.00%
Data Processing Machines including Computers	33.33%

Depreciation on addition to fixed assets is provided on pro-rata basis for completed months commencing from the month in which the assets are put to use. Depreciation on sale/deduction from fixed assets is provided for upto the completed month of sale, deduction, discardment as the case may be.

All assets costing Rs.5,000 or below are depreciated in full by way of a one-time depreciation charge.

vi) Impairment of Assets:

Whenever events indicate that assets may be impaired, the assets are subject to a test of recoverability based on estimates of future cash flows arising from continuing use of such assets and from its ultimate disposal. A provision for impairment loss is recognised where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sale of the asset.

vii) Leases:

Lease rentals are expensed with reference to lease terms.

viii) Investments:

Long term investments are stated at cost, less provision for diminution in value of investments, which is considered to be permanent. Current investments are stated at lower of cost or fair market value. Cost includes original cost of acquisition, including brokerage and stamp duty.

ix) Expenditure:

The cost of software purchased for use in software development and services is charged to cost of revenues in the year of acquisition.

x) Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the monthly exchange rates prevailing in the month of the transaction. Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognised in the Profit and Loss Account other than in case of long term foreign currency monetary liabilities relating to acquisition of fixed assets, the loss or gain on translations are included in the carrying amount of the related fixed assets and liabilities in accordance with the Notification No. G.S.R. 225(E) dated March 31, 2009 issued by The Ministry of Corporate Affairs, Government of India.

Monetary items denominated in foreign currencies at the year-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

xi) Employee Benefits:

In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). Company's contribution to Provident Fund is charged to the Profit and Loss Account.

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the Profit and Loss Account. The expected return on plan assets is based on the assumed rate of return of such assets.

Leave encashment benefits payable to employees while in service, on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year end are accounted for on the basis of an actuarial valuation as at the balance sheet date.

xii) Income Taxes:

Income taxes consist of current taxes and changes in deferred tax liabilities and assets.

Income taxes are accounted for on the basis of estimated taxes payable and adjusted for timing differences between the taxable income and accounting income as reported in the financial statements. Current income tax has been provided using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

xiii) Earnings per Share:

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

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

xiv) Material Events:

Material events occurring after the Balance Sheet date are taken into cognisance.

3. **Contingent liability not provided for :**

	As at March 31, 2010	As at March 31, 2009
Claims not acknowledged as debts:		
Stamp duty matter	**2,042,400**	-

The above matter is subject to legal proceeding in the ordinary course of business. In the opinion of the management the legal proceeding, when ultimately concluded, will not have a material effect on result of operations or financial position of the Company.

4. **The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:**

		As at March 31, 2010 Rs.	As at March 31, 2009 Rs.	**As at March 31, 2010 FC**	As at March 31, 2009 FC
i)	Receivables in Foreign Currency - Sundry Debtors	**358,604,263**	221,085,087	**US $ 7,988,511**	US $ 4,358,933
ii)	Payables in Foreign Currency - Sundry Creditors	**226,606,340**	171,421,763	**US $ 5,033,265** **Euro 8,000**	US $ 3,379,767 -

5. **Earnings per Share:**
The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

			Rupees
		Year ended March 31,	
		2010	2009
a)	Net Profit after Taxation	**136,612,330**	3,419,938
b)	Weighted average number of equity shares outstanding	**5,767,330**	5,767,330
c)	Effect of dilutive potential equity share equivalents	**-**	-
d)	Weighted average number of equity shares and potential equity share equivalents outstanding	**5,767,330**	5,767,330
e)	Nominal Value of Equity Shares (Rs.)	**100**	100
f)	Basic Earnings per Share (Rs.)	**23.69**	0.59
g)	Diluted Earnings per Share (Rs.)	**23.69**	0.59

6. **Leases:**
The Company is a lessee under various operating leases. Rental expense for operating leases for the year ended March 31, 2010 is Rs.2,979,050 (Previous year Rs.3,374,279). There is no non-cancelable lease as on March 31, 2010.

7. **Defined Benefit Obligation:**
The status of the gratuity plan including reconciliation of the closing balance of the present value of defined benefit obligations and the fair value of plan assets are as follows:

		Rupees
	As at March 31 2010	As at March 31 2009
Present value of obligations		
Balance as at the beginning of the year	**3,576,280**	1,943,000
Service Cost	**1,185,980**	888,410
Interest Cost	**271,800**	150,580
Benefits Paid	**-**	-
Actuarial (Gain)/Loss	**(442,620)**	594,290
Balance as at the end of the year	**4,591,440**	3,576,280
Fair value of plan assets		
Balance as at the beginning of the year	**-**	-
Balance as at the end of the year	**-**	-
Reconciliation of the present value of obligations and the fair value of plan assets to the assets and liabilities recognised in the balance sheet date		
Fair value of plan assets as at the end of the year	**-**	-

	2010	2009
Present value of defined benefit obligations as at the end of the year	**4,591,440**	3,576,280
Liability recognised in the balance sheet as at the end of the year	**4,591,440**	3,576,280
Gratuity cost for the year		
Service Cost	**1,185,980**	888,410
Interest Cost	**271,800**	150,580
Net Actuarial (Gain)/Loss	**(442,620)**	594,290
Net Gratuity Cost	**1,015,160**	1,633,280

Actuarial Assumptions

	2010	2009
Discounting rate	**7.60%**	7.60%
Future salary increase	**9% for 2010, and 8.00% thereafter**	**4.00% for first year, 7.00% for next 2 years and 8.25% thereafter**
Mortality	**LIC (1994-96) Ultimate**	
Withdrawal Rates	**Age 21 to 29 - 20% Age 30 to 34 - 16% Age 35 to 49 - 12% Age 50 to 59 - 10% Thereafter 4%**	**Age 20 to 30 - 10% Age 31 to 40 - 8% Age 41 to 50 - 6% Thereafter - 4%**

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

8. **Related Party Transactions:**

In the normal course of business, the Company enters into transactions with affiliated companies, its parent and key management personnel. The names of related parties of the Company as required to be disclosed under Accounting Standard 18 are as follows:

a) Holding Company : Tech Mahindra Limited

b) Enterprise having substantial interest in the Company : Motorola Inc.
Motorola Arabia Inc.
Motorola India Private Limited
Tech Mahindra (Americas) Inc.
Mahindra Logistics Limited

c) Subsidiary Company : CanvasM (Americas) Inc.

Included in the financial statements are the following amounts relating to transactions with related parties:

Rupees

	Year ended March 31, 2010	2009
a) **Revenue**		
Tech Mahindra Limited	**70,506,602**	22,435,765
CanvasM (Americas) Inc.	**292,449,181**	181,918,564
Motorola Limited	**-**	2,143,444
b) **Expenses**		
Tech Mahindra Limited		
- Purchased Services	**2,410,422**	4,355,288
- Reimbursement of Salaries and Wages paid on behalf of the Company	**9,655,465**	13,996,221
- Rent	**2,979,050**	3,347,279
- Recruitment expenses	**-**	1,010,820
CanvasM (Americas) Inc.		
- Purchased Services	**127,438,326**	147,772,392
Motorola India Private Limited		
- Purchased Services	**7,416,934**	36,718,490
Mahindra Logistics Limited		
- Travelling and conveyance	**127,599**	726,950
Motorola Arabia Inc.		
- Provision for doubtful debts	**418,644**	310,158

Rupees

	Year ended March 31, 2010	2009
c) **Balance outstanding as at the year end**		
Receivables		
Tech Mahindra Limited	**22,830,611**	1,380,464
CanvasM (Americas) Inc.	**106,227,068**	62,587,212
Motorola Arabia Inc.	**693,151**	783,173
Other Receivables		
Tech Mahindra Limited	**1,412,549**	-
Security Deposit		
Tech Mahindra Limited	**15,000,000**	15,000,000
Provision for doubtful debts		
Motorola Arabia Inc.	**693,151**	310,158
Payables		
Tech Mahindra Limited	**-**	1,340,259
CanvasM (Americas) Inc.	**32,366,274**	27,448,726
Mahindra Logistics Limited	**-**	67,756
Motorola India Private Limited	**33,354,877**	-

9. **Micro, Small and Medium Enterprises:**

Based on the information available with the Company, there are no dues to Micro and Small Enterprises as defined under the “The Micro, Small and Medium Enterprises Development Act, 2006” as at March 31, 2010.

10. **Segment Reporting:**

The Company is a joint venture between Motorola Inc and Tech Mahindra Limited providing its partners a one-stop shop for all Value Added Service (VAS) requirements which includes VAS platform, application and product development, Integration, hosting and deployment services. The disclosures as required under Accounting Standard 17 on segment reporting have not been provided as the company deals in one business segment.

Information on the geographic segment is as follows:

Rupees

Location	**Revenue Year ended March 31, 2010**	2009
Domestic	**92,327,578**	89,291,299
Americas	**292,449,181**	181,918,564
ROW	**340,592,172**	135,860,709
Total	**725,368,931**	407,070,572

Information on operating income, net income, assets and liabilities has not been provided by location of customers as such information is not realistically allocable and identifiable.

11. Reclassification

Previous year’s figures have been regrouped and/or re-arranged wherever necessary to conform to the current year’s groupings and classifications.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-II OF SCHEDULE-VI TO THE COMPANIES ACT, 1956.

1. Value of Imports on C.I.F. Basis

	Rupees Year ended March 31, 2010	2009
Capital Goods	**27,347,967**	78,967,242

2. Expenditure in foreign currency

	2010	2009
Travelling and Conveyance	**11,120,088**	4,240,689
Purchased Services	**367,919,429**	168,033,909
Salary	**9,568,368**	-
Repairs and Maintenance	**3,182,796**	9,485,003
Software Package	**6,952,851**	-
Professional charges	**1,662,704**	-
Others	**135,922**	330,893
	400,542,158	182,090,494

3. Earnings in Foreign Exchange

	2010	2009
Revenue	**633,041,353**	317,779,273

For and on behalf of the Board of Directors

Vineet Nayyar
Chairman

C. P. Gurnani
Director

Suresh Sarawagi
Company Secretary

New Delhi
Dated: April 29, 2010

Balance Sheet Abstract & Company's General Business Profile:

I. Registration Details

Registration Number: 163373 — State Code: 11

Balance sheet date: 31 03 2010 (Date Month Year)

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue: NIL	Rights Issue: NIL
Bonus Issue: NIL	Private Placements: NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities (including shareholders funds): 696756	Total Assets: 696756
Paid-up Capital: 576733	Reserves & Surplus: 120023
Secured Loans: NIL	Unsecured Loans: NIL
Net Fixed Assets: 62531	Investments: 448923
Net Current Assets: 172694	Deferred Tax Asset: 12608

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Sales and Other Income): 763425	Total Expenditure (Excluding exceptional item): 604613
Profit/(Loss) Before Tax: 158812	Profit /(Loss) After Tax: 136612
Earnings per Share in Rs. (Refer Note 4 above): 23.69	Dividend Rate %: NIL

V. Generic names of Three Principal Products/Services of Company (as per monetary terms)

Item Code (ITC Code): 852490

Product Description: COMPUTER SOFTWARE SERVICES

For **CanvasM Technologies Limited**

Vineet Nayyar
Chairman

C. P. Gurnani
Director

Suresh Sarawagi
Company Secretary

New Delhi
Dated: April 29, 2010

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956

A) THE INTEREST OF THE COMPANY IN THE UNDERNOTED SUBSIDIARY AT THE CLOSE OF THE ACCOUNTING YEAR WAS AS FOLLOWS:

Sl. No.	Name of Subsidiary Company	Accounting year ended on	Equity Shares		Preference Shares	
			No. of Shares	Extent of Interest	No. of Shares	Extent of Interest
1	CanvasM (Americas) Incorporated	31st March 2010	100	100.00%	Nil	Nil

B) (i) THE PROFIT/(LOSS) OF THE SUBSIDIARY COMPANIES SO FAR AS THEY CONCERN THE MEMEBERS OF THE HOLDING COMPANY WHICH ARE NOT DEALT WITHIN THE COMPANY'S ACCOUNTS ARE:

Sl. No.	Name of Subsidiary Company	For the Subsidiaries Accouniing year ended on	Share of Profit/(Loss)	
			For the Current Financial Year (Rs.)	For the Previous Financial Year(s) (Rs.)
1	CanvasM (Americas) Incorporated	31st March 2010	Rs. 2,397,792	Rs. (980,142)

(II) THE PROFIT/LOSS OF THE SUBSIDIARY COMPANIES WHICH ARE DEALT WITHIN THE COMPANY'S ACCOUNTS ARE:

1	CanvasM (Americas) Incorporated	31st March 2010	Nil	Nil	Nil	Nil

C) DETAILS OF CHANGE IN THE INTEREST OF HOLDING COMPANY IN THE SUBSIDIARY COMPANIES

Nil

D) DETAILS OF METERIAL CHANGES WHICH HAVE OCCURRED DURING THE LAST ACCOUNTING YEAR OF THE SUBSIDIARY COMPANIES AND THE CLOSE OF THE ACCOUNTING YEAR OF THE HOLDING COMPANY

Nil

For **CanvasM Technologies Limited**

Vineet Nayyar
Chairman

New Delhi
Dated: April 29, 2010

CANVASM (AMERICAS) INC.

Board of Directors

Mr. C. P. Gurnani

Mr. Jagdish Mitra

Mr. Navin Mehta

Registered Office

2711, Centerville Road,
Suite 400, City of Wilmington,
New Castle 19808
USA

Bankers

HSBC Bank

Auditors

Catrakilis & Company
CPA's P. C.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of the Company for the year ended March 31, 2010.

Financial Results

For the Year ended 31st March	**2010 US$**	**2010 INR**	2009 US$	2009 INR
Income	**9,790,091**	**441,826,807**	8,359,862	377,280,572
Profit/(Loss) before tax	**68,870**	**3,108,103**	(15,960)	(720,275)
Profit/(Loss) after tax	**51,794**	**2,337,463**	(19,617)	(885,315)

Review of Operations:

During the fiscal year, the Company achieved sales of US$ 9,790,091 (INR 441,826,807). The Profit before tax for the year is USD 68,870 (INR 3,108,103). The Profit after tax for the year is USD 51,794 (INR 2,337,463).

Outlook for the current year:

Your Company has strengthened its relationship with different groups of Motorola. Your Company is also investing in long term relationships with major telecom companies. It believes that there is a good growth potential and the long term investments made will bear fruit in the current and future years.

Acknowledgements:

Your Directors gratefully acknowledge the contributions made by employees towards the success of the Company. Your Directors are also thankful for the co-operation and assistance received from its customers, suppliers, bankers, State and Federal Government Authorities and the shareholder.

C.P. Gurnani
Director

Place: Dallas
Date: April 8, 2010

INDEPENDENT AUDITORS' REPORT
CanvasM (Americas) Inc.
Richardson, Texas
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

We have audited the accompanying balance sheet of CanvasM (Americas) Inc., a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation, as of March 31, 2010 and 2009, and the related Statements of Income, Retained Earnings, and Cash Flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 5 and 6 to the financial statements, CanvasM (Americas) Inc. has had numerous significant transactions with affiliated entities.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CanvasM (Americas) Inc. as of March 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted forthe purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Schedules of Revenue and Expenses on page 9 are presented for purposes of additional analysis and are not required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Catrakilis & Company CPA's, P.C.

Atlanta, Georgia
April 8, 2010

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

CanvasM (Americas) Inc.
a wholly owned subsidiary of CanvasM Technologies Limited, an India Corporation
Richardson, Texas

Our report on our audits of the basic financial statements of CanvasM (Americas) Inc., a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation, as of March 31, 2010 and 2009, and the related Statements of Income, Retained Earnings and Cash Flows for the years then ended appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 81-87 is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Foreign Currency amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 45.13 to 1.00 USD for the both 2010 and 2009.

Catrakilis & Company CPA's, P.C.

