Annual Report 2010-11

CREATE THE NEXT WAVE

Tech Mahindra

IT Services and Telecom Solutions

Rise.

ACCEPTING NO LIMITS

ALTERNATIVE THINKING

DRIVING POSITIVE CHANGE

Tech Mahindra Limited

Rise.

In January 2011, we launched a new brand positioning spanning all industries, companies, and geographies. The new brand positioning, expressed by the word "Rise", is amplified by a simple group core purpose: "We will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise."

Rise captures a sense of optimism about the future and a determination to shape one's own destiny. It means that our products and services empower our customers to achieve their aspirations. From providing farmers in rural India with equipment and agri-services that help them raise farm productivity to building reliable pickups for businessmen, from creating IT solutions for some of the world's leading companies to pioneering green real estate in India, we enable our customers to achieve a better future.

Building a strong, universally relevant brand is a key driver of business success. Rise is expected to play a major role in our plans to build a strong global presence and market leadership to become a truly global multinational. Rise unifies the varied perceptions of brand Mahindra across our existing companies, from automotive to retail. It also provides a clear guiding principle for all Group companies to follow.

The idea of "Rise" arose from 18 months of in-depth conversations with employees and customers. It is an articulation of values the Group has always held. The idea of Rise rests on three brand pillars: accepting no limits, alternative thinking, and driving positive change. Accepting no limits means taking on big challenges - like building the Scorpio, our ground-breaking indigenous SUV, at a fraction of the cost of developing it abroad. Alternative thinking means fostering innovation and looking for creative solutions - like using solar power to bring electricity to rural India. Driving positive change means positively impacting all the lives we touch, from employees to customers to the communities we operate in - like offering loans to entrepreneurs in rural India.

In addition to guiding our product and service development, Rise has important implications for the internal working of the group. It is currently driving internal business transformation to help all of us to live our core purpose and enablethe group to achieve its goal of becoming a leading global player. We are re-evaluating processes from HR policies to brand and digital architecture to drive positive change in our employees' work experience, our business success, and our relationships with all our stakeholders.

In the coming years, we expect Rise to yield strong business results by creating strong relationships with customers and all stakeholders, providing a clear guide for business decisions across the Group, and catalyzing ambitious and innovative growth.

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, 2011.

Financial Results:

For the Year Ended March 31,	**2011 US $**	**2011 INR**	2010 US $	2010 INR
Income	106,321,364	4,751,501,757	91,425,268	4,085,795,228
Profit/ (Loss) before tax	5,795,915	259,019,442	5,059,024	226,087,784
Profit/ (Loss) after tax	3,613,612	161,492,322	3,082,340	137,749,777

Review of operations:

During the fiscal year, the Company achieved income of US$ 106,321,364 (equivalent to INR 4,751,501,757), an increase of 16% over the sales for the previous year. The Company continues to invest in strengthening its marketing infrastructure in the US which is the largest IT market in the World. 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 healthy level of profits in the last few years. The profit has increased by 17.24% over the last year.

Board:

Mr. Vineet Nayyar, Mr. Ulhas N. Yargop and Mr. Milind Kulkarni are the 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

Chairman

Pune, April 8, 2011

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, as of March 31, 2011 and 2010, and the related statements of income and retained earnings, and cash flows for the periods then ended. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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) Lnc. as of March 31, 2011 and 2010, and the results of its operations and its cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America

As discussed in Notes 5 & 6 to the financial statements. Tech Mahindra (Americas) Inc. has had numerous significant transactions with affiliated companies.

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 on page 11 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the audition 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, 2011

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) Lnc., a wholly owned subsidiary of Tech Mahindra Limited, an India corporation, as of March 31, 2011 and 2010, 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 13-23 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 on opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 44. 69 to 1.00 USD for both 2011 and 2010.

Catrakilis & Company CPA's, P. C.

Atlanta, Georgia

April 8, 2011

SUPPLEMENTAL BALANCE SHEETS

	March 31,			
	2011		2010	
	USD	**INR**	USD	INR
ASSETS:				
Current assets:				
Cash (including $0 (0 INR), and $2,200,496 (98,340,166 INR) in interest bearing accounts as of March 31, 2011 and 2010, respectively)	**1,692,001**	**75,615,525**	2,673,000	119,456,370
Accounts receivable - trade (Note 7)	**3,417,455**	**152,726,064**	1,601,646	71,577,560
Due from parent company (Note 5)	**13,983,336**	**624,915,286**	10,007,682	447,243,309
Due from affiliated companies	**309,455**	**13,829,544**	109,208	4,880,506
Deferred tax assets (Note 4)	**1,504,762**	**67,247,814**	893,800	39,943,922
Employee advances	**1,488,153**	**66,505,558**	1,323,185	59,133,138
Prepaid expenses and other current assets	**357,052**	**15,956,654**	352,769	15,765,247
Total current assets	**22,752,214**	**1,016,796,445**	16,961,290	758,000,052
Property and equipment, net (Note 3)	**45,853**	**2,049,171**	14,497	647,871
Security deposits	**97,964**	**4,378,011**	44,523	1,989,733
Other assets	**4,771**	**213,216**	4,719	210,892
Total other assets	**102,735**	**4,591,227**	49,242	2,200,625
Total Assets	**22,900,802**	**1,023,436,843**	17,025,029	760,848,548
LIABILITIES AND STOCKHOLDER'S EQUITY				
Liabilities:				
Current liabilities:				
Accrued expenses	**5,644,123**	**252,235,857**	5,966,385	266,637,747
Accounts payable	**10,887**	**486,540**	-	-
Customer advances	**10,227**	**457,046**	41,717	1,864,333
Income taxes payable	**591,202**	**26,420,817**	127,615	5,703,114
Due to parent company (Note 4)	**2,182,495**	**97,535,702**	1,279,416	57,177,101
Due to affiliated company (Note 6)	**1,841,689**	**82,305,081**	603,329	26,962,774
Total current liabilities	**10,280,623**	**459,441,043**	8,018,462	358,345,069
Stockholder's Equity				
Common stock - $1 par value - 500,000 shares authorized 375,000 shares issued and outstanding	**375,000**	**16,758,750**	375,000	16,758,750
Retained earnings	**12,245,179**	**547,237,050**	8,631,567	385,744,729
Total stockholder's equity	**12,620,179**	**563,995,800**	9,006,567	402,503,479
Total Liabilities and Stockholder's Equity	**22,900,802**	**1,023,436,843**	17,025,029	760,848,548

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

SUPPLEMENTAL STATEMENTS OF INCOME AND RETAINED EARNINGS
For the Periods Ended March 31, 2011 and 2010

	Schedule	Years ended March 31			
		2011		2010	
		USD	**INR**	USD	INR
REVENUES (Note 4)	I	**106,305,666**	**4,750,800,214**	91,332,302	4,081,640,576
OPERATING EXPENSES					
Personnel		**76,635,663**	**3,424,847,779**	70,889,209	3,168,038,750
General and administrative	II	**23,756,580**	**1,061,681,560**	15,469,778	691,344,379
Depreciation		**133,206**	**5,952,976**	7,257	324,315
Total operating expenses		**100,525,449**	**4,492,482,315**	86,366,244	3,859,707,444
Operating income		**5,780,217**	**258,317,899**	4,966,058	221,933,132
OTHER INCOME (EXPENSE)					
Other income (expense)		**1,066**	**47,639**	78,626	3,513,796
Interest income		**14,632**	**653,904**	907	40,535
Gain on foreign currency conversion		**-**	**-**	13,433	600,321
Total other income		**15,698**	**701,543**	92,966	4,154,652
Income before income tax expense		**5,795,915**	**259,019,442**	5,059,024	226,087,784
INCOME TAX EXPENSE (Note 4)		**2,182,303**	**97,527,120**	1,976,684	88,338,007
NET INCOME		**3,613,612**	**161,492,322**	3,082,340	137,749,777
Retained earnings, beginning of period		**8,631,567**	**385,744,729**	5,549,227	247,994,955
Retained earnings, end of period		**12,245,179**	**547,237,051**	8,631,567	385,744,732

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

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

	Years ended March 31,			
	2011		2010	
	USD	**INR**	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	**3,613,612**	**161,492,320**	3,082,340	137,749,775
Adjustments to reconcile net income to				
cash provided by operating activities:				
Depreciation	**133,206**	**5,952,976**	7,257	324,315
Deferred income tax expense	**(610,962)**	**(27,303,892)**	(95,080)	(4,249,125)
Changes in operating assets and liabilities:				
Accounts receivable - trade	**(1,815,809)**	**(81,148,504)**	(1,521,616)	(68,001,019)
Due from parent company	**(3,975,654)**	**(177,671,977)**	(1,463,579)	(65,407,346)
Due from affiliated companies	**(200,247)**	**(8,949,038)**	-	-
Employee advances	**(164,968)**	**(7,372,420)**	(445,788)	(19,922,266)
Prepaid expenses and other current assets	**(4,283)**	**(191,407)**	(315,082)	(14,081,015)
Security deposit	**(53,441)**	**(2,388,278)**	69,863	3,122,177
Other assets	**(52)**	**(2,324)**	(4,719)	(210,892)
Accrued expenses	**(322,262)**	**(14,401,889)**	1,598,851	71,452,650
Accounts payable	**10,887**	**486,540**	-	-
Customer advances	**(31,490)**	**(1,407,287)**	(110,554)	(4,940,654)
Income tax payable	**463,587**	**20,717,703**	(343,542)	(15,352,892)
Due to parent company	**903,079**	**40,358,601**	-	-
Due to affiliated company	**1,238,360**	**55,342,308**	445,735	19,919,897
Net Cash Provided by (Used in) Operating Activities	**(816,437)**	**(36,486,568)**	904,086	40,403,605
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property and equipment purchased	**(164,562)**	**(7,354,277)**	(7,572)	(338,394)
Net increase (decrease) in cash	**(980,999)**	**(43,840,845)**	896,514	40,065,211
Cash , beginning of period	**2,673,000**	**119,456,370**	1,776,486	79,391,159
Cash, end of period	**1,692,001**	**75,615,525**	2,673,000	119,456,370
Supplemental disclosure:				
Cash paid for income taxes	**2,329,766**	**104,117,243**	1,944,149	86,884,019

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

Supplemental Schedules of Revenue and Expenses

	Years ended March 31,			
	2011		2010	
	USD	**INR**	USD	INR
Schedule I				
REVENUES				
Contract revenue	**8,533,484**	**381,361,400**	5,854,606	261,642,342
Transfers to parent and affiliated companies	**(8,533,484)**	**(381,361,400)**	(5,854,606)	(261,642,342)
Revenue from parent and affiliated companies	**106,305,666**	**4,750,800,214**	91,332,302	4,081,640,576
	106,305,666	**4,750,800,214**	91,332,302	4,081,640,576
Schedule II				
PERSONNEL EXPENSES				
Salaries				
Software engineers	**58,661,172**	**2,621,567,777**	52,652,323	2,353,032,315
Administrative	**943,916**	**42,183,606**	988,183	44,161,898
Sales and marketing	**5,859,950**	**261,881,166**	6,414,414	286,660,162
Payroll taxes	**5,465,516**	**244,253,910**	4,802,662	214,630,965
Employee benefits	**5,705,109**	**254,961,321**	6,031,627	269,553,411
	76,635,663	**3,424,847,780**	70,889,209	3,168,038,751
Schedule III				
GENERAL AND ADMINISTRATIVE				
Contracted services	**18,388,521**	**821,783,003**	10,730,724	479,556,055
Insurance	**194,035**	**8,671,424**	191,849	8,573,732
Travel	**2,618,526**	**117,021,927**	2,761,622	123,416,887
Entertainment	**53,782**	**2,403,518**	43,143	1,928,061
Professional fees	**276,518**	**12,357,589**	223,778	10,000,639
Rent	**364,891**	**16,306,979**	305,315	13,644,527
Communications	**703,149**	**31,423,729**	864,381	38,629,187
Office expenses	**120,876**	**5,401,948**	119,020	5,319,004
Sales and other indirect taxes	**138,395**	**6,184,873**	78,101	3,490,334
Advertising and publicity	**445,398**	**19,904,837**	11,199	500,483
Project specific expenses	**288,783**	**12,905,712**	5,505	246,018
Miscellaneous expenses	**163,706**	**7,316,021**	135,141	6,039,452
	23,756,580	**1,061,681,560**	15,469,778	691,344,379

See Auditors' Report on Supplemental Information

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS MARCH 31, 2011 AND 2010

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, 2011 management was of the opinion that a provision for doubtful accounts was not necessary (March 31, 2010: $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 (22,345 INR) with lesser amounts expensed in the year purchased.

D. REVENUE AND EXPENSES

Effectively April 1, 2007,TMA has 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. FOREIGN CURRENCY TRANSLATIONS

USD amounts in the supplemental schedules on pages 13 to 19 have been translated for convenience into Indian Rupees at the exchange rate of Rs 44.69 = USD 1.00 which was the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on March 31, 2011.

NOTES TO SUPPLEMENTAL FINANCIAL STATEMENTS
MARCH 31, 2011 AND 2010

3. **PROPERTY AND EQUIPMENT**

At March 31, 2011 and 2010, property and equipment are summarized as follows:

	March 31, 2011		March 31, 2010	
	USD	**INR**	USD	INR
Furniture and equipment - cost	**238,320**	**10,650,521**	145,889	6,519,779
Less: accumulated depreciation	**(192,467)**	**(8,601,350)**	(131,392)	(5,871,908)
Property and equipment, net	**45,853**	**2,049,171**	14,497	647,871

Depreciation expense for the three months ended March 31, 2011 and 2010 was $34,139 (1,525,672 INR) and $1,853 (82,811 INR), respectively and for the twelve months ended March 31, 2011 and 2010 was $133,206 (5,952,976 INR) and $7,257 (324,315 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, 2011		Years Ended March 31, 2010	
	USD	**INR**	USD	INR
Current income tax expense consists of the following:				
Federal	2,343,101	104,713,183	1,766,737	78,955,477
State	450,164	20,117,828	305,027	13,631,657
	2,793,265	124,831,011	2,071,764	92,587,134
	513,239	22,936,650	551,515	24,647,205
Deferred income tax expense (benefit) consists of the following:				
Federal	(527,276)	(23,563,964)	(136,618)	(6,105,459)
State	(83,686)	(3,739,927)	41,538	1,856,332
	(610,962)	(27,303,891)	(95,080)	(4,249,127)
Total current and deferred income tax expenses	2,182,303	97,527,120	1,976,684	88,338,007
Deferred tax asset consists of the following:				
Federal	1,245,695	55,670,110	718,420	32,106,190
State	259,067	11,577,704	175,380	7,837,732
	1,504,762	67,247,814	893,800	39,943,922

As of March 31, 2011 and 2010, TMA had utilized all available federal net operating losses available to be carried forward from prior years. As of March 31, 2011, the Company had approximately $213,747 (9,552,353 INR) (March 31, 2010: $629,091 (28,114,077 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

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

	Year ended March 31, 2011		Year ended March 31, 2010	
	USD	**INR**	USD	INR
Beginning balance, due from parent company	**(8,728,266)**	**(390,066,208)**	(7,264,687)	(324,658,862)
Contract revenue - parent company	**197,818**	**8,840,486**	1,641,831	73,373,427
Income from parent company	**(103,914,572)**	**(4,643,942,223)**	(90,532,959)	(4,045,917,938)
Payments to parent company	**(2,011,109)**	**(89,876,460)**	(2,366,053)	(105,738,908)
Collections from parent company	**97,650,734**	**4,364,011,303**	85,634,554	3,827,008,218
Advances received from parent company	**5,004,554**	**223,653,518**	4,159,048	185,867,855
Ending balance due from parent company	**(11,800,841)**	**(527,379,584)**	(8,728,266)	(390,066,208)

Due (to) from parent consists of:

	March 31, 2011		March 31, 2010	
	USD	**INR**	USD	INR
Amounts due to parent company	**(2,182,495)**	**(97,535,702)**	(1,279,416)	(57,177,101)
Amounts due from parent company	**13,983,336**	**624,915,286**	10,007,682	447,243,309
	11,800,841	**527,379,584**	8,728,266	390,066,208

6. **TRANSACTIONS WITH AFFILIATED COMPANIES**

TMA has entered into revenue sharing contracts with CAI, an affiliated company. For details relating to the contracts refer to Note 2D above. In the quarter ended March 31, 2011, TMA began exchanging resouces at cost with Mahindra Satyam (MSAT), an affiliated company.