Atlanta, Georgia
April 8, 2010

SUPPLEMENTAL BALANCE SHEETS
CanvasM (Americas) Inc.
Richardson, Texas
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

	March 31, 2010 USD	2010 INR	2009 USD	2009 INR
ASSETS:				
Current assets:				
Cash	**$ 863,235**	**38,957,796**	$ 68,186	3,077,234
Accounts receivable - trade (Note 4)	**867,360**	**39,143,957**	1,480,587	66,818,891
Prepaid income taxes	**31,313**	**1,413,156**	25,754	1,162,278
Deferred income tax asset	**172**	**7,762**	3,861	174,247
Due from parent company (Note 5)	**721,014**	**32,539,362**	541,183	24,423,589
Due from affiliated companies (Note 6)	**603,329**	**27,228,238**	73,327	3,309,248
Prepaid expense	**-**	**-**	12,189	550,090
Total current assets	**3,086,423**	**139,290,270**	2,205,087	99,515,576
Total Assets	**$ 3,086,423**	**139,290,270**	$ 2,205,087	99,515,576
LIABILITIES AND STOCKHOLDER'S EQUITY				
Liabilities:				
Current liabilities:				
Accounts payable	**$ 36,361**	**1,640,972**	$ -	-
Accrued expenses	**399,391**	**18,024,516**	523,954	23,646,044
Due to parent company (Note 5)	**2,366,382**	**106,794,820**	1,233,972	55,689,156
Due to affiliated companies (Note 6)	**157,616**	**7,113,210**	332,718	15,015,563
Customer advance	**3,979**	**179,572**	3,979	179,572
Unearned revenue	**37,356**	**1,685,876**	89,213	4,026,183
Accrued income taxes	**16,795**	**757,958**	4,502	203,175
Total current liabilities	**3,017,880**	**136,196,924**	2,188,338	98,759,694
Total liabilities	**3,017,880**	**136,196,924**	2,188,338	98,759,694
Stockholder's Equity				
Common stock = $1 par value - 10,000 shares authorized 100 shares issued and outstanding	**100**	**4,513**	100	4,513
Retained earnings	**68,443**	**3,088,833**	16,649	751,369
Total stockholder's equity	**68,543**	**3,093,346**	16,749	755,882
Total Liabilities and Stockholder's Equity	**$ 3,086,423**	**139,290,270**	$ 2,205,087	99,515,576

See Auditors' Report on Supplemental Information and Notes to Supplemental Financial Statements

SUPPLEMENTAL STATEMENTS OF INCOME AND RETAINED EARNINGS
For the year ended March 31, 2010 and 2009
CanvasM (Americas) Inc.
Richardson, Texas
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

	Schedule	2010 USD	2010 INR	2009 USD	2009 INR
		Year Ended March 31,			
REVENUES (Note 4)	I	**$ 9,790,091**	**441,826,807**	$ 8,359,862	377,280,572
OPERATING EXPENSES					
Personnel		**259,317**	**11,702,976**	297,925	13,445,355
General and administrative	II	**9,461,904**	**427,015,728**	8,077,897	364,555,492
Total Operating Expenses		**9,721,221**	**438,718,704**	8,375,822	378,000,847
Total Operating Income (Loss)		**68,870**	**3,108,103**	(15,960)	(720,275)
Income tax expense (benefit) (Note 3)		**17,076**	**770,640**	3,657	165,040
NET INCOME (LOSS)		**51,794**	**2,337,463**	(19,617)	(885,315)
Retained Earnings, Beginning of Period		**16,649**	**751,369**	36,266	1,636,685
Retained Earnings, End of Period		**$ 68,443**	**3,088,833**	$ 16,649	751,369

See Auditors' Report on Supplemental Information and Notes to Supplemental Financial Statements

SUPPLEMENTAL STATEMENTS OF CASH FLOWS
CanvasM (Americas) Inc.
Richardson, Texas
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

	Years Ended March 31,			
	2010 USD	**2010 INR**	2009 USD	2009 INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income (Loss)	**$ 51,794**	**2,337,463**	$(19,617)	(885,315)
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Accounts receivable, trade	**613,227**	**27,674,935**	820,800	37,042,704
Due from parent company	**(179,831)**	**(8,115,773)**	(54,514)	(2,460,217)
Prepaid income taxes	**(5,559)**	**(250,878)**	(25,754)	(1,162,278)
Prepaid expense	**12,189**	**550,090**	95,765	4,321,874
Deferred income tax asset	**3,689**	**166,485**	(3,861)	(174,247)
Due from affiliates	**(530,002)**	**(23,918,990)**	(73,327)	(3,309,248)
Accounts payable	**36,361**	**1,640,972**	-	-
Accrued expenses	**(124,563)**	**(5,621,528)**	(54,053)	(2,439,412)
Due to parent company	**1,132,410**	**51,105,663**	36,304	1,638,400
Due to affiliates	**(175,102)**	**(7,902,353)**	(806,419)	(36,393,689)
Customer advances	**-**	**-**	-	-
Unearned revenue	**(51,857)**	**(2,340,306)**	12,264	553,474
Accrued income taxes	**12,293**	**554,783**	(2,457)	(110,884)
Net Cash (Used In) Provided by Operating Activities	**795,049**	**35,880,561**	(74,869)	(3,378,838)
Cash , Beginning of Period	**68,186**	**3,077,234**	143,055	6,456,072
Cash, End of Period	**$ 863,235**	**38,957,796**	$ 68,186	3,077,234
Supplemental Disclosure				
Cash paid for income taxes	**$ 5,559**	**250,878**	$ 25,754	1,162,278

See Auditor's Report on Supplemental Information and Notes to Supplemental Financial Statements

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS
CanvasM (Americas) Inc.
a wholly owned subsidiary of CanvasM Technologies Limited, an India Corporation
Notes to Supplemental Financial Statements (USD & INR)
March 31, 2010 and 2009

1. NATURE OF OPERATIONS :

CanvasM (Americas) Inc. (CAI) is a wholly owned subsidiary of CanvasM Technologies Limited (CTL) which is incorporated in the country of India. CAI was incorporated in the State of Delaware in September 2006, and provides consulting and programming support services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

The financial statements of CAI have been prepared on the accrual basis of accounting. Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below :

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and savings accounts. These accounts may, at times, exceed federally insured limits. CAI has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash.

B. ACCOUNTS RECEIVABLE, TRADE

Accounts receivable consists primarily of amounts due from customers for services provided by CAI. Management has elected not to provide an allowance for doubtful accounts as they do not anticipate any uncollectible accounts as CTL undertakes all business and entrepreneurial risks as relates to services provided to clients.

C. REVENUE AND EXPENSES

On September 1, 2007, CAI entered into a contract with Tech Mahindra Limited (TML), an India corporation, and an affiliated company, where TML has appointed CAI as its marketing and billing services provider and TML will provide CAI with software development services. CAI will retain a 5% margin for its services as a marketing and billing services provider.

CAI entered into a contract with CTL effective October 1, 2008. Under the contract CTL provides CAI with software development services. CAI, in turn, has agreed to compensate CTL 95% of all contract revenue. CAI retains a 5% margin for its services as marketing service provider and for billing and collection services. Furthermore, the parties have agreed that CTL shall reimburse CAI an amount equal to cost as remuneration to CAI for its services as contract service provider.

On October 1, 2008, CAI entered into a contract with an affiliated company, Tech Mahindra (Americas), Inc. (TMA), a New Jersey corporation. Under the contract, TMA provides CAI with software development services and in turn, CAI has agreed to remunerate TMA an amount of 5.75% of its costs. Furhtermore, on October 1, 2008, TMA and CAI entered into an agreement whereby the parties agree that TMA will reimburse CAI 100% of all contract revenue received by TMA from CAI customers for CAI projects.

D. INCOME TAXES

CAI accounts for income taxes using Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes. Under FASB ASC 740, deferred taxes and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. CAI records valuation allowances against deferred tax assets as deemed necessary.

3. INCOME TAXES :

CAI accounts for income taxes under the provisions of the FASB ASC 740, Income Taxes, as described in Note 2D above.

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS (CONTD.)
CanvasM (Americas) Inc.
Richardson, Texas
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

	Years ended March 31,			
	2010		2009	
	USD	INR	USD	INR
Current income tax expense consists of the following :				
Federal	$ 6,509	293,751	$ 3,016	136,112
State	5,785	261,077	4,502	203,175
Prior year under accrual	1,094	49,372	-	-
Total current tax expense	$ 13,388	604,200	$ 7,518	339,287
Deferred income tax expenses (benefits) consist of the following :				
Federal	$ 3,069	138,504	$ (3,861)	(174,247)
State	619	27,935	-	-
Total deferred tax expense (benefit)	$ 3,688	166,439	$ (3,861)	(174,247)
Total current and deferred income tax expense (benefit) :	$ 17,076	770,640	$ 3,657	165,040

As of March 31, 2010, CAI had approximately $0 (0 INR) (2009: $20,462 (923,450 INR)) of federal NOL and $2,427 (109,531 INR) (2009: $10,700 (482,891 INR)) of state NOL carryforward, which were available to be carried forward to March 31, 2024. CAI expects to be able to utilize the entire deferred tax benefit, therefore, no valuation allowance has been recorded to reduce the asset.

4 CONCENTRATIONS WITH CUSTOMERS :

	Years ended March 31,			
	2010		2009	
	USD	INR	USD	INR
Amounts due for services rendered not billed	$ -	-	$ 282,328	12,741,463
Amounts due for services rendered and billed	867,360	39,143,957	1,198,259	54,077,429
	$ 867,360	39,143,957	$ 1,480,587	66,818,891

As at March 31, 2010 and 2009 100% of the accounts receivable balance was due from one customer.

Revenue, directly from the parent company for the years ended March 31, 2010 and 2009 were $2,708,428 (122,231,356 INR) and $3,165,430 (142,855,856 INR), respectively representing approximately 38% and 27% of total revenue for the years. This revenue is included in the terms of the contracts described in Note 2C.

Revenue from an affiliated company for the years ended March 31, 2010 and 2009 was $4,212,775 (190,122,536 INR) and $274,799 (12,401,679 INR), respectively representing approximately 43% and 3% of total revenue for the years. This revenue is included in the terms of the contracts described in Note 2C.

In addition, one customer comprised 100% of contract revenue for the years ended March 31, 2010 and 2009, respectively.

5. TRANSACTIONS WITH PARENT COMPANY :

CAI has entered into a revenue sharing contract with CTL, the parent company. For details relating to the contracts refer to Note 2C above.

	Years ended March 31,			
	2010		2009	
	USD	**INR**	USD	INR
Beginning balance, due from (to) parent company	**$ (692,788)**	**(31,265,522)**	$ (710,999)	(32,087,385)
Expenses related to contract revenue	**(6,544,083)**	**(295,334,466)**	(4,080,795)	(184,166,278)
Advances from parent	**(2,528,596)**	**(114,115,537)**	(3,110,896)	(140,394,736)
Amounts paid to parent	**5,084,465**	**229,461,905**	3,840,451	173,319,554
Revenue from parent company	**2,708,429**	**122,231,401**	3,165,430	142,855,856
Amounts retained for services provided (Note 2C)	**327,205**	**14,766,762**	204,020	9,207,423
Ending balance, due to parent company	**$ (1,645,368)**	**(74,255,458)**	$ (692,789)	(31,265,568)
Amounts due to parent company	**$ (2,366,382)**	**(106,794,820)**	$ (1,233,972)	(55,689,156)
Amounts due from parent company	**721,014**	**32,539,362**	541,183	24,423,589
Net amount due to parent company	**$ (1,645,368)**	**(74,255,458)**	$ (692,789)	(31,265,568)

6 TRANSACTIONS WITH AFFILIATED COMPANIES :

CAI has entered into a revenue sharing contract with TMA and TML, affiliated companies. For details relating to the contracts refer to Note 2C above.

	Years ended March 31,			
	2010		2009	
	USD	**INR**	USD	INR
Beginning balance, due from (to) affiliated companies	**$ (259,391)**	**(11,706,316)**	$ (1,139,137)	(51,409,253)
Expenses related to contract revenue	**(373,323)**	**(16,848,067)**	(787,432)	(35,536,806)
Expense reimbursements	**(823,606)**	**(37,169,339)**	(317,436)	(14,325,887)
Advances from affiliates	**(3,682,773)**	**(166,203,545)**	(201,472)	(9,092,431)
Amounts paid to affiliates	**1,353,364**	**61,077,317**	1,871,915	84,479,524
Revenue from affiliated companies	**4,212,776**	**190,122,581**	274,799	12,401,679
Amounts retained for services provided (Note 2C)	**18,666**	**842,397**	39,372	1,776,858
Ending balance, due from (to) affiliated companies	**$ 445,713**	**20,115,028**	$ (259,391)	(11,706,316)
Amounts due to affiliated companies	**$ (157,616)**	**(7,113,210)**	$ (332,718)	(15,015,563)
Amounts due from affiliated companies	**603,329**	**27,228,238**	73,327	3,309,248
Net amount due from (to) affiliated companies	**$ 445,713**	**20,115,028**	$ (259,391)	(11,706,316)

7 NEW ACCOUNTING PRONOUNCEMENTS :

On July 1, 2009, the Company adopted new guidance that established the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as the single source of authoritative GAAP. The ASC establishes a common referencing system for accounting statndards and is generally organized by subject matter. Use of ASC has no impact on Company's financial condition or results of operations.

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS (CONTD.)
CanvasM (Americas) Inc.
Richardson, Texas
a wholly owned subsidiary of CanvasM Technologies Limited, an India Corporation

	Years ended March 31,			
	2010		2009	
	USD	**INR**	USD	INR
Schedule I				
REVENUES				
Contract revenue	**$2,868,888**	**129,472,915**	$ 4,919,633	222,023,037
Revenue from parent company	**2,708,428**	**122,231,356**	3,165,430	142,855,856
Revenue from affiliated companies	**4,212,775**	**190,122,536**	274,799	12,401,679
	$9,790,091	**441,826,807**	$ 8,359,862	377,280,572
Schedule II				
GENERAL AND ADMINISTRATIVE				
Bank charges	**$ 1,615**	**72,885**	$ 2,100	94,773
Contracted services	**9,392,249**	**423,872,197**	8,052,389	363,404,316
Professional fees	**9,900**	**446,787**	17,849	805,525
Travel expenses	**58,140**	**2,623,858**	5,559	250,878
	$9,461,904	**427,015,728**	$ 8,077,897	364,555,492

TECH MAHINDRA (MALAYSIA) SDN. BHD.

Board of Directors

Mr. C. K. Krishnadas

Ms. Chong Li Khuen

Mr. Jagdish Mitra

Mr. Milind Vasant Kulkarni

Ms. Oon Guat Ngoh

Mr. Vikrant Chandrashekhar Gandhe

Registered Office

35-3, Jalan SS,
15/8A, 47500,
Subang Jaya,
Selangor Darul Ehsan,
Malaysia

Bankers

HSBC Bank

Auditors

SSY Partners

Directors' Report for the year ended March 31, 2010

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 March, 2010.

Principal activities

The principal activities of the Company are to act as developer, advisor, consultants and implementer of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of service facility and generally, any type of business in connection therein.

There have been no significant changes in the nature of these activities during the financial year.

Financial results

	RM
Profit for the year	335,844

Dividends

No dividends were paid, declared or proposed since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 31 March, 2010.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Issue of shares and debentures

There were no issue of shares or debentures during the financial year.

Directors

The Directors of the Company in office since the date of the last report and at the date of this report are:

Milind Vasant Kulkarni	
Vikrant Chandrashekhar Gandhe	
Krishnadas Chillara	
Jagdish Mitra	(Appointed on 13-11-2009)
Oon Guat Ngoh	(Appointed on 13-11-2009)
Chong Li Khuen	(Appointed on 13-11-2009)
Rohit Gandhi	(Resigned on 13-11-2009)

Retirement and re-election of the Directors at the Annual General Meeting will be in accordance with the Company's Articles of Association.

Directors' interests

According to the Register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in the shares of the Company during the financial year.

Directors' benefits

Since the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would necessitate the writing off bad debts and providing of allowance of doubtful debts in the financial statements of the Company; and

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Company for the financial year in which this report is made; and

(b) no charge has arisen on the assets of the Company which secures the liability of any other person nor has any contingent liability arisen in the Company.

In the opinion of the Directors, the results of the operations of the company during the financial year were not substantially affected by any item, transactions or event of a material and unusual nature.

No contingent liability or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

Holding corporation

The Directors regard Tech Mahindra Limited, a company incorporated in India, as the holding corporation.

Auditors

The auditors, Messrs SSY Partners, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 April, 2010.

Milind Vasant Kulkarni
Director

Vikrant Chandrashekhar Gandhe
Director

Pune, India

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Milind Vasant Kulkarni and Vikrant Chandrashekhar Gandhe, being two of the Directors of Tech Mahindra (Malaysia) Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 4 to 18 are drawn up in accordance with the applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2010 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 15 April 2010.

Milind Vasant Kulkarni
Director

Vikrant Chandrashekhar Gandhe
Director

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Milind Vasant Kulkarni, being the Director primarily responsible for the financial management of Tech Mahindra (Malaysia) Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 4 to 18 are correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the India Notary Act 1952.

Subscribed and solemnly declared by the abovenamed Milind Vasant Kulkarni at Pune on 15 April 2010.

Milind Vasant Kulkarni
Director

Before me,

Report of the Auditors to the Members of Tech Mahindra (Malaysia) Sdn. Bhd.

(Company No. 775522-U)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tech Mahindra (Malaysia) Sdn. Bhd., which comprise the balance sheet as at 31 March 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 18.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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, the financial statements have been properly drawn up in accordance with the applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2010 and of its financial performance and cash flows for the year then ended.

SSY PARTNERS	**Jason Sia Sze Wan**
AF : 0040	No. 2376/05/10 (J)
Chartered Accountants	Partner

Subang Jaya
April 15, 2010

Report of the Auditors to the Members of Tech Mahindra (Malaysia) Sdn. Bhd.

(Company No. 775522-U)
(Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 93 to 99. These financial statements are the responsibility of the Company's Directors.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements have been properly drawn up in accordance with the applicable Malaysian Accounting Standards Board (MASB) Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view the financial position of the Company as at 31 March 2010 and of the results and Cash Flows of the Company for the year then ended.

SSY PARTNERS	**Jason Sia Sze Wan**
AF : 0040	No. 2376/05/10 (J)
Chartered Accountants	Partner

Subang Jaya
April 15, 2010

Balance Sheet as at March 31, 2010

	Note	2010 RM	2010 INR	2009 RM	2009 INR
Non-current assets					
Equipment	5	**10,453**	**146,133**	12,396	173,296
Current assets					
Trade and other receivables	6	**6,452,642**	**90,207,935**	1,869,442	26,134,799
Cash and bank balances		**190,973**	**2,669,803**	53,517	748,168
		6,643,615	**92,877,738**	1,922,959	26,882,967
Current liabilities					
Trade and other payables	7	**2,794,101**	**39,061,532**	156,824	2,192,399
Amount owing to holding corporation	8	**3,100,877**	**43,350,260**	1,355,285	18,946,884
		5,894,978	**82,411,792**	1,512,109	21,139,283
Net current assets		**748,637**	**10,465,946**	410,850	5,743,684
		759,090	**10,612,079**	423,246	5,916,980
Financed by:					
Share capital	9	**312,822**	**4,373,252**	312,822	4,373,252
Retained earnings		**446,268**	**6,238,827**	110,424	1,543,728
		759,090	**10,612,079**	423,246	5,916,980

The accompanying notes form an integral part of these financial statements.

Income Statement for the year ended March 31, 2010

	Note	2010 RM	2010 INR	2009 RM	2009 INR
		RM	INR	RM	INR
Revenue					
Service income		**13,043,859**	**182,353,149**	3,590,377	50,193,470
Cost of services		**(12,381,442)**	**(173,092,559)**	(3,327,554)	(46,519,205)
Gross profit		**662,417**	**9,260,590**	262,823	3,674,265
Other operating income		**-**	**-**	24,797	346,662
Administrative expenses		**(326,573)**	**(4,565,491)**	(215,149)	(3,007,782)
Profit before taxation	10	**335,844**	**4,695,099**	72,471	1,013,145
Taxation	11	**-**	**-**	-	-
Profit for the year		**335,844**	**4,695,099**	72,471	1,013,145

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity for the year ended March 31, 2010

In Ringgit Malaysia

	Share capital RM	Retained earnings RM	Total RM
At 1 April 2009	**312,822**	**110,424**	**423,246**
Profit for the year	**-**	**335,844**	**335,844**
At 31 March 2010	**312,822**	**446,268**	**759,090**
At 1 April 2008	312,822	37,953	350,775
Profit for the year	-	72,471	72,471
At 31 March 2009	312,822	110,424	423,246

In Indian Rupee

	Share capital INR	Retained earnings INR	Total INR
At 1 April 2009	**4,373,252**	**1,543,728**	**5,916,980**
Profit for the year		**4,695,099**	**4,695,099**
At 31 March 2010	**4,373,252**	**6,238,827**	**10,612,079**
At 1 April 2008	4,373,252	530,583	4,903,835
Profit for the year	-	1,013,145	1,013,145
At 31 March 2009	4,373,252	1,543,728	5,916,980

The accompanying notes form an integral part of these financial statements.