	Year ended March 31, 2011		Year ended March 31, 2010	
	USD	**INR**	USD	INR
Beginning balance, due to affiliated companies	**494,121**	**22,082,267**	48,386	2,162,370
Contract revenue - affiliated companies	**8,335,666**	**372,520,914**	4,212,775	188,268,915
Income from affiliated companies	**(2,391,092)**	**(106,857,901)**	(799,343)	(35,722,639)
Payments to affiliated companies	**(7,262,043)**	**(324,540,702)**	(3,682,773)	(164,583,125)
Collections from affiliated companies	**2,314,083**	**103,416,369**	739,339	33,041,060
Advances paid to affiliated companies	**(64,937)**	**(2,902,035)**	(24,263)	(1,084,313)
Advances paid by affiliated companies	**42,400**	**1,894,856**	-	-
Company resources used by the affiliated companies	**(58,301)**	**(2,605,472)**	-	-
Affiliated companies resources used by the company	**122,337**	**5,467,241**	-	-
Ending balance due to affiliated companies	**1,532,234**	**68,475,537**	494,121	22,082,268

Due (to) from affiliated companies consist of:

	March 31, 2011		March 31, 2010	
	USD	**INR**	USD	INR
Amounts due to affiliated companies	**(1,841,689)**	**(82,305,081)**	(603,329)	(26,962,774)
Amounts due from affiliated companies	**309,455**	**13,829,544**	109,208	4,880,506
	(1,532,234)	**(68,475,537)**	(494,121)	(22,082,268)

7. **CONCENTRATION OF RISK**

Revenue from the parent and affiliated companies for the three months ended March 31, 2011 and 2010 was $28,135,245 (1,257,364,099 INR) and $24,853,028 (1,110,681,821 INR), respectively. Revenue from the parent and affiliated companies for the years ended March 31, 2011 and 2010 was $106,305,666 (4,750,800,214 INR) and $91,332,302 (4,081,640,576 INR), repectively, representing 100% of the total operating revenues for both years.

In addition, two customers comprises a significant portion of the company's accounts receivable for the years ended March 31, 2011 (one customer for 2010). 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:

	March 31, 2011		
	USD	**INR**	**Concentration**
Firebrand Wireless, LLC	**122,928**	**5,493,652**	**4%**
Huawei Technologies (USA)	**1,271,975**	**56,844,563**	**37%**
Dell	**584,253**	**26,110,267**	**17%**

	March 31, 2010		
	USD	INR	Concentration
Firebrand Wireless, LLC	379,226	16,947,610	24%

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 $364,891 (16,306,979 INR) and $305,315 (13,644,527 INR) for the years ended March 31, 2011 and 2010, and $104,314 (4,661,793 INR) and $78,477 (3,507,137 INR) for the three months ended March 31, 2011 and 2010, respectively. Future minimum lease payments under operating leases are as follows:

Years ending March 31,

	USD	**INR**
2012	384,911	17,201,673
2013	390,045	17,431,111
2014	289,016	12,916,125
2015	56,736	2,535,532
	1,120,708	50,084,441

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

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, 201 1.

Financial Results

For the Year Ended March 31	2011 EUR	2011 INR	2010 EUR	2010 INR
Income	14,337,845	905,865,022	14,049,518	887,648,570
Prof t/ (Loss) before tax	724,458	45,771,285	756,259	47,780,456
Prof t/ (Loss) after tax	724,458	45,771,285	756,299	47,782,989

The income for the year has increased by Euros 288,327 (equivalent to INR 18,216,452) an increase of 2% as against previous year. The profits decreased by Euros 31,841 (equivalent to INR 2,011,704), a decrease of 4.21% over the previous year.

Share Capital

The Company’s share capital is Euro 575,000 (INR 36,328,500). 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. Vivek Agarwal and Mr. Sonjoy Anand are the Managing Directors 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

Pune, April 14, 2011

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 2010 to 31 March 2011. 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/Germany, 19 April 2011

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

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

BALANCE SHEET AS AT 31 MARCH 2011

Assets			31 Mar. 2011 EUR	31 Mar. 2011 INR	Prior year EUR	Prior year INR
A.		**Fixed assets**				
	I.	**Intangible assets**				
		Software	**1.00**	**63.18**	1.00	63.18
	II.	**Tangible assets**				
		Other equipment, factory and off ce equipment	**1,828.75**	**115,540.43**	3,555.75	224,652.29
			1,829.75	**115,603.61**	3,556.75	224,715.47
B.		**Current assets**				
	I.	**Receivables and other assets**				
		1. Trade receivables	**240,168.89**	**15,173,870.47**	20,206.20	1,276,627.72
		2. Receivables from aff liated companies	**3,097,503.83**	**195,700,291.98**	3,540,448.32	223,685,524.86
		3. Other assets	**200,802.80**	**12,686,720.91**	200,530.96	12,669,546.05
			3,538,475.52	**223,560,883.36**	3,761,185.48	237,631,698.63
	II.	**Cash-in-hand, bank balances**	**2,124,135.92**	**134,202,907.43**	961,130.36	60,724,216.14
			5,662,611.44	**357,763,790.79**	4,722,315.84	298,355,914.77
C.		**Prepaid expenses**	**10,503.39**	**663,604.18**	10,133.18	640,214.31
			5,674,944.58	**358,542,998.58**	4,736,005.77	299,220,844.55
Equity and Liabilities						
A.		**Equity**				
	I.	Subscribed capital	**575,000.00**	**36,328,500.00**	575,000.00	36,328,500.00
	II.	Capital reserves	**6,625,000.00**	**418,567,500.00**	6,625,000.00	418,567,500.00
	III.	Net retained losses	**(3,957,751.80)**	**(250,050,758.72)**	(4,714,051.08)	(297,833,747.23)
	IV.	Net income for the year	**724,458.45**	**45,771,284.87**	756,299.28	47,782,988.51
			3,966,706.65	**250,616,526.15**	3,242,248.20	204,845,241.28
B.		**Accruals**				
		Other accruals	**834,273.58**	**52,709,404.78**	970,014.31	61,285,504.11
C.		**Liabilities**				
	1.	Bank payables		**0.00**	79.40	5,016.49
	2.	Trade payables	**341,034.45**	**21,546,556.55**	326,399.81	20,621,940.00
	3.	Payables to aff liated companies	**390,485.06**	**24,670,846.09**	25,470.00	1,609,194.60
	4.	Other liabilities	**142,444.84**	**8,999,664.99**	171,794.05	10,853,948.08
		Of which taxes: EUR 97,237.12 (prior year: EUR 101,766.80)				
		Of which relating to social security and similar obligations: EUR 0 (prior year: 3,185.44)				
			873,964.35	**55,217,067.63**	523,743.26	33,090,099.17
			5,674,944.58	**35,8542,998.56**	4,736,005.77	29,9220,844.56

Note: Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 63.18 = FC1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai branch of State Bank of India as on 31st March 201 1.

rate current year	**63.18**
rate previous year	63.18

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM APRIL 1, 2010 TO MARCH 31, 2011

		2010/2011 EUR	**2010/2011 INR**	Prior year EUR	Prior year INR
1.	Sales	**14,337,844.60**	**905,865,021.83**	14,049,518.36	887,648,569.98
2	Other operating income	**29,315.95**	**1,852,181.72**	247,303.03	15,624,605.44
3	Cost of services	**(4,809,253.46)**	**(303,848,633.60)**	(2,951,916.52)	(1,865,02,085.73)
4	Personnel expenses				
a)	Wages and Salaries	**(6,664,979.56)**	**(421,093,408.60)**	(8,156,116.35)	(5,153,03,430.99)
b)	Social security	**(1,016,161.03)**	**(64,201,053.88)**	(1,361,776.74)	(86,037,054.43)
5	Depreciation on intangible f xed assets and tangible assets	**(3,180.80)**	**(200,962.94)**	(3,033.12)	(191,632.52)
6	Other operating expenses	**(1,151,018.16)**	**(72,721,327.35)**	(1,069,616.75)	(67,578,386.27)
7	Other interest and similar income	**1,890.91**	**119,467.69**	1,897.28	119,870.15
8	Result from Ordinary Activities	**724,458.45**	**45,771,284.87**	756,259.19	47,780,455.63
9	Other Taxes	**0.00**	**0.00**	40.09	2,532.89
10	Net Income for the year	**724,458.45**	**45,771,284.87**	756,299.28	47,782,988.52

MOVEMENTS IN FIXED ASSETS IN THE FINANCIAL YEAR 2010/2011

	Acquisition/Production Cost				Accumulated depreciation				Net book values	
	Balance as at April 1, 2010 EUR	Additions EUR	Disposals EUR	**Balance as at March 31, 2011 EUR**	Balance as at April 1, 2010 EUR	Additions EUR	Disposals EUR	**Balance as at March 31, 2011 EUR**	**Balance as at March 31, 2011 EUR**	Prior year EUR
I. Intangible assets										
Software	10,842.01	-	-	**10,842.01**	10,543.90	297.11	-	**10,841.01**	**1.00**	1.00
II. Tangible assets										
Other equipment, operating and off ce equipment	22,616.45	1,453.80		**24,070.25**	19,060.70	3,180.80		**22,241.50**	**1,828.75**	3,555.75
	33,458.46	1,453.80	-	**34,912.26**	29,604.60	3,477.91	-	**33,082.51**	**1,829.75**	3,556.75

	Acquisition/Production Cost				Accumulated depreciation				Net book values	
	Balance as at April 1, 2010 INR	Additions INR	Disposals INR	**Balance as at March 31, 2011 INR**	Balance as at April 1, 2010 INR	Additions INR	Disposals INR	**Balance as at March 31, 2011 INR**	**Balance as at March 31, 2011 INR**	Prior year INR
I. Intangible assets										
Software	6,84,998.19	-	-	**6,84,998.19**	6,66,163.60	18,771.41	-	**6,84,935.01**	**63.18**	63.18
II. Tangible assets										
Other equipment, operating and off ce equipment	14,28,907.31	91,851.08	-	**15,20,758.40**	12,04,255.03	2,00,962.94	-	**14,05,217.97**	**1,15,540.43**	2,24,652.29
	21,13,905.50	91,851.08	-	**22,05,756.59**	18,70,418.63	2,19,734.35	-	**20,90,152.98**	**1,15,603.61**	2,24,715.47

Note: Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 63.18 = FC1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai branch of State Bank of India as on 31st March 201 1.

rate current year **63.18**
rate previous year 63.18

Notes to the Financial Statements 2010/2011

A. General Information

The annual financial statements as at 31 March 2011 have been prepared according to the regulations under the German Commercial Code (HGB) and the German Law on Limited Liability Companies (GmbHG). All regulations amended under the German Law on Modernisation of Accounting Regulations (BilMoG) have been applied for the first time. The conversion to the new regulations under German commercial law did not lead to major changes to the balance sheet or income statement.

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. Low-value items with acquisition cost between EUR 150.00 and EUR 1,000.00 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 receivables and liabilities denominated in foreign currency, the residual term of which is not more than one year, are translated at the average spot rate on the balance sheet date. All other receivables and liabilities denominated in foreign currency are translated at the rate in effect on the date of transaction or at the lower or higher average spot rate, respectively, on the balance sheet date.

The Company does not take advantage of the option to account for the excess of deferred tax assets (§ 274 (1) Sentence 2 German Commercial Code (HGB)).

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 like in the prior year.

Provisions

The other provisions include commitments from vacation not taken (EUR 319 thousand, prior year: EUR 471 thousand), bonus provisions (EUR 6 thousand, prior year: EUR 158 thousand), fees for the preparation and audit of annual financial statements (EUR 14 thousand, prior year: EUR 21 thousand) and sundry (EUR 496 thousand, prior year: EUR 320 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:	**2010/2011**	**Prior year**
	EUR'000	**EUR'000**
Benefits in kind	**26**	158
Release of provisions	**0**	20
Other	**3**	69
	29	247

The item includes income realised in previous periods of EUR 3 thousand (prior year: EUR 89 thousand).

Other Operating Expenses

Analysis:	**2010/2011 EUR'000**	Prior Year EUR'000	Variance EUR'000
Travel expenses, car cost, entertainment	**442**	380	62
Legal and advisory fee	**425**	381	44
Rent, office services	**73**	86	(13)
Telephone, fax	**70**	85	(15)
Others	**141**	138	3
	1,151	1,070	81

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. Vivek Agarwal, London/UK, 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 the following two members:

Ulhas Yargop, Mumbai/India, 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 153 (prior year: 150).

Other Financial Commitments

The other financial commitments result from tenancy agreements of EUR17 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/Germany, 14 April 2011

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 Limited

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, 2011.

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

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:

	Shareholdings registered in name of director	
Name of director and company in which interests are held	**At beginning of year**	**At end of year**
Tech Mahindra Limited - Immediate holding company	Ordinary shares of Indian Rupees 10 each	
Sonjoy Anand	20	20
Jagdish Mitra	13,139	11,139
Mahindra & Mahindra Limited - Ultimate holding company	Ordinary shares of Indian Rupees 10 each	
Krishnadas Chillara	3,966	6,920

	Options registered in name of director	
Name of director and company in which interests are held	**At beginning of year**	**At end of year**
Tech Mahindra Limited - Immediate holding company	Units of Indian Rupees 10 each	
Sonjoy Anand	4,950	2,700
Jagdish Mitra	15,750	15,750
Krisnadas Chillara	30,247	26,323

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 beneft 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) Option 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

Sonjoy Anand

Date: May 25, 2011

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, 2011 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 behalf of the Directors

Lim Tiong Beng

Jagdish Mitra

Date:

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

Report on the Financial Statements

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, 2011, the statement of comprehensive 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 herein.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for 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.

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, 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, 2011 and of the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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.

Public Accountants and
Certified Public Accountants
Deloitte & Touche LLP.

Singapore
Date: May 25, 2011

STATEMENT OF FINANCIAL POSITION
March 31, 2011

	Note	2011	2010
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	7	**2,298,806**	1,999,139
Trade receivables	8	**1,841,124**	1,780,275
Other receivables and prepayments	9	**96,776**	178,554
Total current assets		**4,236,706**	3,957,968
Non-current asset			
Plant and equipment	10	**1,533**	13,931
Total assets		**4,238,239**	3,971,899
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	11	**1,563**	-
Other payables		**899,763**	1,055,185
Income tax payable		**87,778**	75,728
Total current liabilities		**989,104**	1,130,913
Non-current liability			
Deferred tax liability	12	**3,312**	3,312
Capital and reserves			
Share capital	13	**50,000**	50,000
Retained earnings		**3,195,823**	2,787,674
Total equity		**3,245,823**	2,837,674
Total liabilities and equity		**4,238,239**	3,971,899

See accompanying notes to f nancial statements

STATEMENT OF COMPREHENSIVE INCOME
Year ended March 31, 2011

	Note	2011	2010
		$	$
Revenue	14	**14,111,032**	13,638,264
Cost of Software Sold		**(389,273)**	-
Gross profit		**13,721,759**	13,638,264
Other operating income	15	**32,362**	185,034
Employee benef ts expense		**(5,734,755)**	(8,440,499)
Depreciation expense	10	**(16,882)**	(110,987)
Other operating expenses	16	**(7,532,493)**	(4,629,989)
Profit before income tax	17	**469,991**	641,823
Income tax expense	18	**(61,842)**	(40,055)
Profit for the year representing total comprehensive income for the year		**408,149**	601,768

See accompanying notes to f nancial statements

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2011

	Share Retained capital	earnings	Total
	$	$	$
Balance at April 1, 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
Total comprehensive income for the year	-	408,149	408,149
Balance at March 31, 2011	**50,000**	**3,19 5,823**	**3,245,823**

See accompanying notes to f nancial statements

STATEMENT OF CASH FLOWS
Year ended March 31, 2011

	2011	2010
	$	$
Operating activities		
Prof t before income tax	**469,991**	641,823
Adjustments for:		
(Write-back) Allowance for doubtful debt	**(17,661)**	18,709
Depreciation expense	**16,882**	110,987
Operating cash f ows before movements in working capital changes	**469,212**	771,519
Trade receivables	**(43,188)**	1,424,526
Other receivables and prepayments	**81,778**	77,938
Trade payables	**1,563**	(910,758)
Other payables	**(155,422)**	113,727
Cash generated from operations	**353,943**	1,476,952
Income tax paid	**(49,792)**	(61,918)
Net cash from operating activities	**304,151**	1,415,034
Investing activity		
Purchase of plant and equipment representing		
net cash used in investing activities	**(4,484)**	(54,808)
Net increase in cash and cash equivalents	**299,667**	1,360,226
Cash and cash equivalents at beginning of year	**1,999,139**	638,913
Cash and cash equivalents at end of year (Note 7)	**2,298,806**	1,999,139

See accompanying notes to f nancial statements

NOTES TO FINANCIAL STATEMENTS
March 31, 2011

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. 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, 2011 were authorised for issue by the Board of Directors on March 25, 2011.

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, 2010. 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.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- Improvements to Financial Reporting Standards (issued in October 2010)
- FRS 24 (Revised) Related Party Disclosures

Management anticipates that the adoption of the FRS, INT FRS and amendments to FRS that were issued but effective only in future periods 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.

Effective interest method

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

Cash and cash equivalents

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

Loans and receivables

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.