Cash Flow Statement
for the year ended March 31, 2010

	Note	**2010 RM**	**2010 INR**	2009 RM	2009 INR
Cash flows from operating activities					
Profit before taxation		**335,844**	**4,695,099**	72,471	1,013,145
Adjustments for:					
Depreciation on equipment		**5,243**	**73,297**	4,780	66,824
Operating profit before working capital changes		**341,087**	**4,768,396**	77,251	1,079,969
Increase in trade and other receivables		**(4,583,200)**	**(64,073,136)**	(1,187,683)	(16,603,808)
Increase in trade and other payables		**2,637,277**	**36,869,133**	77,696	1,086,190
Increase in amount due to holding corporation		**1,745,592**	**24,403,376**	945,050	13,211,799
Net cash generated from/(used in) operating activities		**140,756**	**1,967,769**	(87,686)	(1,225,850)
Cash flows from investing activities					
Purchase of equipment		**(3,300)**	**(46,134)**	(480)	(6,710)
Net cash used in investing activities		**(3,300)**	**(46,134)**	(480)	(6,710)
Net increase /(decrease) in cash and cash equivalents		**137,456**	**1,921,635**	(88,166)	(1,232,560)
Cash and cash equivalents at beginning of year		**53,517**	**748,168**	141,683	1,980,728
Cash and cash equivalents at end of year	12	**190,973**	**2,669,803**	53,517	748,168

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2010

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 35-3, Jalan SS 15/8A, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Malaysia Global Solution Centre, Persiaran APEC, 63000 Cyberjaya, Selangor.

The principal activities of the Company are to act as developer, advisor, consultants and implementer of software systems relating to information technology and electronic services including application and programming services, administration and management control, technical, scientific and operational assistance, systems design, project management training and support of personnel, management of service facility and generally, any type of business in connection therein. There have been no significant changes in the nature of these activities during the financial year.

The number of employees in the Company at the end of the financial year was 36 (2009:10).

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with the applicable MASB Approved Accounting Standards for Entities Other Than Private Entities in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

3. Significant accounting policies

All significant accounting policies set out below are consistent with those applied in the previous financial year.

(a) Equipment and depreciation

Equipment is initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, equipment is stated at cost less accumulated depreciation and impairment losses.

All assets are depreciated on a straight line basis to write off the cost of each asset to its residual value over their estimated useful lives at the following annual rates:

	%
Computer	25

Where an indication of impairment exists, the carrying amount of the assets is assessed and written down immediately to its recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in the income statement.

(b) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts on a review of all outstanding amounts at the year end.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

(d) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services costs.

(e) Revenue recognition

Revenue from service income are recognised upon delivery of services and customers' acceptances, if any, or performance of services.

(f) Impairment of assets

The carrying amounts of assets, other than investment property, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

(g) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(h) Equity instrument

Ordinary shares are classified as equity.

(i) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax

3. Significant accounting policies (continued)

assets are recognised for all deductible temporary differences, unused tax losses and unused tax can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(j) Foreign currency

i. Reporting currency

The financial statements are presented in Ringgit Malaysia (RM) and Indian Rupee (INR) respectively.

ii. Foreign currency transactions and balances

Foreign currency transactions in the Company are accounted for at exchange rates prevailing at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

iii. Closing rates

Amounts are translated for convenience into Indian Rupees at the exchange rate of INR13.98 = RM1 which approximates the market rate as at March 31, 2010. Comparatives figures are also translated at this rate.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2010 RM	**2009 RM**
1 United States Dollar (USD)	**3.2700**	3.6200

4. Changes in accounting policies and effects arising from adoption of new and revised FRSs

The following new Financial Reporting Standards (FRSs) and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Company:

Effective for financial periods beginning on or after 1 July 2009

FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010

FRS 4:	Insurance Contracts
FRS 7:	Financial Instruments: Disclosures
FRS 101:	Presentation of Financial Statements
FRS 123:	Borrowing Costs
Amendments to FRS 1:	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2:	Share-based Payment – Vesting Conditions
Amendments to FRS 7:	Financial Instruments: Disclosures
Amendments to FRS 127:	Consolidated and Separate Financial Statement: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132:	Financial Instruments: Presentation
Amendments to FRS 139:	Financial Instruments: Recognition and Measurement
Amendments to FRSs:	Improvements to FRSs (2009)
IC Interpretation 9:	Reassessment of Embedded Derivatives
IC Interpretation 10:	Interim Financial Reporting and Impairment
IC Interpretation 11:	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13:	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimun Funding Requirements and their interaction
Amendments to IC Interpretation 9:	Reassessment of Embedded Derivatives (revised 2009)

Effective for financial periods beginning on or after 1 July 2010

FRS 1:	First-time Adoption of Financial Reporting Standards
Amendments to FRS 138:	Intangible Assets
Amendments to IC Interpretation 9:	Reassessment of Embedded Derivatives
FRS 3:	Business Combinations
FRS 127:	Consolidated and Separate Financial
Amendments to FRS 2:	Share-based Payment
Amendments to FRS 5:	Non-current Assets Held for Sale and Discontinued operations
Amendments to FRS 138:	Intangible Assets
IC Interpretation 12:	Service Concession Arrangements
IC Interpretation 15:	Agreements for the Construction of Real Estate
IC Interpretation 16:	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17:	Distribution of Non-cash Assets to Owners
Amendments to IC Interpretation 9:	Reassessment of Embedded Derivatives (revised in 2010)

The revised FRS 101 will affect the presentation of the Company's financial statements. The adoption of other new/revised standards as well as the above amendments to FRSs and IC Interpretations are not expected to have any significant impact on the financial statements of the Company. The possible impact of applying FRS 4 and FRS 7 on the financial statements in the period of initial application as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs.

5. Equipment

	Computer RM	**INR**
Carrying amount		
At 1 April 2009	**12,396**	**173,296**
Additions	**3,300**	**46,134**
Depreciation charge	**(5,243)**	**(73,297)**
At 31 March 2010	**10,453**	**146,133**
At 31 March 2010		
Cost	**22,622**	**316,255**
Accumulated depreciation	**(12,169)**	**(170,122)**
Carrying amount	**10,453**	**146,133**
Carrying amount		
At 1 April 2008	16,696	233,410
Additions	480	6,710
Depreciation charge	(4,780)	(66,824)
At 31 March 2009	12,396	173,296
At 31 March 2009		
Cost	19,322	270,121
Accumulated depreciation	(6,926)	(96,825)
Carrying amount	12,396	173,296

6. Trade and other receivables

	2010 RM	2010 INR	2009 RM	2009 INR
Trade receivables	**6,336,651**	**88,586,381**	1,703,847	23,819,781
Other receivables	**115,991**	**1,621,554**	165,595	2,315,018
	6,452,642	**90,207,935**	1,869,442	26,134,799

7. Trade and other payables

	2010 RM	2010 INR	2009 RM	2009 INR
Trade payables	**66,742**	**933,053**	21,270	297,354
Other payables	**345,397**	**4,828,650**	135,554	1,895,045
Provision for expenses	**2,381,962**	**33,299,829**	-	-
	2,794,101	**39,061,532**	156,824	2,192,399

8. Holding corporation

The Directors regard Tech Mahindra Limited, a corporation incorporated in India as the holding corporation.

Amount due to holding corporation is unsecured, interest free and has no fixed terms of repayment.

The significant account balances with holding corporation as at March 31 are as follows:

	2010 RM	2010 INR	2009 RM	2009 INR
Amount due from holding corporation	**2,931,508**	**40,982,482**	144,561	2,020,963
Amount due to holding corporation	**(6,032,385)**	**(84,332,742)**	(1,499,846)	(20,967,847)
	(3,100,877)	**(43,350,260)**	(1,355,285)	(18,946,884)

9. Share capital

	2010 RM	2010 INR	2009 RM	2009 INR
Authorised:				
5,000,000 ordinary shares of RM1 each	**5,000,000**	**67,250,000**	5,000,000	67,250,000
Issued and fully paid:				
312,822 ordinary shares of RM1 each	**312,822**	**4,373,251**	312,822	4,373,251

10. Profit before taxation

	2010 RM	2010 INR	2009 RM	2009 INR
Profit before taxation for the year is arrived at after charging:				
Staff costs	**2,507,375**	**35,053,102**	854,591	11,947,182
Depreciation on equipment	**5,243**	**73,297**	4,780	66,824
Loss on foreign exchange	**13,878**	**194,014**	-	-
Auditors' remuneration				
- Current year	**9,500**	**132,810**	8,000	111,840
- Underprovision in prior year	**1,000**	**13,980**	1,000	13,980
Rental of premises	**31,500**	**440,370**	81,405	1,138,042
and crediting:				
Gain on foreign exchange	-	-	24,797	346,662
	2,567,996	**33,907,573**	974,573	13,624,530

11. Taxation

No Income tax is provided for the current financial year as the Company was awarded MSC Malaysia Status and is eligible for Income tax exemption on statutory income.

A reconciliation of Income tax expense applicable to the results of the Company at the statutory Income tax rate to Income tax expense at the effective income tax rate of the Company is as follows:

	2010 RM	2010 INR	2009 RM	2009 INR
Profit before taxation	**335,844**	**4,695,099**	72,471	1,013,145
Taxation at Malaysian statutory rate of 20%	**67,169**	**939,023**	14,495	202,640
Expenses not deductible for tax purposes	**3,174**	**44,372**	8,086	113,042
Tax exempt income	**(70,343)**	**(983,395)**	(22,581)	(315,682)
	-	**-**	-	-

12. Cash and cash equivalents

Cash and cash equivalents at the end of the financial year comprised the following:

	2010 RM	2010 INR	2009 RM	2009 INR
Cash in hand	**1,510**	**21,110**	10,002	139,828
Cash at bank (US Dollar)	**4,247**	**59,373**	5,805	81,154
Cash at bank	**185,216**	**2,589,320**	37,710	527,186
	190,973	**2,669,803**	53,517	748,168

13. Significant related party transactions

The Company has transactions with its holding corporation and the financial statements reflect the effects of these transactions on the basis agreed upon between the Company and its holding corporation which basis might be different from transactions with unrelated parties.

Significant transactions with holding corporation during the year consist of:

	2010 RM	2010 INR	2009 RM	2009 INR
Revenus				
Service income charged to holding corporation	5,934,863	82,969,385	1,280,316	17,898,817
Expenses				
Cost of services charged by holding corporation	7,108,996	99,383,764	2,310,061	32,294,653

14. Fair values of financial instruments

The fair values of the financial instruments of the Company as at March 31, 2010 are not materially different from their carrying values.

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. C. P. Gurnani

Mr. C. K. Krishnadas

Mr. Sujit Baksi

Registered Office

Room 2925 of 29F Block C,
Central International Trade Center,
6A Jian Guo Men Wai Avenue,
Chao Yang District,
Beijing

Bankers

HSBC Bank

Auditors

Zhong Sheng Jia Hua
Certified Public Accountants

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Report together with the audited accounts of your Company for the year ended December 31, 2009.

Financial Results

For the year ended December 31	2009 RMB	2009 INR	2008 RMB	2008 INR
Income	-	-	-	-
Profit/(Loss) before tax	(1,756,814)	(12,122,017)	(2,118,254)	(14,615,953)
Profit/(Loss) after tax	(1,756,814)	(12,122,017)	(2,118,254)	(14,615,953)

Review of Operations:

The Company continued its marketing activities but as no income was earned, there was a loss of RMB 1,756,814 (INR 12,122,017).

Directors:

There was no change in the directors during the year under review.

Outlook for the current year:

The Company is optimistic of getting business in near future.

Acknowledgements:

Your Directors gratefully acknowledge the co-operation and assistance received from the employees, bankers, State and other Government Authorities and support from the shareholder.

C. P. Gurnani
Director

Place: Pune
Date : December 31, 2009

REPORT OF THE AUDITORS

Shengjiawaishenzi[2010]No.004

TO TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

We have accepted the entrustment from Tech Mahindra (Beijing) IT Services Ltd. and have audited the accompanying balance sheet of the Company as of December 31, 2009 and the related consolidated cash flow statements, profit/loss and profit distribution statements for the year then ended.

Management is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises and Accounting Systems for Business Enterprises. This responsibility includes :

(1) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

(2) selecting and applying appropriate accounting policies;

(3) making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Independent Auditing Standards of China. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount 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 entity’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Beijing) IT Services Ltd. as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and Accounting Systems for Business Enterprises.

Beijing Zhong Sheng Jia Hua Certified Public Accountants Co., Ltd.

PRC Certified Public Accountant: Zhang Dan

PRC Certified Public Accountant: Wu Bo

Beijing, PRC, 15 March 2010.

Balance Sheet (As of December 31, 2009)

RMB Yuan

Assets	No.	Beginning of period	**End of period**	Liabilities and Shareholders Equity	No.	Beginning of period	**End of period**
Current assets :				Current liabilities :			
Cash and bank	1	82,402.24	**357,007.01**	Short-term loans	68		
Short-term investment	2			Bills payable	69		
Bills receivable	3			Accounts payable	70		
Dividend receivable	4			Advances on sales	71		
Interest receivable	5			Wages and salaries unpaid	72		
Accounts receivable	6			Staff welfare fund unpaid	73		
Other receivables	7	19,551.57	**19,551.57**	Dividend unpaid	74		
Prepayments	8			Tax unpaid	75	11,685.00	**11,685.00**
Subsidy receivable	9			Other outstanding payments	80	886,455.08	**1,868,561.00**
Inventories	10			Other expenses	81		
Deferred expenses	11	13,300.00	**13,300.00**	Contingent liabilities	82		
Long-term investment in bonds to be expired within one year	21				83		
Other current assets	24			Long-term liabilities to be expired within one year	86		
Total current assets :	31	**115,253.81**	**389,858.58**	Other current liabilities :	90	-	**25,000.00**
Long-term investment :							
Long-term investment in stocks	32			Total current liabilities :	100	**898,140.08**	**1,905,246.00**
Long-term investment in bonds to be expired within one year	34			Long-term liabilities :			
Total long-term investment	38			Long-term loans	101		
Fixed assets :				Bonds payable	102		
Fixed assets, at cost	39	14,710.00	**17,939.20**	Long-term accounts payable	103		
Less : Accumulated depreciation	40	1,828.35	**4,815.23**	Specific payable	106		
Fixed assets, net value	41	12,881.65	**13,123.97**	Other long-term liabilities :	108		
Less : Provision for devaluation of fixed assets	42			Total long-term liabilities	110		
Fixed assets, net amount	43	12,881.65	**13,123.97**	Deferred taxation :			
Construction materials	44			Deferred tax, credit	111		
Construction in progress	45			Total liabilities	114	**898,140.08**	**1,905,246.00**
Disposal of fixed assets	46						
Total fixed assets	50	**12,881.65**	**13,123.97**	Shareholders' Equity :			
Intangible and other assets :				Share capital	115	**1,407,429.50**	**2,431,984.50**
intangible assets	51			Less : Investment returned	116		
Long-term deferred expenses	52			Paid-up capital (stock)	117	1,407,429.50	**2,431,984.50**
Other deferred expenses	53			Capital reserve fund	118		
Total intangible and other assets	60			Surplus reserve fund	119		
				Including : Staff welfare fund	120		
Deferred taxation :				Undistributed profit	121	(2,177,434.12)	**(3,934,247.95)**
Deferred taxation, debit	61			Shareholders' Equity :	122	**(770,004.62)**	**(1,502,263.45)**
Total Assets	67	**128,135.46**	**402,982.55**	Total Liabilities and Shareholders' Equity	135	**(128,135.46)**	**402,982.55**

Income Statement (For the year ended December 31, 2009)

RMB Yuan

	Item	No.	Last year cumulative	**Current year cumulative**
1.	Principal operating revenues	1		
	Less : operating cost	4		
	operating tax and subsidies	5		
2.	Principal operating profit	10		
	Add : Other operating profit	11		
	Less : Operating expense	14	2,092,764.87	**1,740,303.13**
	Administration expense	15	7,574.68	**4,411.88**
	Financial expense	16	15,681.51	**5,945.14**
3.	Operating profit	18	(2,116,021.06)	**(1,750,660.15)**
	Add : Investment income	19		
	Subsidy income	22		
	Non-operating income	23	-	**3,245.96**
	Less : Non-operating expense	25	2,232.57	**9,399.64**
4.	Total profit	27	(2,118,253.63)	**(1,756,813.83)**
	Less : Income tax payable	28		
5.	Net profit	30	(2,118,253.63)	**(1,756,813.83)**

Cash flow Statement (For the year ended December 31, 2009)

RMB Yuan

Items	No.	**Amount**
1. Cash flows from operating activities :		
Cash inflow from sale of goods and provision of services	1	
Repayment of tax received	3	**3,245.96**
Other cash inflow relating to operating activities	8	**723.64**
Total cash inflow	9	**3,969.60**
Payments for purchase of goods and receipt of services	10	
Payments to and for staff	12	**743,811.04**
Taxation paid	13	**2,446.00**
Other Payments relating to operating activities	18	
Total cash outflow	20	**746,257.04**
Net cash inflow/outflow generated from operations	21	**(742,287.44)**
2. Cash flow from investing activities :		
Cash inflow from retirement of investment	22	
Cash inflow from profit of investment	23	
Cash gain of disposal of fixed assets, intangible assets and other long-term investment	25	
Other proceeds relating to investment activities	28	
Total cash inflow	29	**-**
Purchase of fixed assets, intangible assets and other long-term assets	30	**3,229.20**
Cash paid for investment	31	
Other cash paid relating to investment activities	35	
Total cash outflow	36	**3,229.20**
Net cash inflow/outflow generated from investment activities	37	**(3,229.20)**
3. Cash flows from financing activities:		
Absorption of investment	38	**1,024,555.00**
Borrowings raised	40	
Other cash inflow relating to financing activities	43	
Total cash inflow	44	**1,024,555.00**
Borrowings repaid	45	
Dividend, interest and profit paid	46	
Other cash outflow relating to financing activities	52	
Total cash outflow	53	**-**
Net cash inflow/outflow generated from financing activities	54	**1,024,555.00**
4. Influence of fluctuation of exchange rate	55	**(4,433.59)**
5. Net increase in cash and cash equivalents	56	**274,604.77**

Cash flow Statement (For the year ended December 31, 2009)

Supplementary information

RMB Yuan

Supplementary information	No.	**Amount**
1. Adjustment of net profit to cash flows generated from operations:		
Net profit	57	**(1,756,813.83)**
Add : Provision for devaluation of assets	58	
Depreciation of fixed assets	59	**2,986.88**
Amortization of intangible assets	60	
Amortization of long-term expense	61	
Decrease of deferred expenses (Less : increase)	64	
Increase of pre-paid expense (Less : decrease)	65	**25,000.00**
Loss on disposal of fixed assets, intangible assets and other long-term assets (Less : gain)	66	
Loss on retirement of fixed assets	67	
Financial expense	68	**4,433.59**
Investment loss (Less : investment gain)	69	
Deferred tax, credit (Less : debit)	70	
Decrease of inventories (Less : increase)	71	
Decrease of receivables in operations (Less : increase)	72	
Increase of payables in operations (Less : decrease)	73	**982,105.92**
Others	74	
Net cash inflow/outflow generated from operations	75	**(742,287.44)**
2. Investing and financing activities not relating to cash flows :		
Capital transferred from liabilities	76	
Transferable bonds to be expired within one year	77	
Fixed assets transferred from financing activities	78	
3. Net increase in cash and cash equivalents		
Cash and bank balances at end of period	79	**357,007.01**
Less: Cash and bank balances at beginning of period	80	**82,402.24**
Cash equivalent at end of period	81	
Less: Cash equivalent at beginning of period	82	
Net increase in cash and cash equivalents	83	**274,604.77**

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Notes to the financial Statements

General Information of TECH MAHINDRA

As a wholly foreign-owned enterprise, TECH MAHINDRA (BEIJING) IT SERVICES LIMITED was invested and established by Tech Mahindra Limited. The Company was approved to be established by Beijing Municipal Government according to policy document SWZJZZ[2007]No.05422, obtained Enterprise's Legal Person Registration in the Industry and Commerce Administration Bureau of Beijing on Sep. 24, 2007 with the Business License QDJZZ No.0535505.The registered capital of the company is US$500,000.00. As of the end of 2009,the company have received capital US$350,000.00. The Company's registered address is C-2925,29th Floor, ZhongHuanShiMao Building, No. A6 JianGuoMenWai Street, Chaoyang District, Beijing. Legal representative: Mr. Rohit Gandhi.