Impairment of financial assets

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.

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.

Financial liabilities

Classification as debt or equity

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.

Equity instruments

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.

Other financial liabilities

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.

Derecognition of financial liabilities

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

LEASES – All leases are classified as operating 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.

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.

Rendering of services

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

Interest income

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.

Rental income

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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities on a net basis.

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:

Allowance for bad and doubtful receivables

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.

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.

	2011	2010
	$	$
Financial assets		
Loan and receivables (including cash and cash equivalents)	**4,194,934**	3,904,180
Financial liabilities		
At amortised cost	**901,326**	1,055,185

(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:

	2011	2010
	$	$
Trade receivables	**-**	309,337

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:

	2011	2010
	$	$
Profit or loss	**-**	30,934

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 2011 and 2010 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 while maximising the return to stakeholders through optimisation of the debt and equity balance.

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:

	2011	2010
	$	$
Immediate holding company		
Rendering of services	**(8,303,166)**	(11,338,956)
Subcontract expense	**5,807,867**	2,299,308

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:

	2011	2010
	$	$
Short-term benef ts	**-**	237,309
Post-employment benef ts	**-**	7,179
Total	**-**	244,488

7 CASH AND CASH EQUIVALENTS

	2011	2010
	$	$
Cash at banks	**2,298,806**	1,999,139

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

8 TRADE RECEIVABLES

	2011	2010
	$	$
Third parties	**1,525,033**	807,393
Less: Allowance for doubtful debts	**(238,923)**	(256,584)
Net	**1,286,110**	550,809
Immediate holding company	**555,014**	1,229,466
Total	**1,841,124**	1,780,275

The average credit period on services rendered ranges from 30 to 60 days. (2010 : 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:

	2011	2010
	$	$
Not past due and not impaired	**577,856**	1,751,086
Past due but not impaired (i)	**708,254**	29,189
	1,286,110	1,780,275
Impaired receivables - individually assessed (ii)	**238,923**	256,584
Less: Allowance for doubtful debts	**(238,923)**	(256,584)
Net trade receivables	**1,286,110**	1,780,275

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

61 to 90 days	550	-
> 91 days	**707,704**	29,189
Total	**708,254**	29,189

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 signif cant 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 prospects and past doubtful experience.

Movement in the allowance for doubtful debts:

	2011	2010
	$	$
Balance at beginning of year	**256,584**	237,875
(Credit) Charge to prof t or loss (Note 16)	**(17,661)**	18,709
Balance at end of year	**238,923**	256,584

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

	2011	2010
	$	$
Great Britain Pounds	**-**	309,337

9 OTHER RECEIVABLES AND PREPAYMENTS

	2011	2010
	$	$
Advances to employees	**8,304**	36,835
Prepayments	**41,772**	53,788
Others	**46,700**	87,931
Total	**96,776**	178,554

The advances to staf fs 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, 2009	305,589	236,032	541,621
Additions	54,808	-	54,808
At March 31, 2010	360,397	236,032	596,429
Additions	4,484	-	4,484

At March 31, 2011	**364,881**	**236,032**	**600,913**
Accumulated depreciation:			
At April 1, 2009	274,837	196,674	471,511
Depreciation	71,629	39,358	110,987
At March 31, 2010	346,466	236,032	582,498
Depreciation	16,882	-	16,882
At March 31, 2011	**363,348**	**236,032**	**599,380**
Carrying amount:			
At March 31, 2011	**1,533**	**-**	**1,533**
At March 31, 2010	13,931	-	13,931

11 TRADE PAYABLES

	2011	2010
	$	$
Third parties	**1,563**	-

The average credit period on purchases is 30 days (2010 : 30 days).

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

12 DEFERRED TAX LIABILITY

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, 2009	(11,909)	-	(11,909)
Credit to profit or loss (Note 18)	8,597	-	8,597
At March 31, 2010 and at March 31, 2011	**(3,312)**	**-**	**(3,312)**

13 SHARE CAPITAL

	2011	2010	2011	2010
	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

	2011	2010
	$	$
Doubtful debts written back (Note 8)	**17,661**	-
Job Credit Scheme	**14,701**	112,025
Net foreign exchange gain	**-**	51,830
Rental income	**-**	14,288
Others	**-**	6,891
Total	**32,362**	185,034

16 OTHER OPERATING EXPENSES

	2011	2010
	$	$
Sub-contract cost:		
- Immediate holding company (Note 5)	**5,807,867**	2,299,308
- Third parties	**366,880**	648,749
Telephone charges	**349,168**	244,690
Travelling expense	**332,391**	655,724
Rental expense	**204,000**	174,329
Insurance expense	**119,394**	104,158
Staff welfare	**83,753**	200,039
Recruitment expense	**74,522**	48,398
Net foreign exchange loss	**9,681**	-
Entertainment expense	**9,453**	14,414
Allowance for doubtful debt (Note 8)	**-**	18,709
Others	**175,384**	221,471
Total	**7,532,493**	4,629,989

17 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived after charging:

	2011	2010
	$	$
Employee benefits expense (including directors' remuneration)	**5,734,755**	8,440,499
Directors' fees	**2,000**	2,000
Directors' remuneration	**-**	244,488
Cost of defined contribution plans included in employee benefits expense	**118,843**	130,485

18 INCOME TAX EXPENSE

	2011	2010
	$	$
Current tax	**61,842**	75,608
Deferred tax (Note 12)	**-**	(8,597)
	61,842	67,011
Overprovision in prior year of current tax	**-**	(26,956)
Total income tax expense	**61,842**	40,055

Domestic income tax expense is calculated at 17% (2010 : 17%) of the estimated assessable prof t for the year. Tax for the year can be reconciled to the accounting prof t as follows:

	2011	2010
	$	$
Prof t before income tax	**469,991**	641,823
Income tax expense at statutory rate of 17% (2010 : 17%)	**79,898**	109,110
Tax effect expenses that are not deductible in determining taxable prof t	**8,049**	(19,044)
Tax exempt income	**(25,925)**	(25,925)
Overprovision in prior year of current tax	**-**	(26,956)
Others	**(180)**	2,870
Total income tax expense	**61,842**	40,055

19 CONTINGENT LIABILITIES

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

	2011	2010
	$	$
Performance guarantees	**2,59,219**	2,13,984

20 OPERATING LEASE COMMITMENTS

(a) The lessee

	2011	2010
	$	$
Minimum lease payments under operating lease recognised as an expense in the year	**182,659**	174,329

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

	2011	2010
	$	$
Within one year	**204,000**	194,295
In the second to f fth year inclusive	**102,000**	291,442
Total	**306,000**	485,737

Operating lease payments represent rentals payable by the Company for its off ce premises. Leases are negotiated for an average term of 3 years (2010 : 3 years) and rentals are f xed for an average of 3 years (2010 : 3 years).

(b) The lessor

	2011	2010
	$	$
Rental income under operating leases	**-**	14,288

In 2010, the Company has no outstanding commitments under non-cancellable operating leases with tenants.

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 Off ces at Central World, Rama I Road,
Phatumwan, Bangkok 10330
Thailand

Bankers

HSBC Limited

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, 2011.

Financial Results

For the year ended March 31,	2011THB	2011 INR	2010 THB	2010 INR
Income	3,452,462	5,144,169	18,250,242	27,192,861
Profit/(Loss) before tax	183,032	272,718	534,535	796,457
Profit/(Loss)after tax	183,032	272,718	534,535	796,457

Review of Operations:

The income for the year has decreased by THB 14,797,780 (equivalent to INR 22,048,692) over previous year. The profit has declined by THB 351,503 (equivalent to INR 523,739) i.e. -66% over the previous year.

Directors:

There is no change in the directors during the year under review

Outlook for the current year:

Thailand is a growing market & your company has established itself in Thailand & therefore, the Directors are cautiously optimistic about the 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 : 7th April 2011

Report of the Independent Auditor

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

I have audited the balance sheet of Tech Mahindra (Thailand) Ltd. as at 31 March 2011, the related statements of income and statements of changes in shareholders' equity for the year 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 audit. The financial statements of Tech Mahindra (Thailand) Ltd. for the year ended 31 March 2010 were audited by another auditor of our firm, who expressed an unqualified opinion on those statements, under her report dated 20 April 2010.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides 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 2011, and the result of its operations for the year then ended in conformity with generally accepted accounting principles.

WANNAWAT HEMACHAYART
Certified Public Accountant (Thailand) No. 7049
MAZARS LIMITED

Bangkok
7th April 2011

Balance sheets as at 31 March 2011 and 2010

(Exchange rate 1 Baht = 1.49 INR)

ASSETS	Note	2011 Baht	2011 INR	2010 Baht	2010 INR
CURRENT ASSETS					
Cash and cash equivalents		**5,113,421**	**7,618,997**	2,421,853	3,608,561
Trade accounts receivable - net	5	**3,578,559**	**5,332,053**	8,024,806	11,956,961
Amount due from related company	7	**49,636**	**73,957**	6,055,016	9,021,974
Other current assets		**1,198,999**	**1,786,509**	1,564,162	2,330,601
TOTAL CURRENT ASSETS		**9,940,615**	**14,811,516**	18,065,837	26,918,097
NON - CURRENT ASSETS					
Equipment - net	6	**22,448**	**33,448**	43,928	65,453
TOTAL NON – CURRENT ASSETS		**22,448**	**33,448**	43,928	65,453
TOTAL ASSETS		**9,963,063**	**14,844,964**	18,109,765	26,983,550

(Exchange rate 1 Baht = 1.49 INR)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2011 Baht	2011 INR	2010 Baht	2010 INR
CURRENT LIABILITIES					
Amount due to related company	7	**553,295**	**824,409**	7,705,742	11,481,556
Accrued expenses		**119,432**	**177,954**	128,792	191,900
Other current liabilities		**291,871**	**434,888**	1,459,798	2,175,099
TOTAL CURRENT LIABILITIES		**964,598**	**1,437,251**	9,294,332	13,848,555
TOTAL LIABILITIES		**964,598**	**1,437,251**	9,294,332	13,848,555
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
- 50,000 ordinary shares of Baht 100 each		**5,000,000**	**7,450,000**	5,000,000	7,450,000
Issued and fully paid-up					
- 50,000 ordinary shares of Baht 100 each		**5,000,000**	**7,450,000**	5,000,000	7,450,000
Retained earnings					
Unappropriated		**3,998,465**	**5,957,713**	3,815,433	5,684,995
TOTAL SHAREHOLDERS' EQUITY		**8,998,465**	**13,407,713**	8,815,433	13,134,995
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9,963,063**	**14,844,964**	18,109,765	26,983,550

These f nancial statements were approved at the directors meeting of TECH MAHINDRA (THAILAND) LIMITED dated on April 7, 2011

Sonjoy Anand
Director

The accompanying notes form an integral part of these f nancial statements.

Statements of income for the years ended 31 March 2011 and 2010

(Exchange rate 1 Baht = 1.49 INR)

		2011		2010	
	Note	Baht	INR	Baht	INR
REVENUES					
Service income	7	**3,418,774**	**5,093,974**	18,250,242	27,192,861
Other income		**33,688**	**50,195**	-	-
TOTAL REVENUES		**3,452,462**	**5,144,169**	18,250,242	27,192,861
EXPENSES					
Cost of services	7	**947,569**	**1,411,878**	15,611,677	23,261,399
Administrative expenses		**2,321,861**	**3,459,573**	2,104,030	3,135,005
TOTAL EXPENSES		**3,269,430**	**4,871,451**	17,715,707	26,396,404
NET PROFIT		**183,032**	**272,718**	534,535	796,457
BASIC EARNINGS PER SHARE					
Net prof t		**3.66**	**5.45**	**10.69**	**15.93**
Weighted average number of ordinary share		**50,000**	**50,000**	50,000	50,000

Statements of changes in shareholders' Equity for the year ended 31 March 2011 and 2010

(Exchange rate 1 Baht = 1.49 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 09	5,000,000	3,280,898	8,280,898	7,450,000	4,888,538	12,338,538
Net profit for the year ended 31-Mar-10	**-**	**534,535**	**534,535**	**-**	**796,457**	**796,457**
Balance as at 31 Mar 10	5,000,000	3,815,433	8,815,433	7,450,000	5,684,995	13,134,995
Net profit for the year ended 31-Mar-11	**-**	**183,032**	**183,032**	**-**	**272,718**	**272,718**
Balance as at 31 Mar 11	**5,000,000**	**3,998,465**	**8,998,465**	**7,450,000**	**5,957,713**	**13,407,713**

Sonjoy Anand
Director

The accompanying notes form an integral part of these f nancial statements.

Notes to the financial statements for the years ended 31 March 2011 and 2010

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 off ce of the central world, Rama I Road, Phatumwan Bangkok.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Basis of Preparation

The accompanying f nancial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations ("TFRIC") 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 f nancial statements have been prepared in accordance with the Notif cation 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".

The f nancial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

An English version of the f nancial statements has been prepared from the statutory f nancial statements that are in the Thai language. In the event of a conf ict or a difference in interpretation between the two languages, the Thai language statutory f nancial statements shall prevail.

2.2 New accounting standards, new f nancial reporting standards, amendments to accounting standards and the related interpretations

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.

On 24 November 2010, the FAP issued Announcement no. 49/2010, regarding the re-numbering of the following TAS:

Former no.	Revised no.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 26	TAS 102	Income Recognition For Real Estate Business
TAS 27	TAS 103	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 34	TAS 104	Accounting for Troubled Debt Restructuring
TAS 40	TAS 105	Accounting for Investment in Debt and Equity Securities
TAS 42	TAS 106	Accounting for Investment Com-panies
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

The FAP has also issued a number of new and revised TAS/TFRS which are not currently ef fective and have not been adopted in the preparation of these f nancial statements. The following new accounting standards, new f nancial reporting standards and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Representative off ce has not early adopted them:

Effective for the periods beginning on or after 1 January 2011

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 17	(Revised 2009)	Leases
TAS 18	(Revised 2009)	Revenue
TAS 19		Employee Benef ts
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benef t Plans
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements

TAS 31	(Revised 2009)	Interests in Joint Venture
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets
TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38		Intangible Assets
TAS 40	(Revised 2009)	Investment Property
TFRS 2		Share-based Payments
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate
SIC 31		Revenue- Barter Transactions Involving Advertising Services

Effective for the periods beginning on or after 1 January 2013

TAS 12		Income Taxes
TAS 20	(Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2009)	The Effects of Changes in Foreign Exchange Rate
SIC 10		Government Assistance - No Specific Relation to Operating Activities
SIC 21		Income Taxes – Recovery of Revalued Non- Depreciable Assets
SIC 25		Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and is presently considering the potential initial impact on the Representative office's financial statements.

The FAP issued an Announcement No.21/2007 (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 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

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.

Trade accounts Receivable

Trade accounts receivable are carried at anticipated realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. Bad debts are written-off during the year in which they are identified.

Equipment

Equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives as follows:

Computer equipment 5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Revenue and expense recognition

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

Foreign currency translations

Transactions in foreign currencies during the year are translated into Thai Baht for bookkeeping purposes based on the rates preva iling at the transaction date. Outstanding balances of monetary assets and liabilities, denominated in foreign currencies, at the balance sheet date are translated into Baht at the rates of exchange in ef fect at that date. Translation gains or losses are credited or charged to the statement of income.

Foreign currency amounts are translated for convenience into Indian Rupees at the exchange rate of Baht 1 equal to Rs 1.49 which is the group reporting as at 31st March 2011.

Basic earnings per share

The basic earnings per share are calculated by dividing the net prof t attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of f nancial statements in conformity with TAS and TFRS requires management to make judgments, estimates and assumptions that af fect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may dif fer from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods af fected. Signif cant judgments and estimates are as follows:

Allowance for doubtful debt

In determining allowance for doubtful accounts, the management needs to make judgment and estimates based upon past collection history , aging prof le of outstanding debts and prevailing economic condition.

Equipment

Management determines the estimated useful lives and residual values for the Company's equipment. Management will revise the depreciation charge where useful lives and residual values are dif ferent to previously estimated, or it will write of f or write down technically obsolete or assets that have been abandoned or sold.