Scope of Business : Technical services, technical advice, design, development, production and computer networking, telecommunications and electronic technology-related applications, product sales of assets.

Principal Accounting Policies :

1 Accounting Regulation :

The company enforces Enterprise Accounting regulation

2 Accounting Year :

Accounting Year of the company is from January 1 to December 31 of the Gregorian calendar

3 Accounting Principle and Pricing Base :

The company uses accrual basis of accounting as Accounting Principle and actual cost as Pricing Base.

4 Measurement Currency :

The company use RMB as Measurement Currency.

5 Fixed assets depreciation policy :

(1) Fixed assets is pricing using actual cost;

(2) Depreciation rate of the fixed assets is calculated on the straight-line method after taking into account 10% residual values based over their expected useful lives.

6 Foreign currency translation method :

The company use RMB as measurement currency. The foreign currency transactions shall be translated into the measurement currency using the official foreign exchange rate (Mid-Point Prices) quoted on the transaction date, and by the end of each month the foreign currency accounts will be adjusted at the official foreign exchange rate (Mid-Point Prices) of the end of the month. The balance as Foreign exchange gains and losses resulting from the settlement of transaction will be recognized in income statement.

(RMB Yuan)

Notes to the Items of Financial Statements **:**

1	Cash and Bank	End of Period	357,007.01
	Bank Deposit		357,007.01
	US$		346,546.38
	RMB		10,460.63
	Cash on hand RMB		0.00
2	Other receivables :	End of Period	19,551.57
	Among Which:		
	Liang cheng		16,222.00
	Landlord		3,406.00

3 Fixed Assets :

	Beginning of period	Increase	Decrease	**End of period**
Original value	14,710.00	3,229.20	-	17,939.20
Accumulated depreciation	1,828.35	2,986.88	-	4,815.23
Net value	12,881.65	-	-	13,123.97

4	Deferred expenses	End of year	13,300.00
	Among Which :		
	Rent Expenses		13,300.00
5	Other payables	End of Period	1,868,561.00
	Among Which :		
	TM India		1,822,506.87
6	Tax unpaid End of Period		11,685.00
	Among Which :		
	Personal income tax		11,685.00
7	Paid-up Capital End of Period		2,431,984.50
	Tech Mahindra Limited (US$200,000.00)		2,431,984.50

Notes to Adjusted items of Taxable Profit

- Business entertainment expense in 2009 is RMB 64,636.66, of which, RMB 0.00 (Consulting income RMB 0.00*0.005) should be deducted from profit, RMB 64,636.66 should be adjusted to increase taxable Profit according to related regulations of Taxation law; Staff meal in 2009 is RMB 240,000.00, of which, RMB 92,400.00 (Consulting Payroll Expense RMB 660,000.00*0.14) should be deducted from profit, RMB 147,600.00 should be adjusted to increase taxable Profit according to related regulations of Taxation law; Advertising and promotion expense in 2009 is RMB 7,632.00, of which, RMB 0.00 (Consulting income RMB 0.00*0.015) should be deducted from profit, RMB 7,632.00 should be adjusted to increase taxable Profit according to related regulations of Taxation law; Penalty in 2009 is RMB 566.72, of which, RMB 0.00 should be deducted from profit, RMB 566.72 should be adjusted to increase taxable Profit according to related regulations of Taxation law.
- Total profit in 2009 of the company is RMB (1,756,813.83). It should be adjusted to increase RMB 220,435.38. The total profit is RMB (1,536,378.45) after such adjusted items and then taxable profit in 2009 is 0.00.

.

Adjusted Statement of Taxable Profit
(For the year ended December 31, 2009)

RMB Yuan

Item	Reported Balance	Adjusted Balance	Audit Balance
1. Principal operating revenues			
Less: Operating cost			
Operating tax and subsidies			
2. Principal operating profit			
Add:Other operating profit	-		-
Less:Operating expense	1,740,303.13		1,740,303.13
Administration expense	4,411.88		4,411.88
Financial expense	5,945.14		5,945.14
3. Operating profit	(1,750,660.15)		(1,750,660.15)
Add:Investment income			
Subsidy income			
Non-operating income	3,245.96		3,245.96
Less:Non-operating expense	9,399.64		9,399.64
4. Total profit	(1,756,813.83)		(1,756,813.83)
Add: Adjusted increase	220,435.38		220,435.38
Less: Adjusted decrease			
Taxable Profit	(1,536,378.45)		(1,536,378.45)

Tax & Fees Paid Statement

RMB Yuan

Item	Underpaid at the beginning of period	Payable	Paid	Underpaid at the end of period
Value added tax				
Business Tax				
Consumer Tax				
Resource tax				
Income Tax for Enterprises				
Vehicle and vessel usage license plate tax				
Housing property tax				
Stamp tax	-	1,710.00	1,710.00	-
Personal income tax	11,685.00	140,220.00	140,220.00	11,685.00
Tenure tax				
Allowance of consumption fund				
Total	11,685.00	141,930.00	141,930.00	11,685.00

REPORT OF THE AUDITORS ON FOREIGN EXCHANGE REVENUE AND SPENDING STATEMENT

Shengjiawaishenzi[2010]No.004

TO TECH MAHINDRA (BEIJING) IT SERVICES LTD.

We have audited the accompanying Foreign Exchange Revenue and Spending Statement of the Company as of December 31, 2009. The management of the Company is responsible for the preparation of this statement in accordance with the prevailing regulations for foreign exchange administration in China. Our responsibility is to express an audit opinion on the statement based on our audit.

We conducted our audit in accordance with the Audit Guidance Propose of Foreign Exchange Revenue and Spending Statement from Chinese Institute of Certified Public Accountants. Our audit included record and paper check, enquiry and analysis. As a result, we take the assurance that our audit offers reasonable basis for our opinion.

In our opinion, the Foreign exchange revenue and spending statement accords with the regulations of State Foreign Exchange Administration in all significant aspects.

This report of the auditors can only be used with delivering the Foreign Exchange Revenue and Spending Statement to State foreign exchange Administration department, and not be used in other purpose.

Beijing Zhong Sheng Jia Hua Certified Public Accountants Co., Ltd.

PRC Certified Public Accountant : Zhang Dan

PRC Certified Public Accountant : Wu Bo

Beijing, PRC, 15 March 2010

Foreign Exchange Revenue and Spending Statement

Prepared by Tech Mahindra (Beijing) IT Services Ltd. December 31, 2009
Organizing Body Code 66690378-3 Foreign Exchange Registration Certificate No. 1100000718 Unit:US$
Notes: Foreign Exchange Abbr. Forex

Assets	Beginning of period	End of Period	Liabilities and ordinary items balance	Beginning of period	End of Period
1. Forex cash and bank			11. Forex accounts payable among which: domestic accounts payable		
1.1 Cash					
1.2 Capital account deposit	5193.66	**50752.23**	11.1 Trade in goods among which: One-year and above financial lease		
1.3 Current account deposit					
1.4 External debt account deposit					
1.5 other account deposit			11.2 Trade in services among which: One-year and above		
2. Forex accounts receivable among which: domestic account receivable			11.3 Other payable among which: One-year and Above		
2.1 Trade in goods			12. Advances on forex sales Among which: One-year and Above		
2.2 Trade in services					
2.3 Other receivable			13. Wages and salaries of foreign employees unpaid		
3. Prepayment forex					
4. Forex dividend receivable among which: Domestic account receivable			14. Forex dividend unpaid among which: One-year and Above		
			15. Overseas loans		
5. Overseas investment among which: Fixed assets Intangible assets			15.1 Financial institutions loans		
			15.2 Affiliated enterprise loans		
6. Domestic forex investment			15.3 Other loans		
7. Non-forex assets			15.4 Bonds		
7.1 RMB			16. Domestic forex loans among which: Domestic foreign-capital financial institution loans		
7.2 Fixed assets					
7.3 Intangible assets			17. Forex Interest unpaid Among which: Domestic interest unpaid		
7.4 Capital pricing transfer					
7.5 Unilateral capital transfers					
7.6 Other			18. Paid-up overseas capital		
8. Sale and purchase of Forex balance	194806.34	**299247.77**	18.1 Foreign direct investment	200000.00	**350000.00**
			18.2 Foreign stock investment		
9. Exchange rate convert balance			19. Paid-up domestic Forex capital		
10. Other assets			20. Ordinary items balance		
Total Assets	200000.00	**350000.00**	Total Liabilities and ordinary items balance	200000.00	**350000.00**

Note: 1 External guaranties increase 0.00US$, decrease 0.00US$, the account at the end of 2009 is US$0.00

2. According to stock right or promise proportion, the distribute net profit unpaid to foreign-side at the end of 2009 is US$-576176.44 .

3. The account of "Other assets" is 0.00% of "Total assets".

Date: December 31, 2009
Tabulation : Sunjing Financial director : Mr. Nitin Kulkarni Legal Representative: Mr. Rohit Gandhi

VENTURBAY CONSULTANTS PRIVATE LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. Atanu Sarkar

Mr. Milind Kulkarni

Mr. Ravindra Kulkarni

Mr. Sonjoy Anand

Mr. Ulhas N. Yargop

Registered Office

Sharda Centre,
Off Karve Road,
Pune-411 004

Bankers

HSBC Bank

Auditors

Deloitte Haskins & Sells
Chartered Accountants

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Sixth Annual Report together with the audited Accounts of your Company for the year ended 31st March 2010.

FINANCIAL RESULTS

(Rupees in Million)

For the year ended March 31,	**2010**	2009
Total Income	**98.53**	NIL
Loss for the year before tax	**709.70**	0.03
Provision for Tax	**NIL**	NIL
Loss for the year	**709.70**	0.03
Loss brought forward from the previous years	**0.07**	0.03
	709.77	0.07

DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year under review.

SHARE CAPITAL

During the year, the authorised share capital of your company was increased from Rs. 300,000,000 to Rs. 350,000,000. The Paid-up Share Capital of the Company as on 31st March 2010 was Rs. 304,723,000.

ISSUE AND REDEPTION OF OPTIONALLY CONVERTIBLE DEBENTURES (OCD's) AND CONVERSION OF ICD's INTO EQUITY

During the year under review, the Company issued and allotted Optionally Convertible Debentures (OCD's) of Rs. 550 Crores for the purpose of funding the acquisition of Satyam Computer Services Limited. These OCD's have been fully repaid.

The Inter Corporate Deposit (ICD's) placed by Tech Mahindra Limited i.e. Holding Company were partly utilized for aforesaid payments. These ICD's have been converted into equity shares by allotting 4,961,300 equity shares of Rs.10 each at a premium of Rs. 990 per share to Tech Mahindra Limited. Consequently, the Company has no loans as on 31st March 2010.

UPDATE ON ACQUISITION OF SHARES OF SATYAM COMPUTER SERVICES LIMITED

Consequent upon winning the bid for acquisition of a controlling stake in Satyam Computer Services Limited (Satyam), the following shares have been allotted to / acquired by the Company during the year:

1. On 5th May 2009, Satyam allotted 302,764,327 shares on preferential basis to the Company, representing 31% of its share capital.
2. During the year, the Company made a Public Announcement ("PA") on 22nd April 2009. The Company and Tech Mahindra Limited as Person Acting in Concert (PAC) had made an open public offer ("Offer") to acquire up to 199,079,413 fully paid up equity shares of Rs. 2 each representing 20% of the Fully Diluted Share Capital of Satyam at a price of Rs. 58 per fully paid up equity share. 420,915 equity shares of Rs. 2 each representing 0.04% were offered by the shareholders of Satyam under this Offer and accepted by your Company.
3. On 10th July 2009, Satyam allotted 198,658,498 equity shares on preferential basis to the Company.

Thus, as on 31st March 2010, your Company holds 501,843,740 equity shares of Rs. 2 each representing 42.67% of the total paid up capital of Satyam.

DIRECTORS

Mr. Milind Kulkarni and Mr. Atanu Sarkar retire by rotation and being eligible, offers themselves for reappointment.

Mr. Ravindra Kulkarni has been appointed as an additional director on 29th April 2010 and holds office upto the date of the ensuing Annual General Meeting. Notice as required under section 257 of the Companies Act, 1956, along with the requisite amount of deposit, has been received for nominating Mr. Ravindra Kulkarni for the office of Director of the Company at the forthcoming Annual General Meeting.

PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or its employees during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent company - Tech Mahindra Limited.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of activities that are being carried on by your Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, respectively are not applicable to your Company. Your Company requires minimal energy consumption and every endeavour has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

PARTICULARS OF EMPLOYEES AS REQUIRED BY SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND RULES FRAMED THEREUNDER

The Company had no employee who was in receipt of remuneration of not less than Rs. 24,00,000 during the year ended 31st March, 2010 or not less than Rs. 2,00,000 per month during any part of the said year.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, the Auditors of your Company, hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s. Deloitte Haskins & Sells to the effect that their appointment, if made, would be in conformity with the limits prescribed in Section 224 of the Companies Act, 1956.The Board recommends the re-appointment of M/s. Deloitte Haskins & Sells as the Auditors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the loss of the Company for the year ended on that date;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors are thankful for the co-operation and assistance received from bankers, regulatory and Governmental authorities and its shareholders and look forward to their continued support in the future.

For and on behalf of the Board

Vineet Nayyar
Chairman

Place: Pune
Date: 29th April 2010

Auditors’ Report

To the Members of
Venturbay Consultants Private Limited

1. We have audited the attached Balance Sheet of VENTURBAY CONSULTANTS PRIVATE LIMITED (“the Company”) as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company’s Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor’s Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

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

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

      (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and

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

5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place : Pune
Date : April 29, 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's activities, clauses (ii), (xiii) and (xiv) of CARO are not applicable.

(ii) In respect of its fixed assets:

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

(b) As explained to us, the fixed assets were physically verified by the management during the year ended March 31, 2010 and no material discrepancies were noted on such verification.

(c) The Company has not disposed off any fixed asset during the year. Accordingly Sub Clause (c) of Clause (i) of paragraph 4 of the Companies (Auditor's Report) order, 2003 is not applicable to the Company.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Sub Clauses (b), (c), (d), (f) and (g) of the Clause (iii) of paragraph 4 of Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(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 purchases of fixed assets. During the course of our audit we have not observed any major weakness in the internal control system. During the year, the Company did not undertake any activity of purchase of inventory and sale of goods and services.

(v) According to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register referred to in Section 301 of the Companies Act, 1956. Accordingly, the provisions of Sub Clauses (a) and (b) of the Clause (v) of paragraph 4 of of Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

(vii) The paid-up capital and reserves of Company as at the commencement of the financial year is less than Rs. 50 lakhs and there are no revenues in the last three financial years. Accordingly Clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

(viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act. Accordingly, the provisions of Clause (viii) of paragraph 4 of Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues in respect of tax deducted at source with the appropriate authorities.

As explained to us, the Company did not have any dues in respect Provident fund, Investor Eduction and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) There are no dues of sales tax, Income-tax, Customs duty, Wealth Tax, Service tax, Excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute.

(x) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth. The Company has incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders. There are no dues payable to banks or financial institutions.

(xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

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

(xiv) According to the information and explanations given to us, the Company did not have any term loan outstanding during the year.

(xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investments.

(xvi) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xvii) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 55 Million debentures of Rs. 100 each and the security had been created in respect of debentures issued. These debentures have been repaid fully during the period and security in respect of the same has been satisfied.

(xviii) As informed to us, during the period covered by our audit report, the Company has not raised any money by public issues.

(xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place : Pune
Date : April 29, 2010

Balance Sheet as at March 31, 2010

	Schedule	Rs. in Thousand **March 31, 2010**	March 31, 2009
I. SOURCES OF FUNDS :			
SHARE HOLDERS FUNDS:			
Share Capital	I	**304,723**	110
Reserves and Surplus	II	**30,132,210**	-
		30,436,933	110
LOAN FUNDS :	III		
Unsecured Loans		**-**	-
		-	-
		30,436,933	110
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	IV	**1,252**	-
Less : Accumulated Depreciation		**-**	-
Net Block		**1,252**	-
INVESTMENT :	V	**29,695,331**	-
CURRENT ASSETS, LOANS AND ADVANCES :			
Cash and Bank Balances	VI	**9,195**	49
Loans and Advances	VI	**22,227**	-
		31,422	49
Less : CURRENT LIABILITIES AND PROVISIONS :			
Current Liabilities	VII	**838**	7
Provisions		**-**	-
		838	7
Net Current Assets		**30,584**	41
Debit balance in Profit & Loss Account		**709,766**	68
		30,436,933	110
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:	XI		

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Hemant M. Joshi
Partner

Place : Pune
Date : April 29, 2010

For Venturbay Consultants Private Limited

Milind Kulkarni	Atanu Sarkar	Sarang Deshpande
Director	Director	Company Secretary

Place : Pune
Date : April 29, 2010

Profit and Loss account for the year ended March 31, 2010

	Schedule	Rs. in Thousand Except Earning per Share **March 31, 2010**	March 31, 2009
INCOME:			
Income from operations		**-**	-
Other Income	VIII	**98,533**	-
Total Income		**98,533**	-
EXPENDITURE :			
Operating and Other Expenses	IX	**3,161**	32
Finance charges	X	**805,069**	-
Total Expenditure		**808,230**	32
LOSS BEFORE TAX		**(709,697)**	(32)
Provision for Tax			
Current tax		**-**	-
Deferred tax		**-**	-
LOSS AFTER TAX		**(709,697)**	(32)
Balance brought forward from previous year		**(69)**	(37)
Balance Carried to Balance Sheet		**(709,766)**	(69)
Loss Per Share (refer note 8 of schedule XI)			
- Basic		31.02	2.91
- Diluted		31.02	2.91
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:	XI		

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Hemant M. Joshi
Partner

Place : Pune
Date : April 29, 2010

For Venturbay Consultants Private Limited

Milind Kulkarni
Director

Atanu Sarkar
Director

Sarang Deshpande
Company Secretary

Place : Pune
Date : April 29, 2010

Cash flow statement for the year ended

Rs. in Thousand

	Particulars		**March 31, 2010**	March 31, 2009
A	**Cash flow from operating activities**			
	Loss before tax		**(709,697)**	(32)
	Adjustments for :			
	Preliminary Expenses written off	**-**		26
	Finance Charges	**805,069**		-
	Interest income	**(98,533)**		-
			706,536	26
	Operating (loss)/profit before working capital changes		**(3,161)**	(6)
	Adjustments for :			
	Trade and other receivables	**-**		-
	Trade and other payables	**831**		3
			831	3
	Cash used in operations		**(2,330)**	(3)
	Income taxes paid	**(22,227)**		-
			(22,227)	-
	Net cash used in operating activities		**(24,557)**	(3)
B	**Cash flow from investing activities**			
	Purchase of Free Hold Land	**(1,252)**		-
	Investments in Associate (refer note 10 &11 of schedule XI)	**(29,695,331)**		-
	Interest income	**98,533**		-
	Net cash (used in) / from investing activities		**(29,598,050)**	-
C	**Cash flow from financing activities**			
	Proceeds from Issue of equity shares (net of share issue expenses) (refer note 3 of schedule XI)	**30,436,822**		-
	Proceeds from borrowings	**10,326,082**		-
	Repayment of Borrowings/ conversion in equity shares (refer note 3 of schedule XI)	**(10,326,082)**		
	Finance charges paid (refer note 3 of schedule XI)	**(805,069)**		-
	Net cash from / (used in) financing activities		**29,631,753**	-
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**9,146**	(3)
	Cash and cash equivalents at the beginning of the year		**49**	51
	Cash and cash equivalents at the end of the year		**9,195**	49

Notes:

1 Components of cash and cash equivalents includes Cash, Bank balances in current and deposit accounts as disclosed under Schedule VI (a) of the accounts.

		March 31, 2010	**March 31, 2009**
2	Cash and cash equivalents include :		
	Cash and Bank balances	9,195	49
	Total Cash and cash equivalents	9,195	49

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Hemant M. Joshi
Partner

Place : Pune
Date : April 29, 2010

For Venturbay Consultants Private Limited

Milind Kulkarni	Atanu Sarkar	Sarang Deshpande
Director	Director	Company Secretary

Place : Pune
Date : April 29, 2010

Schedules forming part of the Balance Sheet

Rs. in Thousand

		As at March 31, 2010	As at March 31, 2009
SCHEDULE I			
SHARE CAPITAL :			
Authorised:			
35,000,000 (previous year 3,500,000) Equity Shares of Rs. 10/- each		**350,000**	35,000
		350,000	35,000
Issued, subscribed & paid up:			
30,472,300 (previous year 11,000) Equity Shares of Rs. 10/- each fully paid-up.(refer note 3 of schedule XI)		**304,723**	110
		304,723	110

Note :
All of the above equity shares are held by Tech Mahindra Limited, the holding company

		As at March 31, 2010	As at March 31, 2009
SCHEDULE II			
RESERVES AND SURPLUS :			
Securities Premium :			
As per last Balance Sheet	**-**		-
Add : Received during the year	**30,156,687**		-
Less : Share issue expenses	**24,477**		-
		30,132,210	-
		30,132,210	-
SCHEDULE III			
LOAN FUNDS			
Unsecured Loan :			
Inter Corporate Deposit		**-**	-
		-	-

Rs. in Thousand

	As at March 31, 2010	As at March 31, 2009
SCHEDULE V		
INVESTMENTS (at cost) :		
Long Term (Quoted)		
Trade :		
501,843,740 (Previous year Nil) equity shares of Satyam Computer Services Limited of Rs 2/- each, fully paid up (refer note 10 and 11 of schedule XI)	**29,695,331**	-
	29,695,331	-
Market value of quoted investment	**46,345,269**	
SCHEDULE VI		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current Assets :		
(a) Cash and Bank Balances :		
Balance with scheduled banks :		
In Current Accounts	**9,195**	49
	9,195	49
(b) Loans and Advances :		
(Unsecured, considered good unless otherwise stated)		
Advance taxes	**22,227**	-
	22,227	-
SCHEDULE VII		
CURRENT LIABILITIES :		
(a) Sundry Creditors :		
Total outstanding dues of Micro, Small and Medium enterprises (refer note 9 of schedule XI)	**-**	-
Total outstanding dues of Creditors other than Micro, Small and Medium enterprises	**327**	7
(b) Other Liabilities	**511**	-
	838	7

Schedule IV

FIXED ASSETS

Rs. in Thousand

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description of Assets	Cost as at April 01, 2009	Additions during the year	Deductions during the year	**Cost as at March 31, 2010**	As at April 01, 2009	Additions during the year	Deductions during the year	Upto March 31, 2010	**As at March 31, 2010**	As at March 31, 2009
Tangible Fixed Assets :										
Freehold Land *	-	1,252	-	**1,252**	-	-	-	**-**	**1,252**	-
Total	**-**	**1,252**	**-**	**1,252**	**-**	**-**	**-**	**-**	**1,252**	**-**
Previous year	-	-	-	-	-	-	-	-	-	-
* refer note 12 of schedule XI								Total	**1,252**	-

Schedules forming part of the Profit and Loss Account

	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE VIII		
OTHER INCOME:		
Interest on :		
Deposit with bank (Tax deducted at source Rs. 22 Thousand)	**98,533**	-
	98,533	-

	For the year ended March 31, 2010	For the year ended March 31, 2009
Schedule IX		
OPERATING AND OTHER EXPENSES:		
Professional and Legal fees (refer note 5 of schedule XI)	**3,089**	-
Miscellaneous expenses	**72**	32
	3,161	32

Schedules forming part of the Profit and Loss Account

	Rs. in Thousand As at March 31, 2010	March 31, 2009
Schedule X		
FINANCE CHARGES		
Interest		
- Fixed loans	**364,787**	-
- Inter Corporate Deposit	**220,565**	-
Loan syndication charges	**219,717**	-
	805,069	-

Schedule XI

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

1. **Significant Accounting Policies** :

(a) Basis for preparation of accounts:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards and the relevant provisions of the Companies Act, 1956.

(b) Fixed Assets including intangible assets:

Fixed assets are stated at cost less accumulated depreciation. Costs comprise of purchase price and attributable costs, if any.

(c) Depreciation / Amortisation on fixed assets:

i) The Company computes depreciation for all fixed assets including for assets taken on lease using the straight-line method based on estimated useful lives. Depreciation on other fixed assets is charged on a pro-rata basis for assets purchased or sold during the year. Management's estimate of the useful life of fixed assets is as follows:

Buildings	15	years
Computers	3	years
Plant and machinery	3-5	years
Furniture and fixtures	5	years
Vehicles	3-5	years

ii) Leasehold land is amortised over the period of lease.

iii) Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.

(d) Investments:

Long term investments are carried at cost. Provision is made to recognise a decline other than temporary in the carrying amount of long term investment.

Current investments are carried at lower of cost and fair value.

(e) Impairment of Assets:

At the end of each year, the company determines whether a provision should be made for impairment loss on assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on ''Impairment of Assets''. Where the recoverable amount of any asset is lower than its carrying amount, a provision for impairment loss on assets is made for the difference. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss if any, is recognised immediately as income in the Profit and Loss Account

(f) Revenue Recognition:

Revenue from software services and business process outsourcing services include revenue earned from services performed on 'time and material' basis, time bound fixed price engagements and system integration projects. The related revenue is recognized as and when services are rendered

(g) Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

NOTES ON ACCOUNTS:

In the notes below 'The Company' refers to Venturbay Consultants Private Limited

2. Balance of Preliminary expenses amounting to **Rs. Nil** (Previous year: Rs. 26 Thousand) have been written off.

3. During the year ended March 31, 2009, Tech Mahindra Limited (TML) has acquired 100% stake in the company. As a result the company became wholly owned subsidiary of Tech Mahindra Limited.

During the Year ended March 31, 2010, TML has further invested in the company 30,461,300 shares at face value of Rs.10/- each at premium of Rs. 990/- per share. This includes Inter Corporate Deposit and interest thereon amounting to **Rs. 4,961,300 Thousand** converted into Equity shares.

4. The Company did not have any employee on payroll during the year ended March 31, 2010 and therefore the disclosure required under Accounting Standard 15 on 'employees benefits', (AS-15) is not applicable for the Year ended March 31, 2010.

5. Payment to Auditors :

Rs. in Thousand

Particulars	March 31, 2010	March 31, 2009
Audit Fees	**300**	0
Total	**300**	0

6. During the Year ended March 31, 2010 Company had no operating income hence the disclosure of information as required under Accounting Standard 17 on 'Segmental reporting (AS-17)' is not required.

7. As required under Accounting Standard 18 "Related Party Disclosures" (AS-18), following are details of transactions during the Year ended March 31, 2010 with the related parties of the Company as defined in AS-18:

(a) List of Related Parties and Relationships

Name of Related Party	Relation
Mahindra & Mahindra Ltd.	Promoter holding more than 20% stake of holding Company.
Tech Mahindra Limited	Holding Company
Tech Mahindra (Americas) Inc.	Fellow Subsidiary Company
Tech Mahindra GmbH	Fellow Subsidiary Company
Tech Mahindra (Singapore) Pte Ltd.	Fellow Subsidiary Company
Tech Mahindra (Thailand) Ltd.	Fellow Subsidiary Company
PT Tech Mahindra Indonesia	Fellow Subsidiary Company
CanvasM Technologies Ltd.	Fellow Subsidiary Company
CanvasM (Americas) Inc.	Fellow Subsidiary Company
Tech Mahindra (Malaysia) Sdn.Bhd	Fellow Subsidiary Company
Tech Mahindra (Beijing) IT Services Ltd.	Fellow Subsidiary Company
Tech Mahindra Foundation	Fellow Subsidiary Company
Tech Mahindra (Bahrain) Ltd. S.P.C.	Fellow Subsidiary Company
Tech Mahindra (Nigeria) Ltd.	Fellow Subsidiary Company
Mahindra Logisoft Business Solutions Limited	Fellow Subsidiary Company
Satyam Computer Services Limited	Associate Company
Satyam BPO Limited	Associate Company

(b) Related party transactions for the Year ended March 31, 2010.

Rs. in Thousand

Transactions	Holding Company	Associate Company
Issue of Equity Shares *	**30,461,300** [-]	**-** [-]
Investment made	**-** [-]	**29,695,331** [-]
Inter Corporate Deposit taken	**4,826,373** [-]	**-** [-]
Inter Corporate Deposit repaid	**4,826,373** [-]	**-** [-]
Interest on Inter Corporate Deposit taken	**220,565** [-]	**-** [-]
Debit / (Credit) balances (Net) outstanding as on March 31, 2010	**Nil** [-]	**-** [-]

Figures in brackets "[ ]"are for previous year ended March 31, 2009.

* Includes Inter Corporate Deposit and interest thereon amounting to Rs.4,961,300 Thousand converted into Equity shares of the Company.

Out of the above items transactions with Holding company and Associate Company in the excess of 10% of the total related party transactions are as under

Rs. in Thousand

Transactions	For the Year ended March 31, 2010
Issue of Equity Shares Holding Company *Tech Mahindra Limited*	**30,461,300**
Investment made Associate Company *Satyam Computer Services Limited*	**29,695,331**
Inter Corporate Deposit taken Holding Company *Tech Mahindra Limited*	**4,826,373**
Inter Corporate Deposit repaid Holding Company *Tech Mahindra Limited*	**4,826,373**
Interest on Inter Corporate Deposit taken Holding Company *Tech Mahindra Limited*	**220,565**

8. Earning per share is calculated as follows:

Rs. in Thousand except earnings per share

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit / (Loss) after taxation	**(709,697)**	(32)
Equity Shares outstanding as at the end of year (in nos.)	**30,472,300**	11,000
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	**22,882,001**	11,000
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**22,882,001**	11,000
Add: Diluted number of Shares	-	**-**
Weighted average Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**22,882,001**	11,000
Nominal Value per Equity Share (Rs.)	10	10
Earning/(Loss) Per Share		
Loss Per Share (Basic) (Rs.)	31.02	2.91
Loss Per Share (Diluted) (Rs.)	31.02	2.91

9. Based on the information available with the company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act 2006".

10. The Board of directors of Satyam Computer Services Limited (Satyam) on April 13, 2009 selected the Company as the highest bidder to acquire a controlling stake in Satyam Computer Services Limited and upon the Honorable Company Law Board's approval on April 16, 2009, the Company was declared as the winning bidder. The Company had deposited a sum of Rs 29,106,937 thousand in April 2009 in escrow account to cover the cost of 31% preferential equity issue by Satyam and 20% open offer.

    The 31% (302,764,327 equity shares) equity shares were allotted on May 05, 2009 to the Company. The letter of offer for balance 20% open offer was filed with Securities and Exchange Board of India on May 06, 2009 and the tender offer was filed with Securities Exchange Commission (SEC) on June 08, 2009. A total 420,915 shares were validly tendered by the Indian and American Depository Shares (ADS) upon the closure of the offer and these shares were transferred to the Company on July 10, 2009. Further on July 10, 2009, Satyam made a preferential allotment of 198,658,498 additional shares to the Company after the approval by the Honorable Company Law Board on July 06, 2009. Consequently, the Company holds equity shares 501,843,740, which is 42.67% , as on 31.3. 2010

    As per the share subscription agreement dated April 13, 2009, these investments have lock in period of three years from the date of allotment

11. The company has incurred expenditure of **Rs. 588,394 Thousand** on acquisition of shares in Satyam and the same has been added to the cost of investment.

12. Freehold land was offered as security against 15% Optionally Convertible Debentures of Rs. 5,500,000 Thousand, which has been prepaid on September 25th, 2009. The discharge of security of Freehold land is completed.

13. No provision for current income tax under the provisions of the Income-tax Act, 1961 is made since in the opinion of the company there is no taxable income.

    In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income", (AS-22), Deferred tax asset in respect of carry forward losses is not recognised in view of no virtual certainty of future taxable income.

14. The company has exercised the option given vide notification number G.S.R. 225 (E) dated March 31, 2009 issued by the Ministry of Corporate Affairs, Government of India on provisions of Accounting Standard 11, however this does not have any impact on the financial statements, as the Company does not have any long term foreign currency monetary items.

15. Previous year figures have been regrouped and reclassified wherever necessary.

For Venturbay Consultants Private Limited

Milind Kulkarni Director	Atanu Sarkar Director	Sarang Deshpande Company Secretary

Place: Pune
Date : April 29, 2010

Balance Sheet Abstract & Company's General Business Profile:

I. Registration Details

Registration No. U72200PN2004PTC019520 State Code 25

Balance sheet date 31 03 2010 (Date Month Year)

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placements**
NIL	305

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities (including shareholders funds)	Total Assets
2972805	2972805

Sources of Funds:

Paid-up Capital	Reserves & Surplus
304723	30132210
Secured Loans	**Unsecured Loans**
NIL	NIL

Application of Funds:

Net Fixed Assets	Investments
1252	2969 5331
Net Current Assets	**Deferred Tax Asset**
30584	NIL
Accumulated Losses	**Misc. Expenditure**
709766	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Sales and Other Income)	Total Expenditure (Excluding exceptional item)
98533	808230
Profit/(Loss) Before Tax	**Profit /(Loss) After Tax**
(709697)	(709697)
Earnings per Share in (before exceptional item) in Rs. (Refer note 12 above)	**Dividend Rate %**
(31.02)	NIL

Earnings per Share in (after exceptional item) in Rs. (Refer note 12 above)

(31.02)

V. Generic names of Three Principal Products/Services of Company (as per monetary terms)

Item Code (ITC Code) 852490

Product Description COMPUTER SOFTWARE SERVICES

For **Venturbay Consultants Private Limited**

Milind Kulkarni	Atanu Sarkar	Sarang Deshpande
Director	Director	Company Secretary

Place : Pune

Date : April 29, 2010

MAHINDRA LOGISOFT BUSINESS SOLUTIONS LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. Atanu Sarkar

Mr. C. P. Gurnani

Mr. Milind Kulkarni

Mr. Sonjoy Anand

Mr. Ulhas N. Yargop

Registered Office

Gateway Building
Apollo Bunder
Mumbai 400 001

Bankers

ICICI Bank Limited

Auditors

Deloitte Haskins & Sells
Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Eleventh Report together with the audited accounts of your Company for the year ended 31st March 2010.