5. TRADE ACCOUNTS RECEIVABLE - NET

(Exchange rate 1 Baht= 1.49 INR)

	2011		2010	
	Baht	**Indian Rupee**	**Baht**	**Indian Rupee**
Trade accounts receivable - Local	**9,016,842**	**13,435,095**	13,463,089	20,060,003
Less : Allowance for doubtful accounts	**(5,438,283)**	**(8,103,042)**	(5,438,283)	(8,103,042)
Trade accounts receivable - net	**3,578,559**	**5,332,053**	8,024,806	11,956,961

6. EQUIPMENT- NET

	Baht			
	31 Mar 10	**Increase**	**Decrease**	**31 Mar 11**
Cost				
Computer equipment	107,472	-	-	107,472
Total – Cost	107,472	-	-	107,472
Less : Accumulated depreciation				
Computer equipment	63,544	21,480	-	85,024
Total – Accumulated depreciation	63,544	21,480	-	85,024
Net book value	**43,928**			**22,448**
Depreciation for the year	**21,480**			**21,480**

(Exchange rate 1 Baht = 1.49 INR)

	Indian Rupee			
	31 Mar 10	Increase	Decrease	31 Mar 11
Cost				
Computer equipment	160,133	-	-	160,133
Total – Cost	160,133	-	-	160,133
Less : Accumulated depreciation				
Computer equipment	94,680	32,005	-	126,685
Total – Accumulated depreciation	94,680	32,005	-	126,685
Net book value	65,453			33,448
Depreciation for the year	32,005			32,005

7. RELATED PARTY TRANSACTIONS

Enterprises and individuals that directly , or indirectly through one or more intermediaries, control, or are controlled by , or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly , an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.

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

The Company is a subsidiary company of Tech Mahindra Ltd. which owns 99.99% of the Company's shares. The remaining 0.01% of the shares are held by a number of shareholders.

Significant transactions with related company for the years ended 31 March 2011 and 2010 consist of:

(Exchange rate 1 Baht = 1.49 INR)

		2011		2010	
	Relationship	Baht	Indian Rupee	Baht	Indian Rupee
Service income					
Tech Mahindra Limited	Parent company	2,797,774	4,168,684	8,170,750	12,174,418
Cost of services					
Tech Mahindra Limited	Parent company	621,000	925,290	10,079,492	15,018,443

In 2008, the Company entered into service agreements with its related company commencing from 1 April 2007. 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 company as at 31 March 2011 and 2010 are as follows:

(Exchange rate 1 Baht = 1.49 INR)

		2011		2010	
	Relationship	Baht	Indian Rupee	Baht	Indian Rupee
Amount due from related company					
Tech Mahindra Limited	Parent company	49,636	73,957	6,055,016	9,021,974
Amount due to related companies					
Tech Mahindra Limited	Parent company	553,295	824,409	7,705,742	11,481,556

8. 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 certif cate 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 profts derived from the promoted activity for the period of eight years from the f rst 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 specif cally in producing for export for a period of one year from the date of f rst 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 f rst import.

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

9. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Exchange rate 1 Baht = 1.49 INR)

	2011		2010	
	Baht	**Indian Rupee**	**Baht**	**Indian Rupee**
Employee expense	**322,353**	**480,306**	5,527,473	8,235,935
Subcontractor expense	**621,000**	**925,290**	10,079,492	15,018,443
Professional fee	**1,835,634**	**2,735,095**	1,367,048	2,036,902
Rental expense	**183,000**	**272,670**	150,000	223,500
Depreciation	**21,480**	**32,005**	21,480	32,005
Communication charges	**25,559**	**38,083**	95,189	141,832
Loss on exchange rate	**210,307**	**313,357**	139,085	207,237
Traveling expenses	**1,800**	**2,682**	107,617	160,349
Other expenses	**48,297**	**71,963**	228,323	340,201
Total expenses	**3,269,430**	**4,871,451**	17,715,707	26,396,404

10. APPROVAL OF FINANCIAL STATEMENTS

These f nancial statements were authorised for issued by the Company's Director on 7 April 2011.

Sonjoy Anand
Director

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, JI. 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, 2011.

Financial Results(US$)

For the year ended March 31,	2011 US $	2011 INR	2010 US $	2010 INR
Income	21,873,920	977,545,486	21,281,741	951,081,015
Prof t/(Loss) before tax	3,735,625	166,945,091	627,449	28,040,683
Prof t/(Loss)after tax	2,565,688	114,660,602	420,736	18,802,685

Review of Operations:

During the year under review, your company recorded an income of US$ 21,873,920 (equivalent to INR 977,545,486) an increase of 3% over the previous year. Prof t after tax was US$ 2,565,688 (equivalent to INR 114,660,602), an increase of US$ 2,144,952 over the last year. The Company continues to invest in strengthening its marketing infrastructure in Indonesia.

Directors:

There is no change in directors during the year under review.

Outlook for the current year:

Business has been encouraging in Indonesia and the Company is cautiously optimistic of the 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 7th April 2011

INDEPENDENT AUDITORS' REPORT

Report No. KNT&R-0177/11

The Stockholders, Boards of Commissioners and Directors
PT TECH MAHINDRA INDONESIA

We have audited the balance sheets of PT Tech Mahindra Indonesia (the "Company") as of March 31, 2011 and 2010, and the related statements of income, changes in stockholders' equity and cash flows for the years 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 audits.

We conducted our audits 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 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 PT Tech Mahindra Indonesia as of March 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles in Indonesia.

As discussed in Note 2 to the financial statements, starting April 1, 2010, the Company adopted Statements of Financial Accounting Standards (PSAK) No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosure" and PSAK No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement" which supersedes PSAK No. 50, "Accounting for Investments in Certain Securities" and PSAK 55, "Accounting for Derivative Instruments and Hedging Activities". These revised PSAKs have been applied prospectively.

KOSASIH, NURDIYAMAN, TJAHJO & REKAN

Drs. Nunu Nurdiyaman, CPA.
Public Accountant License 98.1.0062

April 7, 2011

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.

PT TECH MAHINDRA INDONESIA BALANCE SHEETS
MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

	Notes	**2011**	2010
ASSETS			
CURRENT ASSETS			
Cash on hand and in bank	2, 3, 18, 19, 20	**1,643,836.00**	923,556.11
Trade Receivables - net	2, 4, 18, 19	**8,103,446.64**	7,910,190.88
Prepaid tax	2, 10	**113,553.49**	256,799.14
Prepaid expenses and advances	2, 5	**895,189.38**	1,143,561.29
Total Current Assets		**10,756,025.51**	10,234,107.42
NON - CURRENT ASSETS			
Deferred tax asset	2, 10	**23,568.05**	10,111.75
Estimated claims for tax refund	2, 10	**-**	285,729.64
Fixed assets - net of accumulated depreciation of USD 143,972.41 in 2011 and USD 108,166.43 in 2010	2, 6	**50,108.14**	80,664.70
Total Non - Current Assets		**73,676.19**	**376,506.09**
TOTAL ASSETS		**10,829,701.70**	**10,610,613.51**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payables	2, 7, 16, 18, 19, 20		
Related party		**1,996,913.00**	2,385,312.11
Third parties	2, 8, 18, 19	**56,485.40**	296,207.28
Taxes payable	2, 10	**737,064.56**	661,693.01
Other payables	2, 9, 18, 19	**488,690.74**	1,175,617.00
Total Current Liabilities		**4,349,233.13**	6,748,623.07
NON - CURRENT LIABILITY			
Employee benef ts liability	2, 11	**93,237.00**	40,447.00
TOTAL LIABILITIES		**4,442,470.13**	6,789,070.07
STOCKHOLDERS' EQUITY			
Capital stock - USD 1 par value per share			
Authorized - 1,000,000 shares			
Issued and fully paid - 500,000 shares	12	**500,000.00**	500,000.00
Retained earnings		**5,887,231.57**	3,321,543.44
Total Stockholders' Equity		**6,387,231.57**	3,821,543.44
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**10,829,701.70**	10,610,613.51

The accompanying notes form an integral part of these f nancial statements.

STATEMENTS OF INCOME YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

	Notes	2011	2010
REVENUE	2, 13	**21,873,920.04**	21,281,741.21
COST OF REVENUE	2, 14	**9,522,803.92**	14,302,352.08
GROSS PROFIT		**12,351,116.12**	6,979,389.13
OPERATING EXPENSES	**2, 15**	**8,531,965.00**	6,336,547.36
INCOME FROM OPERATIONS		**3,819,151.12**	642,841.77
OTHER INCOME (CHARGES)	2		
Loss on foreign exchange		**(93,102.83)**	(17,296.16)
Interest income		**953.91**	1,903.11
Others		**8,623.02**	-
Other Charges - net		**(83,525.90)**	(15,393.05)
INCOME BEFORE INCOME TAX EXPENSE		**3,735,625.22**	627,448.72
INCOME TAX EXPENSE			
Current 2,	10	**(1,183,393.39)**	(214,885.07)
Deferred		**13,456.30**	8,172.19
NET INCOME		**2,565,688.13**	420,735.84

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

	Notes	Capital Stock	Retained Earnings	Total Stockholders' Equity
Balance as of March 31, 2009	12	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
Net income		**-**	2,565,688.13	2,565,688.13
Balance as of March 31, 2011		**500,000.00**	**5,887,231.57**	**6,387,231.57**

The accompanying notes form an integral part of these f nancial statements.

STATEMENTS OF CASH FLOWSYEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

	Notes	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**2,565,688.13**	420,735.84
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	6	**35,805.98**	41,300.30
Deferred tax asset		**(13,456.30)**	(8,172.19)
Employee benef ts		**52,790.00**	33,520.00
Changes in operating assets and liabilities:			
Trade receivables		**(193,255.76)**	(2,137,270.63)
Other receivables		**51,280.01**	321,051.19
Advances to suppliers		**(106,067.79)**	-
Advances to employees		**278,264.38**	-
Trade payables		**(1,548,113.35)**	722,783.56
Other payables		**(686,926.26**	1,091,542.00
Taxes payable		**75,371.55**	(1,037,887.11)
Accrued expenses		**(239,721.88)**	252,414.36
Prepaid tax and expenses		**168,140.96**	595,032.34
Estimated claims for tax refund		**285,729.64**	639,417.74
Net Cash Provided by Operating Activities		**725,529.31**	934,467.40
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of f xed assets	6	**(5,249.42)**	(70,645.10)
Stockholders' loan		**-**	(500,000.00)
Net Cash Used in Investing Activities		**(5,249.42)**	(570,645.10)
INCREASE IN CASH ON HAND AND IN BANK		**720,279.89**	363,822.30
CASH ON HAND AND IN BANK AT BEGINNING OF THE YEAR		**923,556.11**	559,733.81
CASH ON HAND AND IN BANK AT END OF THE YEAR	3	**1,643,836.00**	923,556.11

The accompanying notes form an integral part of these f nancial statements.

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(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 on 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-1 1861HT.01.01 on 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 on August 13, 2008 of Siti Safarijah, S.H., to comply with Law 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.Year 2008 on December 12, 2008.

According to the Articles of Association, the Company's scope of activities consists of telecommunications and consulting business and currently engaged in providing Billing and Customer Care System Management Services to PT Hutchison CP Telecommunication and others (Note 17).

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, 2011 and 2010 are as follows:

	2011	2010
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	Jagdish Mitra
Director	C. Krishandas	C. Krishandas
Director	Milind Kulkarni	Milind Kulkarni

As of March 31, 2011 and 2010, the Company has 129 and 105 employees (unaudited), respectively.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Financial Statements

The financial statements have been prepared in accordance with generally accepted accounting principles and practices in Indonesia which are the Statement of Financial Accounting Standards (PSAK).

The financial statements have been prepared on the accrual basis using historical cost basis of accounting, except for certain accounts which are measured on the bases described in the related accounting policies of each accounts. The Company maintains its books in US Dollars and has obtained approval from the Ministry of Finance No. KEP-208/PJ.42/2006 on July 25, 2006.

The statements of cash flows are prepared using the indirect method, with classifications, of cash flows into operating, investing and financing activities.

Financial Instruments

Effective April 1, 2010, the Company adopted PSAK No. 50 (Revised 2006) "Financial Instruments: Presentation and Disclosure", and PSAK No. 55 (Revised 2006) "Financial Instruments: Recognition and Measurement" which supersedes PSAK No. 50 "Accounting for Investment in Certain Securities" and PSAK No. 55 "Accounting for Derivative Instruments and Hedging Activities". These revised PSAKs have been applied prospectively.

PSAK No. 50 (Revised 2006) "Financial Instruments: Presentation and Disclosure", 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 Company, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; the circumstances in which financial assets and financial liabilities should be offset. This PSAK requires the disclosure of, among others, 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. 55 (Revised 2006) "Financial Instruments: Recognition and Measurement", establishes the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This PSAK provides the definitions and characteristics of derivatives, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others.

(i) Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method, except for those assets in which the interest calculation is not material. Gains or losses are recognized in the statement of income when the financial assets are derecognized or impaired, as well as through the amortization process.

Recognition and Measurement

Financial assets are recognized initially at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of financial assets depends on their classification.

The Company's financial assets consist of cash on hand and in bank and trade receivables classified as loans and receivable.

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

(ii) Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost, as appropriate.

The Company determines the classification of its financial liabilities in initial recognition. Financial liabilities are recognized initially at fair value.

The Company's financial liabilities consist of trade payables, accrued expenses and other payables classified as financial liabilities measured at amortized.

Financial liabilities measured at amortized cost are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognized within "Interest Expense" in the statements of income. Gains and losses are recognized in the statements of income when the financial liabilities are derecognized as well as through the amortization process.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(iv) Fair value of financial instruments

The fair values of financial instruments that are actively traded in organized financial markets, if any, are determined by reference to quoted market bid or ask prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash fow analysis; or other valuation models.

(v) Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

(vi) Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For financial assets carried at amortised cost the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance for impairment and the amount of the loss is recognized in the statements of income. If a receivable has a variable interest rate, the discount rate used is the current effective interest rate determined under the contract.

The estimated period between a loss occurring and its identification is determined by the management for each identified portfolio.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics by customer type.

Future cash flows of the Company's financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

When a receivable is uncollectible, it is written off against the related allowance for impairment. Such receivable are written-off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to receivable, is classified in "Allowance for impairment".

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 recognized the previously recognized impairment loss is reversed by adjusting the allowance for doubtful impairment. The amount of the reversal is recognized in the statements of income.

Subsequent recoveries of previously written off receivables, if in the current period, are credited to the allowance for impairment, but if after balance sheet date, are credited to other operating income.

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

(vii) Derecognition

Financial asset

The Company derecognizes a financial asset if, and only if, the contractual rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(vii) Derecognition (continued)

Financial liability

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability , and the difference in the respective carrying amounts is recognized in the statements of income.

Prepaid Expenses

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

Fixed Assets

The Company applied PSAK No. 16 (Revised 2007), "Fixed Assets", and has chosen the cost model as the accounting policy for its fixed assets. Fixed assets are stated at cost less accumulated depreciation and any impairment loss. Depreciation is computed using the straight - line method, over the estimated useful life of 4 years.

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

The cost of maintenance and repairs is charged to income as incurred. Significant cost of replacing part of assets and major inspection cost are recognized in the carrying amount of the assets if the recognition criteria are met. When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statements of income.

In accordance with PSAK No. 48 "Impairment of Asset Value", asset values are reviewed for any impairment and are written down to their recoverable value whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

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 exchange rate as published by Bank Indonesia at that date. 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 statements of income.

The exchange rates used for US Dollar as of March 31, 2011 and 2010 were Rp 8,709.00 and Rp 9,115.00, respectively.

Revenue and Expense Recognition

Revenue from time bound fixed price engagements is recognized using the percentage of completion method of accounting, unless the 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. Expenses are recognized when incurred (accrual basis).

Transactions with Related Parties

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

Significant transactions with related parties, whether or not conducted under the same 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 substantively 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.

Employee Benefits

The Company recognized a provision for employee benefits in accordance with Labor Law No.13/2003 on March 25, 2003 (Labor Law No.13) and PSAK No.24 (Revised 2004). The provision is recognized using the actuarial calculation.

Under PSAK No. 24 (revised 2004 "Employee Benefits"), the cost of providing employee benefits under the Law is determined using the projected unit credit actuarial valuation method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains or losses for each individual plan at the end of the previous reporting year exceed 10% of the defined benefit obligation at that date. These gains or losses are amortized on a straight - line basis over the expected average remaining working lives of the employees. Further past-service costs arising from the introduction of a defined benefit plan or changes in the beneft payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in Indonesia requires management to make estimates and assumptions that affect the amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods might be based on amounts that differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

3. CASH ON HAND AND IN BANK

Details are as follows:

	2011	2010
Cash on hand	**3,258.34**	10,294.59
Cash in bank		
US Dollar	**1,492,114.19**	834,892.53
Rupiah - Rp 1,292,968,360.00 in 2011 and Rp 1,767,697,866.00 in 2010	**148,463.47**	78,368.99
Total	**1,643,836.00**	923,556.11

4. TRADE RECEIVABLES

This account consists of:

	2011	2010
Third parties:		
PT Hutchison CP Telecommunication	**6,161,510.43**	6,009,063.00
PT Natrindo Telepon Seluler	**1,711,941.61**	1,652,445.57
PT Kaltim Nitrate Indonesia	**229,994.60**	-
PT Konsulindo Informatika Perdana	**721.15**	112,592.25
PT Clarity	**-**	19,380.81
PT Openet	**-**	116,709.25
Total	**8,104,167.79**	7,910,190.88
Provision for impairment	**(721.15)**	
Net	**8,103,446.64**	7,910,190.88

The details of the accounts receivable based on aging are as follows:

	2011	2010
Less than 30 days	**3,248,561.14**	1,377,158.25
31 days to 60 days	**1,222,330.03**	968,824.52
61 days to 90 days	**1,896,996.82**	1,319,237.39
More than 90 days	**1,736,279.80**	4,244,970.72
Total	**8,104,167.79**	7,910,190.88
Provision for impairment	**(721.15)**	-
Net	**8,103,446.64**	7,910,190.88

The Company' s management believes that the allowance for impairment is adequate to cover possible losses that may arise from non - collectibility of accounts.