FINANCIAL RESULTS

(Rs. in Million)

For the year ended March 31	2010	2009
Income	**33.42**	53.68
Profit before Depreciation	**10.99**	18.51
Depreciation	**(0.49)**	(0.62)
Profit before tax	**10.50**	17.89
Provision for tax - Fringe benefit tax	**0.00**	(0.12)
Profit after tax	**10.50**	17.77
Balance/(Loss) brought forward from the previous years	**(45.43)**	(63.20)
(Loss) carried forward	**(34.93)**	(45.43)

Operations

Your Company's gross revenue for the year was Rs. 33.42 Million, a reduction of 38% over the previous year. The Profit After Tax declined to Rs. 10.50 Million, a decrease of 41% over the previous year.

The Company continued to focus on Dealership Management Systems, Applications Management Services and Infrastructure management (computers and peripherals).

Dividend

In light of accumulated losses, your Directors do not recommend any dividend for the year.

Current Year

Your Company will continue to focus on Dealership Management Systems and Applications Management Services. The Company continues to be cautiously optimistic of growth in revenue and profit.

Directors

Mr. C. P. Gurnani and Mr. Milind Kulkarni retire by rotation, and being eligible, offers themselves for re-appointment.

Mr. Arvind Tawde and Mr. V. S. Parthasarathy resigned as directors of the Company with effect from 15th October 2009 and 16th October 2009 respectively. Mr. Paul Ringham resigned as Director of the Company with effect from 20th January 2010. The Board places on record its sincere appreciation for the contribution made by Mr. Arvind Tawde, Mr. V. S. Parthasarathy and Mr. Paul Ringham.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the profit of the Company for the year ended on that date;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) as mentioned in the Notes on Accounts, the annual accounts have been prepared on a going concern basis.

Audit Committee

During the year, the Audit Committee was reconstituted due to the resignation of Mr. V. S. Parthasarathy and Mr. Arvind Tawde, directors of the Company. Mr. Ulhas N. Yargop and Mr. Sonjoy Anand were appointed as Audit Committee members in place of Mr. V. S. Parthasarathy and Mr. Arvind Tawde. Mr. Milind Kulkarni is the other member of the Committee.

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, retire as Auditors at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members will be required to appoint Auditors for the current year and fix their remuneration.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from Messrs Deloitte Haskins & Sells, Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Code of Conduct

The Company had adopted separate Code of Conduct for Corporate Governance ("the Code") for its Directors and Senior Management Personnel and Employees. The Code enunciates the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Code from the Board Members and the Senior Management Personnel and Employees of the Company affirming compliance with the Code.

Public Deposits and Loans/Advances

The Company has not accepted any deposits from the public or its employees during the year under review. The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent company - Tech Mahindra Limited.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 and Rules framed thereunder

The Company had no employee who was in receipt of remuneration of not less than Rs. 24,00,000 during the year ended 31st March 2010 or not less than Rs. 2,00,000 per month during any part thereof.

Acknowledgements

Your Directors are thankful for the co-operation and assistance received from bankers, regulatory and Governmental authorities, employees at all levels and its shareholders and look forward to their continued support in the future.

For and on behalf of the Board

Sonjoy Anand
Director

Milind Kulkarni
Director

Date: April 28, 2010

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2010.

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in relatively reduced Energy consumption.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not Applicable.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Areas in which Research & Development is carried out: None
2. Benefits derived as a result of the above efforts: Not Applicable
3. Future plan of action: None
4. Expenditure on R & D: Nil
5. Technology absorption, adaptation and innovation: None
6. Imported Technology for the last 5 years: None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings & outgo is furnished in the Notes on Accounts.

For and on behalf of the Board

Sonjoy Anand
Director

Milind Kulkarni
Director

Date: April 28, 2010

Report of the Auditors

To the Members of Mahindra Logisoft Business Solutions Limited

1. We have audited the attached Balance Sheet of Mahindra Logisoft Business Solutions Limited ("the Company") as at 31st March 2010, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4a) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our Comments in the Annexure referred to in the paragraph 3 above, 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 purposes 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 the books;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

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

      i) in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2010 and

      ii) in the case of the Profit and Loss Accountant, of the profit for the year ended on that date; and

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

5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 217(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

A. B. Jani
(Partner)
M. No. 46488

Place: Mumbai
Dated : 29th April 2010

Annexure to the Auditors' Report
Re: Mahindra Logisoft Business Solutions Limited
(Referred to in paragraph 3 of our report of even date)

(i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.

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

(b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verifiation.

(c) No fixed assets were disposed off during the year.

(iii) The Company did not have any inventories during the year/at the year-end. Hence, clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) 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 sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

(vi) According to the information and explanations given to us, we are of the opinion that there have been no contracts or arrangements during the year that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Hence, clause (v) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

(vii) The Company has not accepted any deposits from the public.

(viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its busines.

(ix) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. Hence, clause (viii) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us there are no dues of Income-tax, Value Added Tax, Service Tax, Custom Duty, Wealth Tax and Cess, which have not been deposited with the appropriate authorities on account of any dispute..

(xi) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xii) According to the information and explanations given to us, there are no dues payable toa financial institution or bank or debenture holders.

(xiii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debetures and other securities.

(xiv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.

(xv) In our opinion and according to the information and explanations given to us the Company has not taken term loans during the year. Hence, clause (xvi) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.

(xix) The Company has not raised any money by way of public issues during the year.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

A. B. Jani
(Partner)
M. No. 46488

Place: Mumbai
Date : April 29, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule		As at 31st March, 2010	As at 31st March, 2009
				In Rupees
I SOURCES OF FUNDS				
Shareholder's Funds				
Share Capital	I		**124,500,000**	124,500,000
Total			**124,500,000**	124,500,000
II APPLICATION OF FUNDS				
Fixed Assets	II			
Gross Block		**47,976,653**		47,976,653
Less: Depreciation		**(47,522,202)**		(47,035,635)
Net Block			**454,451**	941,018
Investments	III		**3,000**	3,000
Current Assets, Loans and Advances	IV			
Sundry Debtors		**2,461,518**		3,130,194
Cash and Bank Balances		**72,002,747**		61,356,813
Other Current Assets		**2,704**		2,704
Loans and advances		**18,210,586**		17,073,722
		92,677,555		81,563,433
Less : Current Liabilities and Provisions				
Current Liabilities	V	**949,763**		1,956,390
Provisions	VI	**2,618,840**		1,484,379
		3,568,603		3,440,769
Net Current Assets			**89,108,952**	78,122,664
Profit and Loss Account			**34,933,597**	45,433,318
Total			**124,500,000**	124,500,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	X			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

A.B.Jani
Partner
Membership No. 46488

Mumbai, Dated : April 29, 2010

For **Mahindra Logisoft Business Solutions Limited**

Ulhas N. Yargop
Milind Kulkarni
C.P. Gurnani
Vineet Nayyar
Sonjoy Anand
Atanu Sarkar
Directors

Sandeep Nagarkar
Company Secretary

Pune, Dated : April 28, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

In Rupees

	Schedule	Current Year March 31, 2010	Previous Year March 31, 2009
INCOME	VII	**33,421,552**	53,681,824
Total		**33,421,552**	53,681,824
EXPENDITURE			
Personnel expenses	VIII	**19,796,954**	23,133,780
Operating and other expenses	IX	**2,638,310**	12,041,703
Depreciation		**486,567**	615,832
Total		**22,921,831**	35,791,315
PROFIT BEFORE TAX		**10,499,721**	17,890,509
Provision for Tax:			
- Fringe Benefit tax		**-**	124,053
PROFIT AFTER TAX		**10,499,721**	17,766,456
Balance brought forward from previous year		**(45,433,318)**	(63,199,774)
Balance carried to Balance Sheet		**(34,933,597)**	(45,433,318)
Earnings per share (Refer note 5 of schedule X) - Basic and diluted		**0.84**	1.43
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	X		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

A.B.Jani
Partner
Membership No. 46488

Mumbai, Dated : April 29, 2010

For **Mahindra Logisoft Business Solutions Limited**

Ulhas N. Yargop
Milind Kulkarni
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Sonjoy Anand
Atanu Sarkar
Directors

Sandeep Nagarkar
Company Secretary

Pune, Dated : April 28, 2010

Cash Flow for the Year ended 31st March 2010

	Particulars		Current Year March 31, 2010	Previous Year March 31, 2009
				In Rupees
A	**Cash Flow from operating activities**			
	Net Profit before tax		**10,499,721**	17,890,509
	Adjustments for:			
	Depreciation		**486,567**	615,832
	Income from Investments		**-**	(4,950,487)
	Operating profit before working capital changes		**10,986,288**	13,555,854
	Adjustments for:			
	Trade and other receivables	**970,782**		10,551,034
	Trade and other payables	**127,834**		(2,865,655)
			1,098,616	7,685,379
	Cash generated from operations		**12,084,904**	21,241,233
	Taxes (Tax Deducted at Source)		**(1,438,970)**	(4,986,298)
				(4,986,298)
	Net cash from operating activities		**10,645,934**	16,254,935
B	**Cash flow from investing activities**			
	Purchase of Fixed assets	**-**		(169,846)
	Inter Corporate Deposit Placed	**-**		(10,000,000)
	Inter Corporate Deposit repaid	**-**		10,000,000
	Interest received	**-**		4,958,555
	Net cash used in investing activities		**-**	4,788,709
C	**Cash flow from financing activities**		**-**	-
	Net increase in cash and cash equivalents (A+B+C)		**10,645,934**	21,043,644
	Cash and cash equivalents at the beginning of the year		**61,356,813**	40,313,169
	Cash and cash equivalents at the end of the year		**72,002,747**	61,356,813

Notes:

1 Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under schedule IV of the accounts.

2 Interest income on deposits, others etc. is classified as cash flow from operating activities

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

A.B.Jani
Partner
Membership No. 46488

Mumbai, Dated : April 29, 2010

For **Mahindra Logisoft Business Solutions Limited**

Ulhas N. Yargop
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Vineet Nayyar
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Atanu Sarkar
Directors

Sandeep Nagarkar
Company Secretary

Pune, Dated : April 28, 2010

Schedules forming part of the Balance Sheet and the Profit and Loss Account

In Rupees

	As at March 31, 2010	As at March 31, 2009
SCHEDULE I		
SHARE CAPITAL		
Authorised :		
14,100,000 (Previous year 14,100,000)		
Equity shares of Rs. 10/- each	**141,000,000**	141,000,000
	141,000,000	141,000,000
Issued, Subscribed and Paid-up:		
12,450,000 (Previous year 12,450,000)		
Equity shares of Rs. 10/- each fully paid-up	**124,500,000**	124,500,000
Total	**124,500,000**	124,500,000

Notes :
All Equity shares (Previous year NIL) of Rs.10/- each fully paid-up,are held by Tech Mahindra Limited , the Holding Company. (Including 6 equity shares held jointly).(Previous Year 63,49,500 Equity shares of Rs.10/- each fully paid-up, were held by Mahindra & Mahindra Limited and 61,00,500 Equity shares were held by Mahindra Holdings Limited a subsidiary of Mahindra & Mahindra Limited.)

In Rupees

		As at March 31, 2010	As at March 31, 2009
SCHEDULE III			
Investments (Long Term)			
In Government Securities			
National Savings Certificate		**3,000**	3,000
(Deposited with Sales tax Authorities)			
Total		**3,000**	3,000
SCHEDULE IV			
CURRENT ASSETS, LOANS AND ADVANCES			
A) Current Assets			
a) Sundry Debtors			
(Unsecured)			
Debts outstanding for			
a period exceeding six months			
- Considered good	**-**		-
- Considered doubtful	**165,905**		-
	165,905		-
Other debts,			
considered good	**2,461,518**		3,130,194
	2,627,423		3,130,194
Less: Provision	**(165,905)**		-
		2,461,518	3,130,194
b) Cash and bank balances			
Balance with Scheduled Banks			
- in current accounts	**194,992**		219,667
- in deposit accounts	**71,807,755**		61,137,146
		72,002,747	61,356,813
c) Other Current Assets			
Interest accrued on Investments		**2,704**	2,704
B) Loans and Advances			
(Unsecured and considered good)			
Advances recoverable in cash or			
in kind or for value to be received	**113,513**		419,976
Interest accrued on fixed deposits	**1,593,786**		1,589,429
Advance payment of Income-tax	**16,503,287**		15,064,317
		18,210,586	17,073,722
Total		**92,677,555**	81,563,433

SCHEDULE II

FIXED ASSETS

In Rupees

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
Description	As at 31.03.2009	Additions	**As at 31.03.2010**	Up to 31.03.2009	For the year	**Up to 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Intangible Assets								
Software products	45,502,245	-	**45,502,245**	45,502,245	-	**45,502,245**	**-**	-
Sub-total (A)	45,502,245	-	**45,502,245**	45,502,245	-	**45,502,245**	**-**	-
Other assets								
Computer equipments	1,985,329	-	**1,985,329**	1,377,957	462,144	**1,840,101**	**145,228**	607,372
Office equipments	437,929	-	**437,929**	141,829	19,673	**161,502**	**276,427**	296,100
Furniture and Fixtures	1,150	-	**1,150**	1,150	-	**1,150**	**-**	-
Vehicles	50,000	-	**50,000**	12,454	4,750	**17,204**	**32,796**	37,546
Sub-total (B)	2,474,408	-	**2,474,408**	1,533,390	486,567	**2,019,957**	**454,451**	941,018
Total (A) + (B)	**47,976,653**	**-**	**47,976,653**	**47,035,635**	**486,567**	**47,522,202**	**454,451**	**941,018**
Previous Year	47,806,807	169,846	47,976,653	46,419,803	615,832	47,035,635	941,018	

Schedules forming part of the Balance Sheet and the Profit and Loss Account (Contd.)

In Rupees

	As at March 31, 2010	As at March 31, 2009
SCHEDULE V		
CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding dues of Micro small and Medium enterprise (Refer note 9 of schedule X)	**-**	-
Total outstanding dues of creditors other than Micro small and Medium Enterprises	**949,763**	1,956,390
Total	**949,763**	1,956,390
SCHEDULE VI		
PROVISIONS		
Provision for Gratuity	**805,255**	467,775
Provision for Leave encashment	**1,813,585**	1,016,604
Total	**2,618,840**	1,484,379

In Rupees

	Current Year March 31, 2010	Previous Year March 31, 2009
SCHEDULE VII		
INCOME		
Income from services (Tax deducted at source Rs.3,151,832/- (Previous Year 5,375,558))	**27,350,203**	46,699,570
Interest on:		
a) Deposit with bank (Tax Deducted at Source Rs. 554,809/- (Previous year 820,479/-))	**5,548,083**	3,637,470
b) On Inter Corporate Deposits (Tax deducted at source Nil (Previous year Rs277,293))	**-**	1,313,017
c) Others	**156,244**	155,016
Excess provision of earlier years written back	**-**	861,117
Excess provision for leave encashment and gratuity written back	**-**	1,015,634
Deptuation Charges	**314,232**	-
Other Income	**52,790**	-
Total	**33,421,552**	53,681,824

In Rupees

	Current Year March 31, 2010	Previous Year March 31, 2009
SCHEDULE VIII		
PERSONNEL		
Salary, Wages, Bonus etc	**18,503,361**	21,753,280
Contribution to Provident Fund and other funds	**919,237**	925,939
Gratuity	**337,480**	186,591
Staff welfare expenses	**36,876**	267,970
Total	**19,796,954**	23,133,780
SCHEDULE IX		
OPERATING AND OTHER EXPENSES		
Rent, rates and taxes (including service tax Rs. Nil (previous year Rs. 20,82,976/- with respect to earlier years))	**96,025**	2,355,456
Power and Fuel	**35,000**	146,000
Insurance	**291,744**	263,064
Repairs - Equipments	**45,131**	88,432
- Others	**94,243**	84,768
Communication expenses	**140,933**	490,503
Deputation charges	**-**	1,658,178
Travelling expenses	**313,975**	2,986,724
Legal and Professional fees	**706,482**	276,600
Filing fees	**-**	2,336
Provision for doubtful debts	**165,905**	-
Software Expenses	**170,700**	2,951,976
Miscellaneous expenses*	**578,172**	737,666
Total	**2,638,310**	12,041,703

*Miscellaneous expenses include Consumables, Printing and Stationery, Courier charges, Training expenses, Membership fees, etc

SCHEDULE X

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.

1. SIGNIFICANT ACCOUNTING POLICIES :

a) Basis of preparation of financial statements:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

c) Fixed Assets:

Tangible Assets:

Tangible assets are stated at cost less depreciation. Costs comprise of purchase price and any attributable cost.

Intangible Assets:

Software product is stated at initially incurred cost less accumulated amortization.

d) Depreciation/ Amortisation on Fixed Assets:

Depreciation is provided for on the straight-line method at the rates and in the manner prescribed in the Schedule XIV of the Companies Act, 1956 except on computer software and computer hardware which

Schedules forming part of the Balance Sheet and the Profit and Loss Account (Contd.)

are depreciated/ amortised over a period of four years and three years respectively, based on technical evaluation of their useful economic life.

e) Revenue recognition:

Sale of products and services are recognized when the products are dispatched or services are rendered and all significant risks and rewards of ownership are transferred to the customers.

Other income is recognized when no significant uncertainty as to determination or realization exists.

f) Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary items at the end of the year, is recognised as income or expense, as the case may be.

g) Employee Benefits:

Provision is made for gratuity and leave encashment on the basis of actuarial valuation done at the year end (Refer note -2 below)

h) Income taxes:

Tax expense comprises of current tax, deferred tax and fringe benefits tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer virtually certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Fringe benefits tax is recognized in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by The Institute of Chartered Accountants of India.

i) Contingent Liabilities:

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2. The disclosure as required under Accounting Standard 15 (AS15) Revised on Employees Benefits are as follows :

Amount to be recognized in Balance sheet

	March 31, 2010	March 31, 2009
Present Value of Unfunded Obligations	**805,255**	467,775
Unrecognized past service cost	**-**	-
Net Liability	**805,255**	467,775
Amounts in the Balance Sheet		
Liabilities	**805,255**	467,775
Assets	**-**	-
Net Liability	**805,255**	467,775

	31st March 2010	31st March, 2009
Expense to be recognized in Statement of Profit and Loss Account		
Current Service Cost	**141,632**	208,695
Interest on Defined Benefit Obligation	**38,177**	72,883
Net Actuarial Losses / (Gains)		
Recognised in year	**157,631**	(429,578)
Total, included in “Employee Benefit Expense”	**337,480**	(148,000)
Reconciliation of Benefit Obligations & Plan Assets for the year		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**467,775**	802,366
Current Service Cost	**141,632**	208,695
Interest Cost	**38,177**	72,883
Actuarial Losses / (Gain)	**157,671**	(429,578)
Benefits paid	**-**	(186,591)
Closing Defined Benefit Obligation	**805,255**	467,775
Change in the Fair Value of Assets		
Contributions by Employer	**-**	186,591
Benefits paid	**-**	(186,591)
Closing Fair Value of Plan Assets	**-**	-

3. The operations of the Company have resulted in profits for the past six consecutive years. During the year the Company has earned a net profit of Rs. 10,499,721 and the accumulated losses have reduced to Rs. 34,933,597 as against the Share Capital of Rs. 124,500,000 as at the year-end.

The Company expects further increase in business from its group companies in the coming years. and will continue their service to all the existing customers

The aforesaid efforts are expected to result in increase in revenues and in turn profitability of the Company. Accordingly, the accounts of the Company are prepared in a going concern which is dependent upon development of and growth in business as envisaged.

4. No provision for current income tax under the provisions of the Income-tax Act, 1961 is made since in the Opinion of the company there will be no taxable income in view of the carry forward losses available under the provisions of the said Act.

In accordance with the Accounting Standard 22 on “Accounting For Taxes on Income”, (AS 22), Deferred tax assets and liabilities should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position and the requirement of the accounting standard regarding certainty/ virtual certainty, the same is not provided for as an asset (net). However, the same will be reassessed at a subsequent balance sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid accounting standard.

5. Remuneration of Auditors

In Rupees

	Current Year	Previous Year
(i) Audit Fees	**2,70,000**	1,20,000
(ii) In any other manner Certification etc.	**-**	-
(iii) Out of pocket expenses	**-**	-
(iv) Service tax	**27,810**	12,360
	297,810	132,360

6. Expenditure in Foreign Currency

Traveling expense	**-**	180,692

7. Earnings per share is calculated as follows:

	Apr 09-Mar ’10	2008-09
a. Net profit for the period (In rupees)	10,499,721	17,766,456
b. Weighted average number of Equity shares Basic and Diluted	12,450,000	12,450,000
c. Nominal Value of shares	Rs.10	Rs.10

8. Segment Reporting:

The principal business of the company is of development of software and facility management. All other activities of the company revolve around its main business. Hence, there are no separate reportable segments as defined by Accounting Standard 17 – “Segment Reporting”.

9. Information regarding the total outstanding dues of Micro enterprises and Small enterprises in Schedule V is given to the extent the same is available with the company.

10. Related Party Disclosures:

As required under Accounting Standard 18 – “Related Party Disclosures” (AS – 18), following are details of transactions during the period with the related parties of the Company as defined in AS- 18.

Schedules forming part of the Balance Sheet and the Profit and Loss Account (Contd.)

(a) List of Related Parties and Relationships

Name of Related Party	Relation
Mahindra & Mahindra Limited	Ultimate Holding Company (Holding Company Upto 10th April, 2009)
Tech Mahindra Limited	Holding Company From 11th April, 2009
Mahindra Holidays & Resorts India Limited	Fellow Subsidiary Company
Bristilecone India Ltd	Fellow Subsidiary Company
Mahindra World City Developers Ltd	Fellow Subsidiary Company
Mahindra Consulting Engineers Ltd	Fellow Subsidiary Company
Mahindra Logistic Ltd	Fellow Subsidiary Company
Mahindra First Choice Services Ltd	Fellow Subsidiary Company

(b) Related Party Transactions: In Rupees

Transactions	Ultimate Holding Company	Fellow Subsidiary Company
Income from Services	3,737,640 (6,458,974)	20,288,452 (20,980,094)
Other Receipts – Travel reimbursements	- (-)	- (61,018)
Inter Corporate Deposit – Placed and received back	- (-)	- (10,000,000)
Interest received on Inter Corporate Deposit	- (-)	- (1,313,017)
Miscellaneous Expenses (Reimbursements of Travel)	- (-)	- (161,427)
Reimbursement of expenses (Net Payable)	182,437 (664,752)	- (-)
Deputation of Personnel	- (1,658,178)	- (-)
Charges for salary Process	96,000 (135,100)	- (-)
Professional Fees	271,424 (-)	- (-)
Rent Paid	67,620 (270,480)	- (-)
Salary Recovery	471,348 (-)	- (-)
Deputation charges	314,232 (-)	- (-)
Closing Balances		
Receivables	696,134 (728,360)	1,563,784 (57,750)
Payables	- (-)	- (32,185)

Note: Figures of the previous year as on 31/03/2009 are indicated in brackets.

(c) Out of the above items transactions in excess of 10% of the total related party transactions are as under:

In Rupees

Transactions	For the year ended 31st March 2010	For the year ended 31st March 2009
Income from Services and sale of product/licenses		
- Mahindra Holidays & Resorts India Limited	19,983,252	19,514,666
- Mahindra & Mahindra Limited	3,737,140	6,458,974
- Bristlecone India Limited	-	693,000
Reimbursement of expenses (net payable)		
- Mahindra & Mahindra Limited	182,437	-
- Bristlecone India Ltd	-	61,018
Deputation of Personnel		
- Mahindra & Mahindra Ltd	-	1,351,936
Rent Paid		
- Mahindra & Mahindra Ltd	67,620	270,480
Professional Fees		
- Mahindra & Mahindra Ltd	271,424	-
Charges for salary Process		
- Mahindra & Mahindra Ltd	96,000	1,35,000
Inter Corporate Deposit Placed and received back		
- Bristlecone India Ltd	(-)	10,000,000
Interest received on Inter Corporate Deposit		
- Bristlecone India Ltd	(-)	1,313,017
Salary Recovery		
- Mahindra & Mahindra Ltd	471,348	-
Deputation Charges		
- Mahindra & Mahindra Ltd	314,232	-

11 Previous year's figures in respect of the balance sheet have been regrouped wherever necessary, to confirm with the current year's figures.

Signatures to Schedules I to X

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

A.B.Jani
Partner
Membership No. 46488

Mumbai, Dated : April 29, 2010

For **Mahindra Logisoft Business Solutions Limited**

Ulhas N. Yargop
Milind Kulkarni
C.P. Gurnani
Vineet Nayyar
Sonjoy Anand
Atanu Sarkar
Directors

Sandeep Nagarkar
Company Secretary

Pune, Dated : April 28, 2010

Balance Sheet Abstract & Company's General Business Profile: As required under Part IV, Schedule VI to the Companies Act, 1956

I. Registration Details

Registration Number: 119360 State Code: 11

Balance sheet date: 31 03 2010 (Date Month Year)

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Preference Shares	NIL
		Private Placements	NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities (including shareholders funds)	128068	Total Assets	128068

Source of Funds

Paid-up Capital	124500	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets(including Capital WIP & advances)	454	Investments	3
Net Current Assets	89109	Misc. Expenditure	NIL
Accumulated Losses	34934		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover/Income (including Other income)	33422	Tota Expenditure	22922
Profit/(Loss) Before Tax	10500	Profit/(Loss) After Tax	10500
Earnings per Share in Rs. (Refer note 8 above)	0.84	Dividend Rate %	NIL

V. Generic names of Three Principal Products/Services of Company (as per monetary terms)

Product Description: INFORMATION TECHNOLOGY SERVICES

Item Code (ITC Code): NA

For **Mahindra Logisoft Business Solutions Limited**

Ulhas N. Yargop
Milind Kulkarni
C.P. Gurnani
Vineet Nayyar
Sonjoy Anand
Atanu Sarkar
Directors

Sandeep Nagarkar
Company Secretary

Pune, Dated : April 28, 2010

TECH MAHINDRA (BAHRAIN) LTD S.P.C.

Board of Directors

Mr. Milind Kulkarni

Mr. Vikrant C. Gandhe

Registered Office

Flat/Shop 1126, Building 722,
Road 1708, Block 317,
Diplomatic Area, Bahrain

Bankers

HSBC Bank

Auditors

Deloitte and Touche

DIRECTORS REPORT

The Directors present their Report and financial statements for the period from November 3, 2009 (Inception) to March 31, 2010.

PRINCIPAL ACTIVITIES

The principal activities are providing information technology services and telecommunication solutions.

REVIEW OF BUSINESS

The results for the year are set out on page 140 of the financial statements.

CHANGE IN DIRECTORS

None.

AUDITOR

A resolution proposing the reappointment of Deloitte & Touche as the auditor of the Company for the year ending March 31, 2011 and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

Milind Kulkarni
Director

Place: Pune
April 27, 2010

Independent Auditors' Report to the Shareholder Tech Mahindra (Bahrain) LTD S.P.C.

Manama,
Kingdom of Bahrain.

Report on the Financial Statements

We have audited the accompanying financial statements of Tech Mahindra (Bahrain) LTD S.P.C., ("the Company"), which comprise the statement of financial position as at March 31, 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from November 3, 2009 (inception) to March 31, 2010, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as mentioned in paragraph (1) in the basis of qualification, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

Basis of Qualification

(1) We did not receive an independent confirmation from the Company's only customer having a balance amounting to BD 2,713,726. In the absence of other independent audit evidence we were unable to satisfy ourselves with respect to the completeness, validity and valuation of this receivable balance by other audit procedures.

Qualified Opinion

In our opinion, except for the effect, if any, that might have been determined to be necessary had we been able to satisfy ourselves with respect to the matter mentioned in paragraph (1) above, the financial statements present fairly, in all material respects, the financial position of Tech Mahindra (Bahrain) LTD S.P.C., Bahrain as of March 31, 2010 and of its financial performance and its cash flows for the period from November 3, 2009 (inception) to March 31, 2010 in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, the Company has maintained proper accounting records and the financial statements have been prepared in accordance with those records. We further report that, to the best of our knowledge and belief, the financial information provided in the Board of Directors' report is in agreement with the financial statements and based on the information and explanations provided by the management which were required for the purpose of our audit, we are not aware of any violations of the relevant provisions of Bahrain Commercial Companies Law 2001 and the Company's Memorandum and Articles of Association having occurred during the period from November 3, 2009 (inception) to March 31, 2010 that might have had a material effect on the business of the Company or on its financial position.

Manama – Kingdom of Bahrain
April 27, 2010 Deloitte & Touche

STATEMENT OF FINANCIAL POSITION AS AT March 31, 2010

	Notes	2010 BD	Rs.
ASSETS			
Non current assets:			
Plant and equipment	5	**5,797**	**700,857**
Current assets:			
Accounts receivable and advances	6	**2,847,412**	**344,252,111**
Bank balance		**2,862,678**	**346,097,770**
Total current assets		**5,710,090**	**690,349,881**
Total assets		**5,715,887**	**691,050,738**
EQUITY AND LIABILITIES			
Equity:			
Share capital	7	**50,000**	**6,045,000**
Statutory reserve	8	**25,000**	**3,022,500**
Retained earnings		**367,304**	**44,407,054**
Total equity		**442,304**	**53,474,554**
Current liabilities:			
Accounts payable and accruals	9	**2,267,101**	**272,092,511**
Due to related a party	10	**3,006,482**	**363,483,674**
Total current liabilities		**5,273,583**	**637,576,185**
Total equity and liabilities		**5,715,887**	**691,050,738**

This condensed interim financial information was approved and authorised for issue by the Directors on April 27, 2010 and signed on their behalf by:

Mr. Milind Kulkarni
Director

Mr. Vikrant Gandhe
Director

The attached notes 1 to 12 form part of this financial information.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM NOVEMBER 3, 2009 (INCEPTION) TO MARCH 31, 2010

	Notes	For the Period November 3, 2009 (Inception) to March 31, 2010	
		BD	**Rs.**
Revenue	10 (b)	**8,238,669**	**996,055,028**
Cost of revenue		**(7,072,547)**	**((855,070,932)**
Gross profit		**1,166,122**	**140,984,150**
General and administrative expenses		**(765,894)**	**(92,596,585)**
Finance costs		**(7,924)**	**(985,012)**
Profit for the period	11	**392,304**	**47,429,554**
Total comprehensive income for the period		**392,304**	**47,429,554**

The attached notes 1 to 12 form part of this financial information.

STATEMENT OF CHANGES IN EQUITY
For the period from November 3, 2009 (Inception) to March 31, 2010

	Share Capital	Statutory Reserve	Retained Earnings	Total
	BD	BD	BD	BD
Capital introduced	50,000	-	-	50,000
Profit for the period	-	-	392,304	392,304
Transferred to statutory reserve	-	25,000	(25,000)	-
Balance at March 31, 2010	50,000	25,000	367,304	442,304

	Share Capital	Statutory Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Capital introduced	6,045,000	-	-	6,045,000
Profit for the period	-	-	47,429,554	47,429,554
Transferred to statutory reserve	-	3,022,500	(3,022,500)	-
Balance at March 31, 2010	6,045,000	3,022,500	(44,407,054)	53,474,554

The attached notes 1 to 12 form part of this financial information.

STATEMENTS OF CASH FLOWS
For the period from November 3, 2009 (Inception) to March 31, 2010

	For the period from November 3, 2009 (Inception) to March 31, 2010	
	BD	Rs.
Cash flows from operating activities:		
Profit for the period	392,304	47,429,754
Adjustments for:		
Depreciation	663	80,157
	392,967	47,509,711
Increase in accounts receivable and advances	(2,847,412)	(344,252,112)
Increase in accounts payable and accruals	2,267,101	274,092,511
Increase in due to a related party	3,006,482	363,483,674
Net cash from operating activities	2,819,138	340,833,784
Cash flow from investing activity:		
Purchase of plant and equipment	(6,460)	(781,014)
Net cash used in investing activity	(6,460)	(781,014)
Cash flow from financing activity:		
Capital introduce	50,000	6,045,000
Net cash from financing activity	50,000	6,045,000
Increase in cash and cash equivalents	2,862,678	346,097,770
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	2,862,678	346,097,770
Comprising of:		
Bank balance	2,862,678	46,097,770

The attached notes 1 to 12 form part of this financial information.

NOTES TO FINANCIAL STATEMENTS
For the period from November 3, 2009 (Inception) to March 31, 2010

1. STATUS AND ACTIVITIES:

Tech Mahindra (Bahrain) Ltd. S.P.C. ("the Company") was incorporated on November 3, 2009 as a Single Person Company in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under Commercial Registration number 73221. The Company is engaged in providing information technology services and telecommunication solutions.

The Company is owned by Tech Mahindra Limited – India.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS:

2.1 Standards and Interpretations in issue not yet effective:

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

New Interpretations:		**Effective for annual periods beginning on or after**
IFRIC 17	Distributions of Non-cash Assets to Owners	July 1, 2009
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010
New Standard:		
IFRS 9	Financial Instruments	January 1, 2013
Amendments to Standards and Interpretations:		
IFRS 2	Share-based Payment-Amendments relating to group cash-settled share-based payment transactions	January 1, 2010
IFRS 3	Business Combinations-Comprehensive revision on applying the acquisition method	July 1, 2009
IFRS 8	Operating Segments – Amendments for disclosure of segment assets	January 1, 2010
IAS 24	Related Party Disclosures	January 1, 2011
IAS 27	Consolidated and Separate Financial Statements-Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 28	Investments in Associates-Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 31	Interests in Joint Ventures-Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 32	Financial Instruments: Presentation	February 1, 2010
IAS 39	Financial Instruments: Recognition and Measurement- Amendments for eligible hedged Items	July 1, 2009
Various Standards	Amendments resulting from May 2008 and April 2009 Annual Improvements to IFRSs	Various
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2011

The management anticipates that, where applicable, the above Standards, Interpretations and amendments will be adopted in the Companys financial statements for the future periods and that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable requirements of the Bahrain Commercial Companies Law.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain financial instruments and investment properties which are stated at fair value, and the accrual method of accounting. The financial statements are presented in Bahraini Dinars ("BD") being the functional currency of the Company.

The significant accounting policies adopted are as follows:

3.1 Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Gain or loss on disposal of plant and equipment are included in the results for the period.

The cost of plant and equipment is depreciated on a straight line basis over the estimated useful life of the assets.

The estimated useful lives of the property and equipment for the calculation of depreciation are as follows:

Computer Equipment	1 year
Furniture	3 years

3.2 Financial Assets and Liabilities

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

3.3 Financial Assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity investments", "available-for-sale" (AFS) financial assets and "receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At present, the financial assets of the Company consisted of receivables and a bank balance.

Receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate , a shorter period.

3.4 Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

FOR THE PERIOD FROM NOVEMBER 3, 2009 (INCEPTION) TO MARCH 31, 2010 (Contd.)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3.5 **Derecognition of Financial Assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.6 **Financial Liabilities**

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.7 **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

3.8 **Foreign Currencies**

Foreign currency transactions are recorded in Bahraini Dinars using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the year end rates of exchange. Exchange differences are reported as part of the results for the year.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

In the application of the entity's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 **Critical judgements in applying the entity's accounting policies**

In the process of applying the entitys accounting policies, which are described in Note 3, and due to the nature of operation, the management did not have to make judgements that may have significant effect on the amounts recognised in the financial statements.

4.2 **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 **Impairment of tangible assets and useful lives**

The Company's management tests annually whether tangible and intangible assets have suffered impairment in accordance with accounting policies stated in Note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

The Company's management determines the useful lives of property and equipment and the related depreciation charge. The depreciation and amortisation charge for the year will change significantly if the actual life is different from the estimated useful life of the asset.

The review carried out by management with current period, did not indicate any necessarily for change in the useful lives of tangible assets.