5. PREPAID EXPENSES AND ADVANCES

Details are as follows:

	2011	2010
Rental software	**482,329.00**	511,737.36
Advances to suppliers	**213,478.10**	107,410.31
Advances to employees	**173,520.20**	512,296.66
Rental deposits	**12,116.96**	12,116.96
Others	**13,745.12**	-
Total	**895,189.38**	1,143,561.29

6. FIXED ASSETS

2011	**Beginning**	**Additions**	**Deductions**	**Ending**
Carrying Value				
Computer	188,831.13	5,249.42	-	194,080.55
Accumulated Depreciation				
Computer	108,166.43	35,805.98	-	143,972.41
Net Book Value	**80,664.70**		**-**	**50,108.14**

2010	**Beginning**	**Additions**	**Deductions**	**Ending**
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	**51,319.9**			**80,664.70**

As of March 31, 2011 and 2010, depreciation charged to operations amounted to USD 35,805.98 and USD 41,300.30, respectively (Note 15).

The Company's f xed assets were not covered by insurance policy.

Based on management' s assessment, there are no events or changes in circumstances which would indicate impairment in the carrying value of f xed assets as of March 31, 2011 and 2010.

7. TRADE PAYABLES

Details are as follows:

	2011	2010
Related Party (Note 16)		
Tech Mahindra Limited	**1,996,913.00**	2,385,312.11
Third Parties		
Comviva Technologies Ltd	**227,648.00**	215,000.00
Intec Systems (Asia) Sdn Bhd	**259,329.46**	1,364,000.00
PT Convergys Indonesia	**64,330.90**	256,246.90
Price Waterhouse Coopers	**63,720.00**	70,109.94
PT Focus Com	**62,893.73**	18,920.33

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

Openet Telcom Malaysia Sdn Bhd	**57,487.92**	-
Subex Azure Ltd	**39,237.43**	39,237.43
PT Berca Hardaya Perkasa	**38,544.22**	5,695.98
Tibco Software Inc.	**25,270.00**	25,270.00
VIZ Sector Consultant	**22,173.89**	22,173.89
6D Technologies	**19,873.75**	19,873.75
PT Mitra Integarasi	**19,868.71**	6,186.95
PT Oracle Indonesia	**16,602.37**	-
CIBA	**15,665.98**	4,066.38
HQ Global Workplaces	**13,592.83**	6,144.37
PT Astra Graphia Tbk (Xprint)	**11,763.43**	6,164.55
Elite Technologies Ltd	**11,587.00**	11,587.00
Bharti Telesoft Ltd	**8,440.00**	8,440.00
Landsat Communication Pte. Ltd.	**8,000.00**	8,000.00
PT Madawani Mandiri	**7,128.00**	13,608.00
PT Datacraft Indonesia	**6,046.75**	6,046.75
Tiendas Law Off ces	**3,748.70**	2,636.29
PT Rasuna Residance Development (Aston Rasuna)	**3,362.28**	991.96
Infogain Systems Pvt Limited	**3,300.00**	20,936.00
Allianz	**2,019.86**	2,019.85
Tectacle Technologies MSC	**2,000.00**	-
PT Iditya Putra	**1,926.22**	1,926.22
PT Arsena Solusindo	**1,751.01**	27,190.41
PT Sumber Daya Info Prima	**1,238.18**	1,238.18
PT VisioNet International	**688.42**	8,801.47
PT Hewlett-Packard Berce Servicindo	**432.11**	432.11
Sati Safarijah SH	**358.17**	-
SAC - ITS	**225.13**	-
Atreus Global	**153.00**	153.00
PT IMSI	**162.00**	3,194.64
Bahwan Cybertek	**18.00**	18.00
PT Amanja Mega Persada	**-**	51,920.00
Others	**49,491.98**	1,563.32
	1,070,079.43	2,229,793.67
Total	**3,066,992.43**	4,615,105.78

8. ACCRUED EXPENSES

Details are as follows:

	2011	2010
Salaries	**32,281.43**	277,367.92
Payable to employees	**20,348.44**	16,145.76
Medical claims	**3,855.53**	2,693.60
Total	**56,485.40**	296,207.28

9. OTHER PAYABLES

Details are as follows:

	2011	2010
Provision for expenses	**333,436.78**	1,030,500.00
Leave encashment liabilities	**155,253.96**	145,117.00
Total	**488,690.74**	1,175,617.00

10. TAXATION

This account consists of:

a. Prepaid tax

	2011	2010
VAT on import purchase	**113,553.49**	256,799.14

Based on the prevailing tax regulations, V AT on import purchases is allowed to be of fset against VAT Output Payable upon payment to State Treasury.

b. Taxes payable

	2011	2010
Income taxes:		
Article 4 (2)	**72.65**	-
Article 21	**72,665.06**	57,045.00
Article 23	**116,298.33**	678.99
Article 26	**-**	603,969.02
Article 29	**548,028.52**	-
Tax provision--	**-**	-
Total	**737,064.56**	661,693.01

c. Current income tax expense

Reconciliation between income before income tax expense, as shown in the statements of income and estimated taxable income for years ended March 31, 2011 and 2010 are as follows:

	2011	2010
Income before income tax expense per statements of income	**3,735,625.22**	627,448.72
Permanent differences:		
Salaries	**304,604.39**	-
Insurance	**110,927.57**	65,324.00
Income tax	**32,870.72**	15,302.34
Rent	**29,728.15**	-
Communication expenses	**28,124.04**	-
Meals	**17,745.27**	26,537.65
Staff welfare	**10,541.51**	545.69
Entertainment	**8,017.44**	-
Fiscal expenses	**829.32**	671.46
Income already subjected to f nal income tax:		
Interest on bank balance	**(953.91)**	(1,903.11)
Other	**401,688.65**	-
Temporary differences:		
Employee benef ts	**52,790.00**	33,520.00
Provision for impairment	**721.15**	-

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

Depreciation	**314.03**	-
Total	**997,948.33**	139,998.03
Estimated taxable income	**4,733,573.55**	767,446.75

Taxable income is calculated by converting the income before corporate income tax and the reconciling items as stated in the income tax computation using the average rate of exchange for the years ended March 31, 2011 and 2010 which are 1 US Dollar = Rp 8,720.20 and 1 US Dollar = Rp 9,126.60, respectively.

The computation of income tax expense - current and estimated claim for tax refund for the years ended March 31, 2011 and 2010, is detailed below:

	2011	2010
Estimated taxable income	**4,733,573.55**	767,446.75
Current income tax expense	**1,183,393.39**	214,885.07
Prepayments of income tax:		
Withholding tax article23	**(426,555.96)**	(437,673.21)
Advance tax	**(208,808.91)**	(62,941.50)
Income tax payable (Claim for tax refund)	**548,028.52**	(285,729.64)

d. Estimated claims for tax refund

As of March 31, 2010, the estimated claims for tax refund amounted USD 285,729.64.

e. Deferred tax

Deferred income tax benef t, computed on the tax benef t of signif cant temporary dif ferences between f nancial and tax reporting, using 25% which is the maximum tax rate is as follows:

	2011	2010
Employee benef ts	**13,197.50**	8,172.19
Provision for impairment	**180.29**	-
Depreciation	78.51	-
Total	13,456.30	8,172.19

f. Deferred tax asset

	2011	2010
Employee benef ts	**23,309.25**	10,111.75
Provision for impairment	**180.29**	-
Depreciation	**78.51**	-
Total	23,568.05	10,111.75

11. EMPLOYEE BENEFITS

The Company provides post-retirement employee benef ts program in the form of severance and gratuity in accordance to labor regulation in Indonesia (Labor Law No. 13/2003 on March 25, 2003) since the ef fect on the f nancial statements is not material. As of March 31, 2011 and 2010, the number of employees covered by the program are 129 and 94 employees, respectively.

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

PT Padma Radya Aktuaria, an independent actuary in its report on April 4, 2011 for year 2011 and April 5, 2010 for year 2010.

a. Net employee benefits expense:

	2011	2010
Current service cost	**85,388.00**	21,330.00
Interest cost	**5,266.00**	738.00
Actuarial losses	**446.00**	(39.00)
Effect of Curtailment/ Settlement	**(42,421.00)**	-
Forex loss	**4,111.00**	11,491.00
Total	**52,790.00**	33,520.00

b. Employee benefits expense:

	2011	2010
Present value of def ned benef t obligation	**92,306.00**	54,070.00
Actuarial gain (loss) not recognized in the balance sheet	**931.00**	(13,623.00)
Total	**93,237.00**	40,447.00

c. Movements in the employee benefits liability are as follows:

	2011	2010
Balance at beginning of year	**40,447.00**	6,927.00
Additional expense for the current year	**52,790.00**	33,520.00
Total	**93,237.00**	40,447.00

The principal assumptions used in determining the employee benef ts liability as of March 31, 2011 and 2010 are as follow:

	2011	2010
Discount rate	**8.00%**	10.00%
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

12. CAPITAL STOCK

The details of the Company' s stockholders as of March 31, 201 1 and 2010 are as follows:

Stockholders	**Number of shares**	**Percentage of Ownership (%)**	**Shares 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

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

13. REVENUE

Details are as follows:

	2011	2010
PT Hutchinson CP Telecommunications	**17,238,674.22**	17,811,221.64
PT Natrindo Telepon Selular	**4,069,354.48**	2,665,303.14
PT Mitra Integrasi	**456,050.00**	-
PT Kaltim Nitrate Indonesia	**107,058.00**	-
PT Telkom Tbk	**2,783.34**	560,306.47
PT Clarity	**-**	191,629.96
PT Sanshine	**-**	53,280.00
Total	**21,873,920.04**	21,281,741.21

14. COST OF REVENUE

This account represents the costs incurred in developing the billing and customer care system which consist of hardware, software and services. As of March 31, 2011 and 2010, cost of revenue amounted to USD 9,522,803.92 and USD 14,302,352.08, respectively.

15. OPERATING EXPENSES

	2011	2010
Salaries	**6,377,560.51**	4,853,470.11
Travelling expenses	**783,927.27**	637,339.76
Professional fees	**393,312.52**	398,396.31
Insurance	**111,932.57**	65,324.00
Rental	**62,091.12**	45,738.72
Insurance - Jamsostek	**61,091.96**	34,683.79
Telecommunication	**56,248.07**	47,204.28
Employee benef ts	**52,790.00**	33,520.00
Bank charges	**42,018.90**	45,153.61
Depreciation (Note 6)	**35,805.98**	41,300.30
Income Tax	**32,870.72**	15,302.34
Printing and stationery	**23,767.19**	891.39
Meals	**17,745.27**	26,537.65
Other interest expense	**14,506.85**	9,321.92
Pantry expenses	**13,834.83**	9,259.10
Audit fee	**10,859.60**	-
Staff welfare	**10,541.51**	545.69
Entertaiment	**8,017.44**	-
Airport tax	**6,376.13**	671.26
Courier expenses	**2,570.35**	1,115.71
Power	**1,137.25**	1,292.38
Fiscal expenses	**829.32**	671.46
Maintenance charges	**805.43**	2,864.60
Provision for impairment	**721.15**	-
Travel inland	**341.00**	4,582.47
Recruitment	**225.13**	189.86
Car/Running expenses	**-**	1,670.70
Miscellaneous (each account below USD 100.00)	**410,036.93**	59,499.95
Total	**8,531,965.00**	6,336,547.36

16. NATURE AND TRANSACTIONS WITH RELATED PARTIES

The nature of transactions and the related balances of such transactions with related parties are summarized below:

	2011	2010
Trade Payables (Note 7)		
Tech Mahindra Limited (shareholder)	**1,996,913.00**	2.385.312,11
Percentage to total liabilities	**43.25%**	38.12%

17. SIGNIFICANT CONTRACT

In 2006, the Company entered into an agreement with PT Hutchison CP Telecommunication (HCPT). The Company 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, interconnected 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. HCPT may terminate this agreement at the end of initial term (February 2009). In the absence of Initial Termination Notice, the agreement shall continue to be effective for a further period of two (2) years (Renewal Term), and in the absence of Renewal Termination Notice at the end of the Renewal Term, the agreement shall continue to be ef fective for a further period of another two (2) years (Second Renewal Term).

18. FINANCIAL RISK MANAGEMENT

The Company has risk management policies and has established processes to monitor and control the risks inherent in its daily business activities. The existing risk management policies and processes focus on the unpredictability of the market and seek to minimize potential adverse ef fects on the Company' s f nancial performance.

The Company has exposure to the following risks from its use of f nancial instrument:

1. Credit risk

Credit risk is the risk of suf fering f nancial loss, should any of the Company's customers fail to fulf ll their contractual obligations to the Company. Credit risk arises mainly from trade receivables from customers.

The maximum Company's exposure of the credit risk approximates the net carrying amounts of the outstanding accounts receivable amounting to USD 8,103,446.64 at March 31, 2011.

2. Market risk

Market risk is the risk that the fair value of future cash f ows of a f nancial instrument will f uctuate because of changes in market prices. The Company is exposed to market risks, in particular , interest rate risk and foreign currency exchange risk.

Foreign currency exchange risk is the risk that arise from the changes of exchange rate of US Dollar as the reporting currency against foreign currency, especially Rupiah.

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to exchange rate fluctuations comes from the exchange rate between US Dollar and Rupiah. The significant portion of the foregin exchange risk is contributed by the Rupiah denominated cash on hand and in bank and trade payables.

As of March 31, 2011, the Company has monetary assets and liabilities denominated in foreign currency which are presented in Note 20.

3. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due. The Company evaluates and monitors cash-in flow and cash-out flow to ensure the availability of fund to settle the due obligation. In general, fund needed to settle the current liabilities is obtained from collection of trade receivables from the customers.

	Below 1year	Over 1 year up to 2 years	Total
Financial Liabilities			
Trade payables			
Related parties	1,996,913.00	**-**	1,996,913.00
Third parties	622,833.75	447,245.68	1,070,079.43
Other payables	488,690.74	-	488,690.74
Accrued expenses	56,485.40	-	56,485.40
	3,164,922.89	447,245.68	3,612,168.57

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Carrying value of all financial instruments approximates their respective fair values. The following are the methods and assumptions used to estimate the fair value of each class of the Company's financial instrument:

1. Cash on hand and in bank and trade receivables - net

   All of the above financial assets are due within 12 months, thus the carrying value of the financial assets approximates the fair value of the financial assets.

2. Trade payables, other payables and accrued expenses.

   All of the above financial liabilities are due within 12 months, thus the carrying value of the financial liabilities are approximates the fair value of the financial liabilities.

The tables sets forth the carrying values and estimated fair values of the Company's financial instruments that are carried in the balance sheet as of March 31, 2011:

	2011	
	Carrying Amount	Fair Value
Financial Assets		
Cash on hand and in bank	**1,643,836.00**	1,643,836.00
Trade receivables	**8,104,167.79**	8,104,167.79
Total	**9,748,003.79**	9,748,003.79

	2011	
	Carrying Amount	Fair Value
Financial Liabilities		
Trade payables:		
Related party	**1,996,913.00**	1,996,913.00
Third parties	**1,070,079.43**	1,070,079.43
Accrued expenses	**56,485.40**	56,485.40
Other payables	**488,690.74**	488,690.74
Total	**3,612,168.57**	3,612,168.57

20. ASSET AND LIABILITY DENOMINATED IN FOREIGN CURRENCIES

As of March 31, 2011 and 2010, the Company had monetary asset and liability denominated in foreign currencies which are as follows:

	2011	2010
ASSET		
In Rupiah		
Cash on hand and in bank	**1,321,345,276.00**	1,767,697,866.00
Equivalent in USD	**151,721.81**	78,368.99
LIABILITY		
In Rupiah		
Trade payables	**817,746,011.94**	307,019,543.13
Equivalent in USD	**93,896.66**	34,147.43
Asset - net	**57,825.15**	44,221.56

As of April 7, 2011, the exchange rate published by Bank Indonesia was Rp 8,654.00 to USD 1. If such exchange rates had been used as of March 31, 2011, the net asset will increase by USD 367.51.

21. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS

Accounting Standards issued by Indonesian Accounting Standards Board (DSAK) up to the date of the completion of the Company's financial statements but not yet effective are summarized below:

Effective on or after January 1, 2011:

1. PSAK No. 1 (Revised 2009) "Presentation of Financial Statements", prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements and with the financial statements of other entities.
2. PSAK No. 2 (Revised 2009) "Statement of Cash Flow", requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a statement of cash flow which classifies cash flows during the period from operating, investing and financing activities.
3. PSAK No. 25 (Revised 2009) "Accounting Policies, Changes in Accounting Estimates and Errors", prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in US Dollar, unless otherwise stated)

4. PSAK No. 48 (Revised 2009) “Impairment of Assets”, prescribes the procedures applied to ensure that assets are carried at no more than their recoverable amount and if the assets are impaired, an impairment loss should be recognized.
5. PSAK No. 57 (Revised 2009) “Provisions, Contingent Liabilities and Contingent Assets”, aims to provide that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and to ensure that suff cient information is disclosed in the notes to enable users to understand the nature, timing and amount related to the information.

Effective on or after January 1, 2012:

1. PSAK No. 10 (Revised 2010) “The Ef fects of Changes in Foreign Exchange Rates”, prescribes how to include foreign currency transactions and foreign operations in the f nancial statements of an entity and translate f nancial statements into a presentation currency.
2. PSAK No. 24 (Revised 2010) “”Employee Benefits”, prescribes the accounting and disclosure for employee benef ts. The Standard requires an entity to recognize:
   - a liability when an employee has provided service in exchange for employee benef ts to be paid in the future; and
   - an expense when the entity consumes the economic benef arising from service provided by an employee in exchange for employee benef ts.
3. PSAK No. 46 (Revised 2010) “IncomeTaxes”, prescribe the accounting treatment for income taxes. Requires an entity to recognize a deferred tax liability (deferred tax asset), with certain limited exceptions, treat for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves and also deals with the recognition of deferred tax assets arising from unused tax losses or unused tax credits, the presentation of income taxes in the f nancial statements and the disclosure of information relating to income taxes.
4. ISAK No. 20, “Income Taxes - Changes in the Tax Status of an Entity or its Shareholders”. A change in the tax status of an entity or its shareholders does not give rise to increases or decreases in amounts recognized outside prof t or loss. The current and deferred tax consequences of a change in tax status shall be included in prof t or loss for the period, unless those consequences relate to transactions and events that result, in the same or a dif ferent period, in a direct credit or charge to the recognized amount of equity or in amounts recognized in other comprehensive income.

The Company is presently evaluating and has not determined the effects of these revised and new standards and interpretations on its f nancial statements.

22. COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of these f nancial statements that were completed on April 7, 2011

INDEX TO SUPPLEMENTARY INFORMATION

MARCH 31, 2011 AND 2010

(Expressed in Indian Rupee, unless otherwise stated)

Schedule	Description
A	Note to Supplementary Information
B	Balance Sheets
C	Statements of Income
D	Statements of Changes in Shareholders' Equity
E	Statements of Cash f ows
F	Details of Accounts

SCHEDULE A

NOTES TO SUPPLEMENTARY INFORMATION
MARCH 31, 2011 AND 2010
(Expressed in Indian Rupee, unless otherwise stated

Preparation of Indian Rupee Accounts

The Company's statutory f nancial 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 f nancial statement balances into Indian Rupee should not be construed as representing that the US Dollar amount have been, could have been, or could be in the future, converted into Indian Rupee at the exchange rates applied in the translation of US Dollar amount into Indian Rupee or any other exchange rate.
The US Dollar amounts are translated for convenience into Indian Rupees at the exchange rate of INR 44.69 for the years ended March 31, 2011 and 2010, 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, 2011 and 2010.

SCHEDULE B

BALANCE SHEETS
MARCH 31, 2011 AND 2010
(Expressed in Indian Rupee, unless otherwise stated)
(UNAUDITED)

	Notes	2011	2010
ASSETS			
CURRENT ASSETS			
Cash on hand and in bank	A	**73,463,031.13**	41,273,722.69
Trade receivables - net		**362,143,030.21**	353,506,430.43
Prepaid tax	F	**5,074,705.60**	11,476,353.78
Prepaid expenses and advances		**40,006,013.39**	51,105,754.05
Total Current Assets		**480,686,780.33**	457,362,260.95
NON - CURRENT ASSETS			
Deferred tax asset	F	**1,053,255.95**	451,894.11
Estimated claims for tax refund	F	**-**	12,769,257.72
Fixed assets - net of accumulated depreciation	B	**2,239,332.78**	3,604,905.44
Total Non - Current Assets		**3,292,588.73**	16,826,057.27
TOTAL ASSETS		**483,979,369.06**	474,188,318.22
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payable	C		
Related party		**89,242,041.97**	106,599,598.20
Third parties		**47,821,849.73**	99,649,479.11
Accrued expenses	D	**2,524,332.53**	13,237,503.34
Taxes payables	F	**32,939,415.19**	29,571,060.62
Other payables	E	**21,839,589.17**	52,538,324.19
Total Current Liabilities		**194,367,228.59**	301,595,965.46
NON - CURRENT LIABILITY			
Employee benef t liability		**4,166,761.53**	1,807,576.43
TOTAL LIABILITIES		**198,533,990.12**	303,403,541.89
STOCKHOLDERS' EQUITY			
Capital stock - USD 1 par value per share Authorized - 1,000,000 share			
Issued and fully paid - 500,000 share	G	**22,345,000.00**	22,345,000.00
Retained earnings		**263,100,378.73**	148,439,776.33
Total Stockholders' Equity		**285,445,378.73**	170,784,776.33
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**483,979,369.06**	474,188,318.22

SCHEDULE C

STATEMENTS OF INCOME YEARS ENDED

MARCH 31, 2011 AND 2010

(Expressed in Indian Rupee, unless otherwise stated)

(UNAUDITED)

	Notes	2011	2010
REVENUE	**H**	**977,545,486.59**	951,081,014.74
COST OF REVENUE		**425,574,107.18**	639,172,114.46
GROSS PROFIT		**551,971,379.41**	311,908,900.28
OPERATING EXPENSES	I	**381,293,515.74**	283,180,301.52

	Notes	2011	2010
INCOME FROM OPERATIONS		**170,677,863.66**	28,728,598.76
OTHER INCOME (CHARGES)			
Loss on foreign exchange		**(4,160,765.60)**	(772,965.25)
Interest income		**42,630.24**	85,049.98
Others		**385,362.76**	-
Other Charges - net		**(3,732,772.60)**	(687,915.27)
INCOME BEFORE INCOME TAX EXPENSE		**166,945,091.06**	28,040,683.49
INCOME TAX EXPENSE	F		
Current		**(52,885,850.51**	(9,603,213.97)
Deferred		**601,361.84**	365,215.17
NET INCOME		**114,660,602.40**	18,802,684.69

SCHEDULE D

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in Indian Rupee, unless otherwise stated)

(UNAUDITED)

	Notes	Capital Stock	Retained Earnings	Total Stockholders' Equity
Balance as of March 31, 2009	**G**	**22,345,000.00**	**129,637,091.64**	**151,982,091.64**
Net income		-	18,802,684.69	18,802,684.69
Balance as of March 31, 2010		**22,345,000.00**	**148,439,776.33**	**170,784,776.33**
Net income		-	114,660,602.40	114,660,602.40
Balance as of March 31, 2011		**22,345,000.00**	**263,100,378.73**	**285,445,378.73**

SCHEDULE E

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in Indian Rupee, unless otherwise stated)

(UNAUDITED)

	Notes	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**114,660,602.40**	18,802,684.69
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	B	**1,600,169.25**	1,845,710.41
Deferred tax asset		**(601,361.84)**	(365,215.17)
Employee benefits		**2,359,185.10**	1,498,008.80
Changes in operating assets and liabilities:			
Trade receivables		**(8,636,599.78)**	(95,514,624.45)
Other receivables		**2,291,703.65**	14,347,777.68
Advances to employees		**12,435,635.14**	-
Trade payables		**(69,185,185.61)**	32,301,197.30
Other payables		**(20,291,297.73)**	48,781,012.11
Taxes payable		**766,496.94**	(46,383,174.95)
Accrued expenses		**(10,713,177.52)**	11,280,397.75
Prepaid tax and expenses		**7,514,219.59**	26,591,995.27
Estimated claims for tax refund		**12,769,257.42**	28,575,578.80
Advances to suppliers		**(4,740,169.54)**	-
Net Cash Provided by Operating Activities		**32,423,905.02**	41,761,348.24
CASH FLOWS FROM INVESTING ACTIVITIES			
Stockholders' loan		**-**	(22,345,000.00)
Acquisitions of fixed assets		**(234,596.58)**	(3,157,129.52)
Net Cash Used in Investing Activities		**(234,596.58)**	(25,502,129.52)
INCREASE IN CASH ON HAND AND IN BANK		**32,189,308.44**	16,259,218.72
CASH ON HAND AND IN BANK AT BEGINNING OF THE YEAR	A	**41,273,722.69**	25,014,503.97
CASH ON HAND IN BANK AT END OF THE YEAR	A	**73,463,031.13**	41,273,722.69

SCHEDULE F

DETAILS OF ACCOUNTS YEARS ENDED MARCH 31, 2011 AND 2010

(Expressed in Indian Rupee, unless otherwise stated)

(UNAUDITED)

A. CASH ON HAND AND IN BANK

Details are as follows:

	2011	2010
Cash on hand	**145,615.66**	460,065.23
Cash in bank		
US Dollar	**66,682,583.15**	37,311,347.16
Rupiah	**6,634,832.32**	3,502,310.30
Total	**73,463,031.13**	41,273,722.69

B. FIXED ASSETS

The details of fixed assets are as follows

	2011	2010
Cost	**8,673,459.78**	8,438,863.20
Accumulated depreciation	**(6,434,127.00)**	(4,833,957.76)
Total	**2,239,332.78**	3,604,905.44

C. TRADE PAYABLES

Details are as follows:

	2011	2010
Related Party		
Tech Mahindra Limited	**89,242,041.97**	106,599,598.20
Third Parties		
Intec System (Asia) Sdn Bhd	**11,589,433.57**	60,957,160.00
Comviva	**10,173,589.12**	9,608,350.00
Convergys	**2,874,947.92**	11,451,673.96
Price Waterhouse Coopers	**2,847,646.80**	3,133,213.22
PT Focus Com	**2,810,720.79**	845,549.55
Openet	**2,569,135.14**	-
Subex Azure	**1,753,520.75**	1,753,520.75
PT Berca Hardaya Perkasa	**1,722,541.19**	254,553.35
Tibco Software Inc	**1,129,316.30**	1,129,316.30
VIZ Sector Consultant	**990,951.14**	990,951.14
6D Technologies	**888,157.89**	888,157.89
PT Mitra Integrasi	**887,932.65**	276,494.80
PT Oracle Indonesia	**741,959.92**	-
CBA	**700,112.65**	181,726.52
HQ	**607,463.57**	274,591.90
Xprint	**525,707.69**	275,493.74
Elite Technologies Ltd,	**517,823.03**	517,823.03
Bharti Telesoft Ltd	**377,183.60**	377,183.60
Landsat Communication Pte,Ltd,	**357,520.00**	357,520.00
PT Madawani Mandiri	**318,550.32**	-
PT Datacraft Indonesia	**270,229.26**	270,229.26
Tiendas Law Off ces	**167,529.40**	117,815.80
Aston Rasuna	**150,260.29**	44,330.69
Infogain Systems Pvt Limited	**147,477.00**	935,629.84
Allianz	**90,267.54**	90,267.10
Tectacle Technologies MSC	**89,380.00**	-
Iditya Putra	**86,082.77**	86,082.77
PT Arsena solusindo	**78,252.64**	1,215,139.42
Sumberdaya Info Prima	**55,334.26**	-
PT VisioNet International	**30,765.49**	393,337.69
PT Hewlett-Packard Berce Servicindo	**19,311.00**	19,311.00
Sati Safarijah SH	**16,006.62**	608,141.52
SAC - ITS	**10,061.06**	-
PT IMSI	**7,239.78**	142,768.46
Atreus Global	**6,837.57**	6,837.57
Bahwan Cybertek	**804.42**	804.42
PT Amanja Mega Persada	**-**	2,320,304.80
PT Sumber Daya Info Prima	**-**	55,334.26
Others	**2,211,796.59**	69,864.77
Total third parties	**47,821,849.73**	99,649,479.11
Total trade payables	**137,063,891.70**	206,249,077.31

D. ACCRUED EXPENSES

Details are as follows

	2011	2010
Salaries	**1,442,657.11**	12,395,571.90
Payable to employees	**909,371.78**	721,554.01
Medical claims	172,303.64	120,377.43
Total	2,524,332.53	13,237,503.34

E. OTHER PAYABLES

Details are as follows

	2011	2010
Provision for expenses	**14,901,289.65**	46,053,045.46
Leave encashment liabilities	**6,938,299.52**	6,485,278.73
Total	**21,839,589.17**	52,538,324.19

F. TAXATION

This account consists of:

a. Prepaid tax

	2011	2010
VAT on import purchase	**5,074,705.60**	11,476,353.78

Based on the prevailing tax regulations, V AT on import purchases is allowed to be of fset against VAT Output Payable upon payment to State Treasury.

b. Tax payable

	2011	2010
Income taxes:		
Article 4 (2)	**3,246.88**	-
Article 21	**3,247,401.53**	2,549,341.05
Article 23	**5,197,372.37**	30,344.06
Article 26	**-**	26,991,375.51
Article 29	**24,491,394.41**	-
Tax provision	**-**	-
Total	**32,939,415.19**	29,571,060.62

c. Current income tax expense

Reconciliation between income before income tax expense, as shown in the statements of income and estimated taxable income for years ended March 31, 2011 and 2010 are as follows:

	2011	2010
Income before income tax expense per statements of income	**166,945,091.06**	28,040,683.49
Permanent differences:		
Salaries	**13,612,770.32**	-
Insurance	**4,957,353.10**	2,919,329.56
Income tax	**1,468,992.60**	683,861.57
Rent	**1,328,551.02**	
Communication expenses	**1,256,863.12**	-
Meals	**793,036.12**	1,185,967.58
Staff welfare	**471,100.08**	24,386.89
Entertainment	**358,299.39**	-
Fiscal expenses	**37,062.31**	30,007.55
Income already subjected to f nal income tax:		
Interest on bank balance	**(42,630.24)**	(85,049.99)
Other	**17,951,465.77**	-
Temporary differences:		
Employee benef ts	**2,359,185.10**	1,498,008.80
Provision for impairment	**32,228.19**	-
Depreciation	**14,034.08**	-
Total	**44,598,310.96**	6,256,511.96

The computation of income tax expense - current and estimated claims for tax refund for the year ended March 31, 2011 and 2010 is as follows:

Estimated taxable income	**211,543,402.02**	34,297,195.26
Current income tax expense	**52,885,850.51**	9,603,214.97
Prepayments of income tax:		
Withholding tax article 23	**(19,062,785.91)**	(19,559,615.75)
Advance tax	**(9,331,670.19)**	(2,812,855.64)
Income tax payable (Claim for tax refund)	**24,491,394.41**	(12,769,256.72)

d. Estimated claims of tax refund

As of March 31, 2010, the estimated claims of tax refund amounted to INR 12,769,257.72.

e. Deferred tax

Deferred income tax benef t, computed on the tax benef t of signif cant temporary dif ferences between f nancial and tax reporting, using 25% which is the maximum tax rate is as follows:

	2011	2010
Employee benef ts	**589,796.28**	365,215.17
Provision for impairment	**8,057.05**	-
Depreciation	**3,508.51**	-
Total	**601,361.84**	365,215.17

f. Deferred tax asset

	2011	2010
Employee benef ts	**1,041,690.38**	451,894.11
Provision for impairment	**8,057.05**	-
Depreciation	**3,508.52**	-
Total	**1,053,255.95**	451,894.11

G. CAPITAL STOCK

The details of the Company's shareholdings as of March 31, 2011 and 2010 are as follows:

	2011	2010
Capital stock	**22,345,000.00**	22,345,000.00
Retained earnings	**148,439,776.33**	129,637,091.64
Current earnings for the year	**114,660,602.40**	18,802,684.69
Total	**285,445,378.73**	170,784,776.33

H. REVENUE

Details are as follows:

	2011	2010
PT Hutchinson CP Telecommunications	**770,396,350.70**	795,983,495.09
PT Natrindo Telepon Selular	**181,859,451.71**	119,112,397.33
PT Mitra Integrasi	**20,380,874.50**	-
PT Kaltim Nitrate Indonesia	**4,784,422.02**	-
PT Telkom Tbk	**124,387.66**	25,040,096.14
PT Carity	**-**	8,563,942.91
PT Sanshine	**-**	2,381,083.27
Total	**977,545,486.59**	951,081,014.74

I. OPERATING EXPENSES

Details are as follows:

	2011	2010
Salaries	**285,013,179.06**	216,901,579.22
Travelling expenses	**35,033,709.70**	28,482,713.87
Professional fees	**17,577,136.52**	17,804,331.09
Insurance	**5,002,266.55**	2,919,329.56
Rental	**2,774,852.15**	2,044,063.40
Insurance Jamsostek	**2,730,199.69**	1,550,018.58
Telecommunication	**2,513,726.25**	2,109,559.27
Employee benef ts	**2,359,185.10**	1,498,008.80
Bank charges	**1,877,824.64**	2,017,914.83
Depreciation	**1,600,169.25**	1,845,710.41
Income tax	**1,468,992.60**	683,861.57
Printing and stationery	**1,062,155.72**	39,836.22
Meals	**793,036.12**	1,185,967.58
Other interest expense	**648,311.14**	416,596.61
Pantry expense	**618,278.55**	413,789.18
Audit fee	**485,315.52**	-
Staff welfare	**471,100.08**	24,386.89
Entertainment	**358,299.39**	-
Airport tax	**284,949.25**	29,998.61
Courier expenses	**114,868.94**	49,861.08
Power	**50,823.70**	57,756.46
Fiscal expense	**37,062.31**	30,007.55
Maintenance charges	**35,994.67**	128,018.97
Provision for Doubtful Debts	**32,228.19**	-
Travel inland	**15,239.29**	204,790.58
Recruitment expense	**10,061.06**	8,484.84
Car/Running expense	**-**	74,663.58
Miscellaneous	**18,324,550.30**	2,659,052.77
Total	**381,293,515.74**	283,180,301.52

CANVASM TECHNOLOGIES LIMITED

Board of Directors

Mr. Vineet Nayyar - Chairman

Mr. C. P. Gurnani

Mr. Navin Mehta

Mr. Ulhas N. Yargop

Registered Office

Oberoi Gardens Estate,

Chandivali,

Off Saki Vihar Road,

Andheri (E)

Mumbai 400 072

Bankers

HSBC Bank

Auditors

Deloitte and Haskins & Sells,

Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Fifth Annual Report together with the audited Accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rupees)

For the year ended March 31,	2011	2010
Income	**905,744,786**	763,425,160
Expenditure	**731,833,196**	571,460,085
Depreciation	**42,540,014**	33,152,599
Prof t/(Loss) Before Tax & Extra Ordinary items	**131,371,576**	158,812,476
Provision for Taxation	**63,422,036**	34,808,541
Deferred Taxes Charge/ (Credit)	**(25,803,360)**	(12,608,395)
Extra Ordinary Items		
Prof t/(Loss) after Tax	**93,752,900**	136,612,330
Balance brought forward from previous year	**120,022,738**	(16,589,592)
Prof t available for appropriation	**213,775,638**	120,022,738
APPROPRIATIONS		
Prof t Carried forward to Balance Sheet	**213,775,638**	120,022,738

DIVIDEND

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

BUSINESS OVERVIEW

Value Added Services (V AS) 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 f ow in the near future.

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

Your Company is well positioned to contribute to the V AS landscape, through evolved of ferings and 360 degree service delivery expertise spanning across Telco's from Tech Mahindra and cross –domain eco-system partners like Banks, Media houses etc from Mahindra Satyam.

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

- CanvasM has planed and in process of launching few VAS services on D2C model for Indian market spanning across V AS verticals like V oice 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 V AS services would also enable our positioning as potential V AS 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 V AS solutions. Dedicated pre-sales / sales teams have been set up for each of these focus geos. In these customers CanvasM is focussed on providing V AS 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 f erce 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 f xed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date.

SUBSIDIARY COMPANIES

The Company has a wholly owned 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 f nancial 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 Navin Mehta and Mr. C P Gurnani 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. 555,604,160 (Previous Year – Rs. 633,041,353) while the outgoings were Rs. 465,712,001 (Previous Year – 427,890,125).

PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956, and the Rules made thereunder, there are no employee(s) who were in receipt of remuneration of not less than Rs. 6,000,000 during the year ended 31st March 2011, or of not less than Rs. 500,000 per month, if employed for part of the 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 2011 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 : Pune
Date : 21st April 2011

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, 2011, 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, 2011;

      (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, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 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 : 21st April 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) 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.

(ii) The Company being a service company provides value added services which includes VAS platform, application and product development, integration, hosting and deployment services and does not hold any inventories. Accordingly clauses (ii)(a), (ii)(b) and (ii)(c) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order) are 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, 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 the 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) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Mangement 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, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for the business activities of the Company.

(ix) 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, Income-tax, , Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

  We are informed that the provisions of Employees' State Insurance, are not applicable to the Company and the operations of the Company during the year did not give rise to any investor education and protection fund, wealth tax, sales tax and excise duty.
- (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, 2011 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, 2011 on account of disputes.

(x) As the Company has been registered for a period of less than five years accordingly paragraph 4 (x) of the Order is not applicable.

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

(xii) 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.

(xiii) In our opinion and according to the information and explanations given to us, the provisions of any special statute as specified under paragraph 4 (xiii) of the Order are not applicable to the Company.

(xiv) 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.

(xv) 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.

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

(xvii) 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.

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

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

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

(xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on 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 : 21st April 2011

BALANCE SHEET AS AT MARCH 31, 2011

Rupees

	Schedule	As at 31.03.2011		As at 31.03.2010	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Share Capital	A		**576,733,000**		576,733,000
2. Reserves and Surplus	B		**213,775,638**		120,022,738
TOTAL			**790,508,638**		696,755,738
II. APPLICATION OF FUNDS					
1. Fixed Assets	C				
(a) Gross Block		**218,246,822**		110,496,001	
(b) Less: Depreciation		**90,474,945**		47,964,832	
(c) Net Block			**127,771,877**		62,531,169
2. Investments	D		**379,159,490**		448,922,578
3. Deferred tax assets	E		**38,411,755**		12,608,395
4. Current Assets, Loans and Advances	F				
(a) Sundry Debtors		**442,345,078**		403,533,197	
(b) Cash and Bank Balances		**66,072,891**		56,097,819	
(c) Loans and Advances		**48,211,905**		34,080,329	
		556,629,874		493,711,345	
Less : Current Liabilities and Provisions	G				
(a) Current Liabilities		**294,074,556**		312,151,275	
(b) Provisions		**17,389,802**		8,866,474	
		311,464,358		321,017,749	
Net Current Assets			**245,165,516**		172,693,596
TOTAL			**790,508,638**		696,755,738
Notes on Accounts	L				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner Director

Place: Gurgaon
Date : 21st April 2011

For and on behalf of the Board of Directors

C.P. Gurnani

Vineet Nayyar
Director

Place: Pune
Date : 21st April 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rupees

	Schedule	Year ended March 31,2011	Year ended March 31,2010
INCOME			
Sales		**885,507,873**	725,368,931
Other Income	H	**20,236,913**	38,056,229
		905,744,786	763,425,160
EXPENDITURE			
Employee Remuneration and Benef ts	I	**182,626,317**	121,840,289
Operating and Other Expenses	J	**548,251,275**	449,202,999
Depreciation	C	**42,540,014**	33,152,599
Interest and Finance Charges	K	**955,604**	416,797
		774,373,210	604,612,684
Profit/(Loss) before taxation		**131,371,576**	158,812,476
Provision for taxation :			
Income tax		**63,422,036**	34,808,541
Deferred tax charge/(credit)		**(25,803,360)**	(12,608,395)
Profit/(Loss) after taxation		**93,752,900**	136,612,330
Balance brought forward from the previous year		**120,022,738**	(16,589,592)
Balance Carried to Balance Sheet		**213,775,638**	120,022,738
Earnings per Share			
Basic (Rs.)		**16.26**	23.69
Diluted (Rs.)		**16.26**	23.69
(Refer note 5 of Schedule L)			
Notes on Accounts	L		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner Director

Place: Gurgaon
Date : 21st April 2011

For and on behalf of the Board of Directors

C.P. Gurnani
Vineet Nayyar
Director

Place: Pune
Date : 21st April 2011

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	For the Year ended 31.03.2011	For the Year ended 31.03.2010
			Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/ (Loss) before tax		**131,371,576**	158,812,476
Adjusted for:			
Interest on Deposits		**-**	(1,334,127)
Depreciation		**42,540,014**	33,152,599
Assets written off		**78,338**	-
Prof t on sale of Investments		**(701,138)**	(19,579,641)
Dividend Income from Investments		**(19,365,716)**	(17,142,461)
Provision for dimunition in value of Investments written back		**(170,059)**	-
Provision for dimunition in value of Investments		**-**	151,387
Unrealised Exchange Loss/(Gain) (net)		**3,186,283**	6,474,368
Provision for doubtful debts		**76,997,314**	719,021
Operating profit before working capital changes		**233,936,612**	161,253,622
Adjusted for:			
Sundry Debtors		**(115,809,195)**	(176,743,340)
Loans and Advances		**(17,474,103)**	(2,440,643)
Current Liabilities and Provisions		**(12,597,365)**	(25,274,456)
Cash generated from Operations		**88,055,949**	(43,204,817)
Income taxes Paid		**(54,298,848)**	(34,925,162)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		**33,757,101**	(78,129,979)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Deposits		**-**	1,869,712
Proceeds on sale of Investments		**316,264,209**	384,477,021
Purchase of Investments		**(245,629,925)**	(451,593,727)
Dividend Income from Investments		**19,365,716**	17,142,461
Purchase of f xed assets / payment of Capital Creditors		**(110,595,746)**	(34,886,538)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**(20,595,746)**	(82,991,071)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		**13,161,355**	(161,121,050)
Cash and cash Equivalents at the beginning of the year		**56,097,819**	223,693,237
Unrealised Gain/(Loss) on reinstatement of foreign currency bank account		**(3,186,283)**	(6,474,368)
Cash and Cash Equivalents at the end of the year	F	**66,072,891**	56,097,819

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

(Vijay Agarwal)
Partner Director

Place: Gurgaon
Date : 21st April 2011

For and on behalf of the Board of Directors

C.P. Gurnani

Vineet Nayyar
Director

Place: Pune
Date : 21st April 2011

Schedules forming part of the Balance Sheet

		Rupees
	As at 31.03.2011	As at 31.03.2010
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		
5,767,330 Equity shares of Rs.100 each	**576,733,000**	576,733,000
	576,733,000	576,733,000
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

Notes:

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 .

		Rupees
	As at 31.03.2011	As at 31.03.2010
Schedule B		
RESERVES AND SURPLUS		
Profit and Loss Account		
As per last Balance Sheet	**120,022,738**	(16,589,592)
Add: Prof t for the year	**93,752,900**	136,612,330
	213,775,638	120,022,738

Schedule C

FIXED ASSETS **Rupees**

	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
Particulars	**As at 01.04.2010**	**Additions during the year**	**Deletion/ adjustment during the year**	**As at 31.03.2011**	**Upto 01.04.2010**	**Provided during the year**	**Deletion/ adjustment during the year**	**Upto 31.03.2011**	**As at 31.03.2011**	**As at 31.03.2010**
Data Processing Machines including Computers	7,059,914	9,380,278	487,414*	15,952,778	3,583,439	3,550,882	29,901	7,104,420	8,848,358	3,476,475
Plant and Machinery	100,749,328	98,784,292	-	199,533,620	43,537,095	38,448,587	-	81,985,682	117,547,938	57,212,233
Furniture and Fixtures	2,425,118	29,416	-	2,454,534	767,955	486,004	-	1,253,959	1,200,575	1,657,163
Off ce Equipment	261,641	44,249	-	305,890	76,343	54,541	-	130,884	175,006	185,298
TOTAL	**110,496,001**	**108,238,235**	**487,414**	**218,246,822**	**47,964,832**	**42,540,014**	**29,901**	**90,474,945**	**127,771,877**	
REVIOUS YEAR	86,509,892	28,033,009	4,046,900	110,496,001	14,812,233	33,152,599	-	47,964,832		62,531,169

*During the year , exchange gain of Rs.379,175 decapitalised (previous year Rs.4,046,900) in line with the notif cation 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 . 1,062 due to decapitalisation (previous year Rs. 1,201,575).

Schedules forming part of the Balance Sheet

Schedule D

INVESTMENTS (NON TRADE)

Rupees

Particulars	**As at 31.03.2011**	As at 31.03.2010
LONG TERM INVESTMENTS		
(Valued at cost unless there is permanent fall in value thereof)		
1. Shares		
Unquoted :		
In wholly owned subsidiary company		
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)		
2. Mutual Funds		
Unquoted		
Nil units (previous year 4,187,201) of Rs Nil (previous year Rs 10.08) each of Kotak Floater Long Term - Weekly Dividend	**-**	42,203,395
4,433,314 units (previous year Nil) of Rs 10.0028 (previous year Rs Nil) each of Kotak Quarterly Interval Plan Series 1 -Dividend	**44,345,552**	-
289,659 units (previous year 274,636) of Rs 100.02 (previous year Rs 100.04) each of 1542 ICICI Prudential Floating Rate Plan D Daily Dividend	**28,978,426**	27,475,672
Nil units (previous year 3,429,361) of Rs Nil (previous year Rs 17.10) each of Reliance Medium Term Fund- Daily Dividend Plan - Reinvestment	**-**	58,626,643
6,124,372 units (previous year Nil) of Rs 10.00 (previous year Rs Nil) each of Reliance Fixed Horizon Fund -XVIII - Series 3 Dividend Plan	**61,243,723**	-
7,683,056 units (previous year 5,305,538) of Rs 10.01 (previous year Rs. 10.01)each of B332WD Birla Sun Life Savings Fund Instl - Weekly Dividend -Reinvestment	**76,932,212**	53,099,367
5,000,000 units (previous year Nil) of Rs 10.00 (previous year Rs Nil) each of BSL Savings Fund - Instl - Weekly Div -Reinvestment	**50,000,000**	-
Nil units (previous year 14,933,258) of Rs Nil (previous year Rs 10.42) each of B321MD Birla Sun Life Dynamic Bond Fund -Retail Plan - Monthly Dividend	**-**	155,659,637
11,613,267 units (previous year 11,063,320) of Rs 10.13 (previous year Rs 10.13) each of B851F Birla Sun Life Short Term Fund -Institutional Fortnightly Dividend	**17,660,893**	112,029,239
	379,160,806	449,093,953
Less: Provision for diminution in value of Investments	**5,741**	175,800
SUB-TOTAL	**379,155,065**	448,918,153
GRAND TOTAL	**379,159,490**	448,922,578
Aggregate Cost of Unquoted Investments	**379,159,490**	448,922,578
Aggregate NAV of Mutual Funds	**382,428,962**	449,741,549

Rupees

	As at 31.03.2011		As at 31.03.2010	
Schedule E				
DEFERRED TAX ASSETS				
Deferred tax assets on:				
Depreciation	**8,728,488**		7,475,078	
Provision for Gratuity and Leave Encashment	**4,349,904**		3,013,715	
Provision for Doubtful Debts	**25,331,500**		-	
Others	**1,863**	**38,411,755**	2,119,602	12,608,395
		38,411,755		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	**87,954,207**		34,708,370	
Considered Doubtful	**78,075,204**	**166,029,411**	1,077,890	35,786,260
Others				
Considered good *	**354,390,871**		368,824,827	
Considered Doubtful	**-**	**354,390,871**	-	368,824,827
Less: Provision for Doubtful Debts		**78,075,204**		1,077,890
		442,345,078		403,533,197

* Includes Rs.51,135,565 (previous year Rs. 22,830,611) recoverable from Tech Mahindra Limited, the holding company and Rs.214,423,812 (previous year Rs. 106,227,068) recoverable from CanvasM (Americas) Inc, 100% subsidiary company of the Company.