4.2.2 **Impairment of financial assets**

The Company's management reviews periodically items classified as trade receivables to assess whether a provision for impairment should be recorded in the profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

5. **PLANT AND EQUIPMENT:**

	Furniture	Computer Equipment	Total
	BD	BD	BD
Cost:			
Additions	5,882	578	6,460
Balance at March 31, 2010	5,882	578	6,460
Accumulated depreciation:			
Depreciation expenses	567	96	663
Balance at March 31, 2010	567	96	663
Carrying amount:			
At March 31, 2010	5,315	482	5,797

	Furniture	Computer Equipment	Total
	Rs.	Rs.	Rs.
Cost:			
Additions	711,134	69,880	781,014
Balance at March 31, 2010	711,134	69,880	781,014
Accumulated depreciation:			
Depreciation expenses	68,550	11,606	80,157
Balance at March 31, 2010	68,550	11,606	80,157
Carrying amount:			
At March 31, 2010	642,584	58,274	700,857

6. **ACCOUNTS RECEIVABLE AND ADVANCES:**

	2010	
	BD	**Rs.**
Trade accounts receivable	**2,713,726**	**328,089,474**
Advances	**133,686**	**16,162,637**
	2,847,412	**344,252,111**

At March 31, 2010 one customer accounted for 100% of gross trade accounts receivable.

There are no past due or impaired receivables as at the reporting date.

The average credit period on sale of good is 45 days. No interest is charged on the overdue customers' balances. No collateral is held against trade accounts receivable.

FOR THE PERIOD FROM NOVEMBER 3, 2009 (INCEPTION) TO MARCH 31, 2010 (Contd.)

7. SHARE CAPITAL:

The share capital of the Company consists of 500 shares of BD 100 each and has been contributed as follows:

	Number of Shares	2010 Amount BD	2010 Amount Rs.
Tech Mahindra Limited - India	**500**	**50,000**	**6,045,000**

8. STATUTORY RESERVE:

As required by the Bahrain Commercial Companies Law and the Company's Articles of Association, 10% of the profit for each period is required to be transferred to a statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued share capital. The reserve is not available for distribution, except in the circumstances stipulated in the Bahrain Commercial Companies Law.

9. ACCOUNTS PAYABLE AND ACCRUALS:

	2010 BD	2010 Rs.
Accounts payable	**1,621,446**	**196,032,821**
Accrued expenses	**645,655**	**78,059,690**
	2,267,101	**274,092,511**

10. RELATED PARTY TRANSACTIONS:

Transactions with the Company's Shareholder, Directors, key management or their close family members or with entities in which they have substantial or controlling interest are classified as transactions with related parties. These transactions are undertaken at rates determined by the management.

(a) The balances due to a related party consist of:

	2010 BD	2010 Rs.
Tech Mahindra Limited, India	**3,006,482**	**363,483,674**

This amount is interest free and has no specific repayment terms. Management considers this amount to be a current liability.

(b) The related party transactions during the period were as follows:

	For the period from November 3, 2009 (Inception) to March 31, 2010 BD	Rs.
Revenue (cost plus 5% mark up) (i)	8,238,669	996,055,082
Offshore staff cost	193,047	23,339,382

(i) The Company has an agreement with Tech Mahindra Limited, India whereby the Company charges back Tech Mahindra Limited, India a 5% mark up on the direct and indirect costs incurred.

11. PROFIT FOR THE PERIOD:

Profit for the period has been arrived at after charging:

	For the period from November 3, 2009 (Inception) to March 31, 2010 BD	Rs.
Employment costs and benefits	692,094	83,674,165
Service fees	726,675	87,855,008
Depreciation expense	663	80,157

12. FINANCIAL INSTRUMENTS:

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Company include bank balance and accounts receivable.

Financial liabilities of the Company include payables, accrued liabilities and due to a related party.

(a) *Significant accounting policies*

Significant accounting policies and methods adopted, including the criteria for recognition, basis of measurement, and the basis on which income and expenses are recognised in respect of each class of financial assets and liabilities are set out in Note 3.

(b) *Capital risk management*

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As at the reporting date the Company is debt free.

(c) *Categories of financial instruments*

	2010 BD
Financial assets	
Receivables (including bank balance)	**5,710,090**
Financial liabilities	
Amortised cost	**5,273,583**

(d) *Financial risk management objectives*

The Company manages the financial risks relating to the operations of the Company through internal reports. These risks include market risk (which comprises foreign currency risk and interest rate risk), credit risk and liquidity risk. The risk associated with financial instruments and the Company's approaches to managing such risks are described below:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in foreign exchange rates.

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters by making payments at appropriate times.

The Company's financial assets and liabilities are denominated in Bahraini Dinars and United States Dollars. As the Bahraini Dinar is effectively pegged to the United States Dollar, balances in the United States Dollar are not considered to represent a significant currency risk.

FOR THE PERIOD FROM NOVEMBER 3, 2009 (INCEPTION) TO MARCH 31, 2010 (Contd.)

The carrying amounts of the Companys foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2010	
	Assets	**Liabilities**
	BD	**BD**
United States Dollars	**2,713,726**	**104,605**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as it does not have interest bearing financial instruments as at the reporting date.

(e) Credit risk

Credit risk refers to the risk that a counterparties will default on its contractual obligations resulting in financial loss to the Company.

Credit exposure is disclosed in Note 6 and is controlled by ensuring that the payments are received in compliance with the contractual terms with the customers. The Company seeks to limit its credit risk with respect to accounts receivable by defining credit limits that are monitored regularly and establishing a settlement period for these individual counter parties.

The management considers the maximum exposure to credit risk is BD 5,710,090, at the reporting date.

The credit risk on liquid funds is limited because the counterparties are banks registered with the Central Bank of Bahrain.

(f) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting commitments associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Directors of the Company. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest, if applicable and principal cash flows.

	Less than 1 month	**1-3 months**	**3 months to 1 year**	**Total**
	BD	**BD**	**BD**	**BD**
2010				
Non-interest bearing	**77,653**	**3,205,282**	**1,990,648**	**5,273,583**

The following tables detail the Company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Less than 1 month	**1-3 months**	**3 months to 1 year**	**Total**
	BD	**BD**	**BD**	**BD**
2010				
Non-interest bearing	**2,862,678**	**2,847,412**	**-**	**5,710,090**

(g) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

There are no financial assets or financial liabilities carried at fair value as at the reporting date.

TECH MAHINDRA (NIGERIA) LIMITED

Board of Directors

Mr. Atanu Sarkar

Mr. Milind Kulkarni

Mrs. Oreagba Chief

Registered Office

2nd Floor, Consortium House,
Plot 1682, Sanusi Fafunwa Street,
PO Box 71897, Victoria Iland,
Lagos, Nigeria

DIRECTORS’ REPORT TO THE SHAREHOLDERS

Your Directors present their Report of your Company for the period ended March 31, 2010.

Review of Operations:

The Company was registered on 18th August 2009 and became subsidiary of Tech Mahindra Limited with effect from the same date. The Company is yet to start its operations.

Outlook for the current year:

The Company believes that there is good potential for growth in Nigeria.

Acknowledgements:

Your Directors gratefully acknowledge the co-operation and assistance received from the State and other Government Authorities and the support from shareholder.

Milind Kulkarni
Director

Place: Pune
Dated: April 27, 2010

TECH MAHINDRA FOUNDATION

Board of Directors

Mr. Keshub Mahindra - Chairman

Mr. Anand G. Mahindra

Mr. Vineet Nayyar

Registered Office

Oberoi Gardens Estate, Chandivali
Off Saki Vihar Road
Andheri (E)
Mumbai 400 072, India

Bankers

IDBI Bank

Auditors

B. K. Khare & Co.
Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Fifth Annual Report of your Company for the year ended 31st March 2010.

FINANCIAL RESULTS

(Rupees)

For the year ended March 31	2010	2009
Donations received	**67,454,153**	84,500,000
Interest received on investments	**34,393,671**	30,404,901
Expenditure on the object of the Company	**72,187,152**	56,787,873
Corpus fund	**389,262,155**	361,104,533

Review of Activities

Your Company was promoted by Tech Mahindra Limited with an initial corpus of Rs. 150 Million to discharge its Corporate Social Responsibilities. Your Company focuses on activities for Social and Inclusive Development mainly in the area of education, particularly education of girl child. Your Company has a corpus of Rs. 389 Million and has spent Rs. 72 Million on its objectives during the year.

Your Company seeks to make a contribution towards provision of quality education and vocational skills to the economically disadvantaged, physically challenged and other vulnerable sections of the society. Women empowerment and the educational needs of the girl child are special areas of concern to the Company. Recognizing that the great majority of children from under-privileged background study in municipal schools, your Company seeks to work towards improvement of these schools. Aware that youth who have studied in vernacular schools are often handicapped in their efforts to move ahead by lack of English language skills, your Company is endeavoring to help them meet this challenge.

During the year under review, your Company has selected several new not-for-profit organizations spread over Pune, Mumbai, Noida, Delhi and Bangalore. Your Company now works with 50 NGO's enabling it to reach out to many more children, with special attention to the educational needs of such vulnerable sections as girls from economically disadvantaged minority families.

Your Company has made a special effort to link up with organizations making innovative use of technology to reach out to the needs of the physically, particularly visually challenged. Your Company has also partnered with many vocational training institutes to give loans and scholarships which would help economically challenged but deserving students to pursue their education.

Your Company continued to honour outstanding teachers and principals working in the Municipal schools of Delhi. These were selected through a rigorous and independent process. Mr. Vineet Nayyar, Director distributed the awards to 30 teachers on 7th April 2010 at a ceremony attended by the Municipal Commissioner of Delhi.

There is an increasing amount of interest shown by employees of your Promoter Company i.e. Tech Mahindra Limited to volunteer and utilise their free time to help partner NGOs of your Company.

The ESRO (Employee Social Responsibility Options) initiative which was launched last year by Tech Mahindra Limited in collaboration with your Company has had employees presenting proposals for supporting NGO's/charitable organizations working in the fields of education, health, environment and child welfare with Tech Mahindra Limited providing financial aid to these organizations.

DIRECTORS

As per Article 16 of the Articles of Association of the Company, all Directors retire at the ensuing annual general meeting and are eligible for re-appointment.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of Energy: The operations of the Company are not energy-intensive and hence, the provisions are not applicable.

b) Research and Development: No amount was spent on Research and development during the year under review.

c) Foreign Exchange earnings and outgo: No amount was earned or expended in foreign exchange during the year under review.

PARTICULARS OF EMPLOYEES AS REQUIRED BY SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND RULES FRAMED THEREUNDER

The Company had no employee who was in receipt of remuneration of not less than Rs. 24,00,000 during the year ended 31st March, 2010 or not less than Rs. 2,00, 000 per month during any part of the said year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed;

ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the surplus of the Company for the year ended on that date;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts have been prepared on a going concern basis.

AUDITORS

The Auditors, M/s. B. K. Khare & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed by the members at the ensuing Annual General Meeting.

PUBLIC DEPOSITS AND LOANS/ADVANCES

The Company has not accepted any deposits from the public or its employees during the year under review. The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the parent company - Tech Mahindra Limited.

ACKNOWLEDGEMENTS

The Board takes this as an opportunity to thank the promoters of the Company for their faith and patronage.

For and on behalf of the Board

Anand Mahindra Director	Vineet Nayyar Director

Place: Mumbai
Date: May 29, 2010

Report of the Auditors

To the Members of Tech Mahindra Foundation

We have audited the attached Balance Sheet of Tech Mahindra Foundation, as at 31st March 2010, and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1) As the Company is licensed under Section 25 of the Companies Act, 1956, the Companies (Auditor's Report) order, 2003 issued by the Central Government of India, in terms of Section 227 (4a) of the Act does not apply to it, as per paragraph 1(2) (iii) of the said order.

2) Further to our Comments referred to in the paragraph 1 above, 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 the law have been kept by the Company so far, as appears from our examination of the books.

   c) The Balance Sheet and Income and Expenditure Account dealt by the report are in agreement with books of account.

   d) In our opinion, the attached Balance Sheet and Income and Expenditure Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   e) On the basis of the written representations received from the Directors as on 31st March, 2010 and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

   In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes, 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:

   i) in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2010 and

   ii) in the case of the Income and Expenditure Account of the surplus for the year ended on that date.

For **B. K. Khare & Co.**
Chartered Accountants

R. D. Onkar
(Partner)
M. No. 45716

Place: Pune
Date : May 29, 2010

Balance Sheet as at March 31, 2010

	Schedule		As at March 31, 2010	As at March 31, 2009
			Rupees	
I. **SOURCES OF FUNDS :**				
SHAREHOLDERS' FUNDS:				
Capital	I		**500,000**	500,000
Corpus Fund	I		**388,782,823**	360,782,823
Surplus / (Deficit) in Income and Exenditure Account			**479,332**	321,710
		TOTAL	**389,762,155**	361,604,533
II. **APPLICATION OF FUNDS :**				
CURRENT ASSETS, LOANS AND ADVANCES:	II			
Loans & Advances			**9,226,649**	8,817,996
Cash and Bank Balances			**380,607,200**	352,806,391
			389,833,850	361,624,387
Less : CURRENT LIABILITIES AND PROVISIONS:				
Liabilities	III		**71,695**	19,854
			71,695	19,854
		TOTAL	**389,762,155**	361,604,533
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	VI			

As per our attached report of even date

For **B. K. Khare & Co.**
Chartered Accountants

For **Tech Mahindra Foundation**

Anand Mahindra
Director

Vineet Nayyar
Director

R.D. Onkar
Partner
M. No. 45716

Place : Pune
Date : May 29, 2010

Place : Mumbai
Date : May 29, 2010

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

Rupees

	Schedule		March 31,2010	March 31,2009
INCOME	IV		**73,847,824**	57,904,901
		TOTAL	**73,847,824**	57,904,901
EXPENDITURE :				
Operating and Other Expenses	V		**1,503,050**	864,088
Donation			**72,187,152**	56,787,873
		TOTAL	**73,690,202**	57,651,961
Balance carried forward from previous year			**321,710**	68,770
Excess of Income over expenditure/(Expenditure over income)			**479,332**	321,710
		TOTAL	**73,847,824**	57,904,901
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	VI			

As per our attached report of even date

For **B. K. Khare & Co.**
Chartered Accountants

For **Tech Mahindra Foundation**

Anand Mahindra
Director

Vineet Nayyar
Director

R.D. Onkar
Partner
M. No. 45716

Place : Pune
Date : May 29, 2010

Place : Mumbai
Date : May 29, 2010

Schedules forming part of the Balance Sheet

Rupees

	As at March 31, 2010	As at March 31, 2009
Schedule I		
CORPUS FUNDS :		
SHARE CAPITAL :		
Authorised :		
50,000 Equity Shares of Rs. 10/- each	**500,000**	500,000
Issued, Subscribed & Paid up :		
50,000 Equity Shares of Rs. 10/- each fully paid-up	**500,000**	500,000
TOTAL	**500,000**	500,000
SPECIFIC DONATIONS :		
As per last Balance Sheet	**360,782,823**	303,782,823
Add : Received during the year	**28,000,000**	57,000,000
TOTAL	**388,782,823**	360,782,823
Schedule II		
CURRENT ASSETS, LOANS AND ADVANCES :		
(a) Cash and Bank Balances :		
Balance with Scheduled banks :		
(i) In Current accounts	**316,795**	555,986
(ii) In Fixed Deposit accounts	**380,290,405**	352,250,405
	380,607,200	352,806,391
(b) Loans and Advances : (unsecured)		
Balances with Government Authorities		
Tax Deducted at Source	**3,885,341**	3,194,339
Other Advances	**5,341,308**	5,623,657
	9,226,649	8,817,996
TOTAL	**389,833,850**	361,624,387

Rupees

	As at March 31, 2010	As at March 31, 2009
Schedule III		
CURRENT LIABILITIES AND PROVISIONS:		
Dues to Small Scale Industrial Undertakings	**-**	-
Others	**71,695**	19,854
TOTAL	**71,695**	19,854

Schedules forming part of the Income and Expenditure Account

Schedule IV		
INCOME :		
Interest on :		
Deposits with banks [Tax Deducted at source: **Rs. 6,91,002/-** (previous year: Rs. 2,17,627/-)]	**34,393,671**	30,404,901
Donations Received	**39,454,153**	27,500,000
TOTAL	**73,847,824**	57,904,901
Schedule V		
OPERATING AND OTHER EXPENSES		
Professional Fees	**175,552**	13,236
Bank Charges	**560**	-
Audit Fees	**55,459**	16,545
Printing & Stationery	**58,660**	66,160
Travelling & Conveyance	**291,612**	66,061
Books & Periodicals	**83,642**	17,005
Staff Welfare Expenses	**32,832**	20,040
Award Functions & Rewards	**661,516**	497,500
Hall Rent	**8,250**	118,188
Telephone Expenses	**8,795**	1,974
Office & Miscellaneous Expenses	**126,172**	47,379
TOTAL	**1,503,050**	864,088

Schedules forming part of the Balance Sheet and Income and Expenditure Account

Schedule VI

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

Significant accounting policies:

(a) Basis for preparation of accounts:

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.

(b) Revenue recognition:

Interest income is recognized on time proportion basis. Donations received with a specific direction from the donors that they shall form part of the income have been accounted for accordingly.

(c) Donations:

Donations received with a specific direction from the donors that they shall form part of the corpus have been accounted for accordingly.

As per our attached report of even date

For **B. K. Khare & Co.**
Chartered Accountants

R.D. Onkar
Partner
M. No. 45716

Place : Pune
Date : May 29, 2010

For **Tech Mahindra Foundation**

Anand Mahindra
Director

Vineet Nayyar
Director

Place : Mumbai
Date : May 29, 2010

Balance Sheet Abstract & Company's General Business Profile :

I. Registration Details

Registration Number: 11-160651 | State Code: 11

Balance Sheet date: 31 03 2010 (Date Month Year)

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placements
NIL	NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities (including shareholders funds)	Total Assets
389762	389762
Paid-up Capital/Share	Reserves & Surplus
500	389262
Secured Loans	Unsecured Loans
NIL	NIL
Net Fixed Assets	Investments
NIL	NIL
Net Current Assets	Deferred Tax Asset
389762	NIL
Accumulated Losses	
NIL	

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Sales and Other Income)	Total Expenditure
73848	73690
Profit/(Loss) Before Tax	Profit /(Loss) After Tax
158	158
Earnings per Share in Rs.	Dividend Rate %
NA	NIL

V. Generic names of Three Principal Products / Services of Company (as per monetary terms)

Item Code (ITC Code): NA

Product Description: NA

For **Tech Mahindra Foundation**

Anand Mahindra	**Vineet Nayyar**
Director	Director

Place : Mumbai
Date : May 29, 2010

CREATE THE NEXT WAVE

Tech Mahindra

IT Services and Telecom Solutions