	As at 31.03.2011		As at 31.03.2010	
2. Cash and Bank Balances				
Balance with Scheduled Banks				
In Current Accounts	**11,455,000**		20,194,098	
In EEFC Account	**54,617,891**	**66,072,891**	35,903,721	56,097,819
B. LOANS AND ADVANCES (Unsecured)				
1. Advances recoverable in cash or in kind or for value to be received ##	**11,382,215**		9,375,728	
2. Advances to Suppliers ###	**21,709,690**		4,484,205	
3. Security Deposits #	**15,120,000**		15,080,000	
4. Advance income tax [net of provisions aggregating to Nil (Previous year Rs. 38,644,873)]	**-**		5,140,396	
		48,211,905		34,080,329
		556,629,874		493,711,345

Includes Rs. 15,000,000 (previous year Rs.15,000,000) with holding company (Tech Mahindra Limited)
Includes Rs. Nil (previous year Rs.1,412,549) recoverable from holding company (Tech Mahindra Limited)
Includes capital advance of Rs. 1,797,869 (previous year Rs. Nil)

				Rupees
	As at 31.03.2011		As at 31.03.2010	
Schedule G				
CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
1. Sundry Creditors#				
Due to subsidiary company - CanvasM (Americas) Inc	**114,613,244**		32,366,265	
Total outstanding dues of creditors other than micro and small enterprises (Also refer note 9 of Schedule L)	**136,275,007**		247,944,155	
2. Advance from Customers	**1,153,540**		8,184,037	
3. Unearned Revenue	**21,399,015**		17,020,960	
4. Other Liabilities	**20,633,750**	**294,074,556**	6,635,858	312,151,275
B. PROVISIONS				
1. Provision for income tax [net of advance income tax aggregating to Rs. 98,084,117 (Previous year Rs. Nil)]	**3,982,792**		-	
2. Staff Benefits	**13,407,010**	**17,389,802**	8,866,474	8,866,474
		311,464,358		321,017,749

Notes:
Sundry Creditors do not include any amount outstanding as on March 31, 2011, which are required to be credited to Investor Education and Protection Fund
Includes Rs. 10,102,652 (previous year Nil) payable to holding company (Tech Mahindra Limited)

Schedules forming part of the Profit and Loss Account

	Rupees	
	Year ended March 31,	
	2011	2010
Schedule H		
OTHER INCOME		
Interest on deposits [Tax deducted at source Rs.Nil (Previous period Rs. 329,695)]	**-**	1,334,127
Profit on sale of Investments (net)	**701,138**	19,579,641
Dividend income from Investments	**19,365,716**	17,142,461
Provision for dimunition in value of Investments written back	**170,059**	-
	20,236,913	38,056,229

Schedule I

EMPLOYEES REMUNERATION AND BENEFITS

	Year ended March 31,	
	2011	2010
Salaries and Wages	**174,061,596**	116,649,482
Contribution to Provident Fund and Other funds	**7,402,406**	4,523,511
Staff Welfare Expenses	**1,162,315**	667,296
	182,626,317	121,840,289

Schedule J

OPERATING AND OTHER EXPENSES

	Rupees	
	Year ended March 31,	
	2011	2010
Rent	**2,979,017**	2,979,050
Auditors' Remuneration		
Statutory Audit	**550,000**	350,000
Other Services	**650,000**	350,000
Out of pocket expenses	**-**	115,000
Recruitment Charges	**746,456**	-
Training Expenses	**-**	41,375
Legal and Professional Charges	**6,247,434**	3,237,753
Business Promotion	**290,342**	265,932
Insurance	**26,000**	-
Software Package	**16,105,446**	7,041,242
Conference and Seminar Expenses	**300,000**	-
Communication Expenses	**4,803,613**	4,159,731
Car Lease Rental	**2,175,980**	450,000
Membership and Subscription	**251,550**	281,830
Repairs and Maintenance		
- Building	**-**	7,495
- Others	**10,465,222**	3,760,031
Printing and Stationery	**453,115**	150,578
Subcontracting Costs		
Services	**254,179,690**	224,619,739
Hardware	**66,548,845**	60,529,913
Software	**74,604,701**	104,403,378
Provision for doubtful debts	**76,997,314**	719,021
Provision for dimunition in value of Investments	**-**	151,387
Assets written off	**78,338**	-
Donation	**35,000**	73,816
Travelling and Conveyance	**24,883,037**	21,853,747
Exchange Loss (net)	**3,583,255**	13,037,091
Miscellaneous Expenses	**1,296,920**	624,890
	548,251,275	449,202,999

Schedule K

INTEREST AND FINANCE CHARGES

Bank Charges	**955,604**	416,797
	955,604	416,797

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 and device testing services.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2011.

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%
Plant and Machinery	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 in accordance with the provisions of the Income Tax Act, 1961.

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 period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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:

		Rupees
	As at 31.03.2011	As at 31.03.2010
Claims not acknowledged as debts:		
- Stamp duty matter	**2,042,400**	2,042,400
- Other	**2,700,000**	-

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 31.03.2011 Rs.	As at 31.03.2010 Rs.	As at 31.03.2011 FC	As at 31.03.2010 FC
i) Receivables in Foreign Currency				
- Sundry Debtors	**372,328,377**	358,604,263	**US $ 8,350,042**	US $ 7,988,511
ii) Payables in Foreign Currency				
- Sundry Creditors	**217,956,865**	226,606,340	**US $ 4,888,021**	US $ 5,033,265 Euro 8,000

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, 2011	2010
a) Net Prof t/(Loss) after Taxation	**93,752,900**	136,612,330
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.)	**16.26**	23.69
g) Diluted Earnings per Share (Rs.)	**16.26**	23.69

6. **Leases**

The Company is a lessee under various operating leases. Rental expense for operating leases for the year ended March 31, 201 1 is Rs.2,979,017 (Previous period Rs.2,979,050). There is no non-cancelable lease as on March 31, 2011.

7. **Defined Benefit Obligation**

The status of the gratuity plan including reconciliation of the closing balance of the present value of def ned benef t obligations and the fair value of plan assets are as follows:

Rupees

	As at 31.03.2011	As at 31.03.2010
Present value of obligations		
Balance as at the beginning of the year	**4,591,440**	3,576,280
Service Cost	**1,426,040**	1,185,980
Interest Cost	**348,950**	271,800
Benef ts Paid	**-**	-
Actuarial (Gain)/Loss	**1,038,990**	(442,620)
Balance as at the end of the year	**7,405,420**	4,591,440
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 period	**-**	-
Present value of def ned benef t obligations as at the end of the year	**7,405,420**	4,591,440
Liability recognised in the balance sheet as at the end of the year	**7,405,420**	4,591,440
Gratuity cost for the year		
Service Cost	**1,426,040**	1,185,980
Interest Cost	**348,950**	271,800
Net Actuarial (Gain)/Loss	**1,038,990**	(442,620)
Net Gratuity Cost	**2,813,980**	1,015,160
Actuarial Assumptions		
Discounting rate	**7.70%**	7.60%
Future salary increase	**9% for 2011, and 8.00% thereafter**	9% for 2010, and 8.00% thereafter
Mortality		
LIC (1994-96) Ultimate		
Withdrawal Rates	**Age 21 to 29 - 20%**	Age 21 to 29 - 20%
	Age 30 to 34 - 16%	Age 30 to 34 - 16%
	Age 35 to 49 - 12%	Age 35 to 49 - 12%
	Age 50 to 59 - 10%	Age 50 to 59 - 10%
	Thereafter 4%	Thereafter 4%

Experience Adjustments:

	Year ended			
	31-Mar-08	**31-Mar-09**	**31-Mar-10**	**31-Mar-11**
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Def ned Benef t Obligation	-	(3,576,280)	(4,591,440)	(7,405,420)
Plan Assets	-	-	-	-
Surplus/(Def cit)	-	(3,576,280)	(4,591,440)	(7,405,420)
Experience Gain/ (Loss) adjustments on Plan Liabilities	-	(644,700)	144,350	(1,026,140)
Experience Gain/ (Loss) adjustments on Plan Assets	-	-	-	-
Actuarial gain/(loss) due to change on assumptions	-	50,410	298,270	(11,850)

The estimates of future salary increases, considered in actuarial valuation, take account of inf ation, 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 aff liated 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 Mahindra Logistics Limited Tech Mahindra Americas Inc Satyam Computer Services Limited
c) Subsidiary Company	:	CanvasM (Americas) Inc

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

	Rupees	
	Year ended March 31	
	2011	2010
a) Revenue		
Holding company		
Tech Mahindra Limited		
- Sales	**141,654,892**	70,506,602
Subsidiary company		
CanvasM (Americas) Inc		
- Sales	**506,441,922**	292,449,181
Enterprise having substantial interest in the Company		
Motorola Inc		
- Sales	**12,343,522**	-
Satyam Computer Services Limited		
- Sales	**6,327,370**	-
b) Expenses		
Holding company		
Tech Mahindra Limited		
- Purchased Services	**16,712,574**	2,410,422
- Reimbursement of Salaries and Wages paid on behalf of the Company	**4,554,044**	9,655,465
- Rent	**2,979,017**	2,979,050
Subsidiary company		
CanvasM (Americas) Inc		
- Purchased Services	**226,793,314**	127,438,326
Enterprise having substantial interest in the Company		
Motorola India Private Limited		
- Purchased Services	**55,863,950**	7,416,934
Mahindra Logistics Limited		
-Travelling and conveyance	**-**	127,599

	Rupees	
	Year ended March 31	
	2011	2010
Motorola Arabia Inc		
- Provision for doubtful debts	**-**	418,644
c) Balance outstanding as at the period end Receivables		
Holding company		
Tech Mahindra Limited	**51,135,565**	22,830,611
Subsidiary company		
CanvasM (Americas) Inc	**214,423,812**	106,227,068
Enterprise having substantial interest in the Company		
Motorola Arabia Inc	**688,519**	693,151
Motorola Inc	**4,742,147**	-
Satyam Computer Services Limited	**6,979,089**	-
Other Receivables		
Holding company		
Tech Mahindra Limited	**-**	1,412,549
Security Deposit		
Holding company		
Tech Mahindra Limited	**15,000,000**	15,000,000
Provision for doubtful debts		
Enterprise having substantial interest in the Company		
Motorola Arabia Inc	**688,519**	693,151
Payables		
Holding company		
Tech Mahindra Limited	**10,102,652**	-
Subsidiary company		
CanvasM (Americas) Inc	**114,613,244**	32,366,274
Enterprise having substantial interest in the Company		
Motorola India Private Limited	**1,772,565**	33,354,877

Note: The Company has entered into an agreement with Tech Mahindra Limited (TML), its holding company for rendering services to Singtel. The Company would have billed TML for 100% of the revenue received from Singtel by TML. However during the year, the contract got terminated and expense of Rs. 22,350,811 incurred for this project has been charged off in the books of account.

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, 2011.

10. Details of Investments purchased during the year:

	Year ended March 31, 2011	
Name of Mutual Fund	**No. of Units**	**Cost in Rs.**
Kotak Floater Long Term - Weekly Dividend	212,380	2,140,007
Kotak Quarterly Interval Plan Series 1 –Dividend	4,433,314	44,345,551
1542 ICICI Prudential Floating Rate Plan D Daily Dividend	15,024	1,502,753
Reliance Medium Term Fund- Daily Dividend Plan	153,002	2,615,709
Reliance Fixed Horizon Fund -XVIII - Series 3 Dividend Plan	6,124,372	61,243,724
B332WD Birla Sun Life Savings Fund Instl - Weekly Dividend – Reinvestment	7,370,387	73,804,389
B321MD Birla Sun Life Dynamic Bond Fund -Retail Plan - Monthly Dividend	416,482	4,346,135
Birla Sunlife Fixed term plan Series CP Growth	5,000,000	50,000,000
B851F Birla Sun Life Short Term Fund -Institutional Fortnightly Dividend	549,947	5,631,657
Total	**24,274,908**	**245,629,925**

Details of Investments sold during the year:

	Year ended March 31, 2011	
Name of Mutual Fund	**No. of Units**	**Sale value in Rs.**
Kotak Floater Long Term - Weekly Dividend	4,399,578	44,345,576
Reliance Medium Term Fund- Daily Dividend Plan	3,582,363	61,243,725
B321MD Birla Sun Life Dynamic Bond Fund -Retail Plan - Monthly Dividend	15,349,740	160,674,908
B332WD Birla Sun Life Savings Fund Instl - Weekly Dividend – Reinvestment	4,992,860	50,000,000
Total	**28,324,541**	**316,264,209**

11. **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 V AS platform, application and product development, Integration, hosting and deployment services and device testing 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	**Year ended March 31**	
	2011	2010
Domestic	**329,903,713**	92,327,578
Americas	**518,785,444**	292,449,181
ROW	**36,818,716**	340,592,172
Total	**885,507,873**	725,368,931

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 identif able.

12. **Reclassification**

Previous year 's f gures have been regrouped and/or re-arranged wherever necessary to conform to the current year's groupings and classif cations.

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

		Rupees
	Year ended March 31	
	2011	2010
1. Value of Imports on C.I.F . Basis		
Capital Goods	**101,019,167**	27,347,967
2. Expenditure in foreign currency		
Travelling and Conveyance	**13,046,996**	11,120,088
Purchased Services	**318,065,914**	367,919,429
Salary	**10,387,910**	9,568,368
Repairs and Maintenance	**8,247,566**	3,182,796
Software Package	**14,726,346**	6,952,851
Professional charges	**-**	1,662,704
Others	**218,102**	135,922
	364,692,834	400,542,158
3. Earnings in Foreign Exchange		
Revenue	**555,604,160**	633,041,353

For and on behalf of the Board of Directors

C.P. Gurnani Vineet Nayyar
Director Director

Place: Pune
Date : 21st April 2011

CANVASM (AMERICAS) INC.

Board of Directors

Mr. C. P. Gurnani

Mr. Jagdish Mitra

Mr. Navin Mehta

Registered Office

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

Bankers
HSBC Bank

Auditors

Catrakilis & Company
CPA's P. C.

DIRECTORS' REPORT

Your Directors present their Report together with the audited accounts of your Company for the year ended March 31, 2011.

Financial Results:

For the Year Ended March 31,	2011 US $	2011 INR	2010 US $	2010 INR
Income	16,763,684	749,169,038	9,790,091	437,519,167
Profit/ (Loss) before tax	283,997	12,691,826	68,870	3,077,800
Profit/ (Loss) after tax	185,582	8,293,660	51,794	2,314,674

Review of operations:

During the fiscal year, the Company achieved sales of US$ 16,763,684 (equivalent to INR 749,169,038), an increase of 71% over the sales for the previous year. The Company continues to invest in strengthening its marketing infrastructure in the US which is the largest IT market in the World. 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 healthy level of profits in the last few years. The profit has increased by 258% over the last year.

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.

C.P. Gurnani
Director

Pune, April 8, 2011

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of CanvsM (Americas) Inc., a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation, as of March 31, 2011 and 2010, and the related statements of income and retained earnings, and cash flows for the periods then ended. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 Notes 5 & 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, 2011 and 2010, and the results of its operations and its cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America.

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 on page 9 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the audition 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, 2011

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 CanvsM (Americas) Inc., a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation, as of March 31, 2011 and 2010, and the related statementsof 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 11-19 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 on opinion on it.

USD amounts in the supplemental schedules are translated for convenience into Indian Rupees (INR) at the exchange rate of INR 44. 69 to 1.00 USD for both 2011 and 2010.

Catrakilis & Company CPA's, P. C.

Atlanta, Georgia

April 8, 2011

SUPPLEMENTAL BALANCE SHEETS

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

	March 31,			
		2011		2010
	USD	INR	USD	INR
ASSETS:				
Current assets:				
Cash	**1,175,150**	**52,517,454**	863,235	38,577,972
Accounts receivable - trade (Note 4)	**991,400**	**44,305,666**	867,360	38,762,318
Prepaid income taxes	**86,659**	**3,872,791**	31,313	1,399,378
Deferred income tax asset	**-**	**-**	172	7,687
Due from parent company (Note 5)	**2,570,431**	**114,872,561**	721,014	32,222,116
Due from affiliated companies (Note 6)	**1,719,330**	**76,836,858**	603,329	26,962,773
Total current assets	**6,542,970**	**292,405,329**	3,086,423	137,932,244
Total Assets	**6,542,970**	**292,405,329**	3,086,423	137,932,244
LIABILITIES AND STOCKHOLDER'S EQUITY				
Liabilities:				
Current liabilities:				
Accounts payable	**29,720**	**1,328,187**	36,361	1,624,973
Accrued expenses	**851,294**	**38,044,329**	399,391	17,848,784
Due to parent company (Note 5)	**4,808,784**	**214,904,557**	2,366,382	105,753,612
Due to affiliated companies (Note 6)	**392,647**	**17,547,394**	157,616	7,043,859
Customer advance	**47,404**	**2,118,485**	3,979	177,822
Unearned revenue	**43,958**	**1,964,483**	37,356	1,669,440
Accrued income taxes	**115,038**	**5,141,048**	16,795	750,569
Total current liabilities	**6,288,845**	**281,048,483**	3,017,880	134,869,057
Total liabilities	**6,288,845**	**281,048,483**	3,017,880	134,869,057
Stockholder's Equity				
Common stock = $1 par value - 10,000 shares				
authorized 100 shares issued and outstanding	**100**	**4,469**	100	4,469
Retained earnings	**254,025**	**11,352,377**	68,443	3,058,718
Total stockholder's equity	**254,125**	**11,356,846**	68,543	3,063,187
Total Liabilities and Stockholder's Equity	**6,542,970**	**292,405,329**	3,086,423	137,932,244

SUPPLEMENTAL STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Periods Ended March 31, 2011 and 2010

CanvasM (Americas) Inc.

Richardson Taxas

a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

		Years ended March 31			
	Schedule	2011		2010	
		USD	INR	USD	INR
REVENUES (Note 4)	I	**16,763,684**	**749,169,038**	9,790,091	437,519,167
OPERATING EXPENSES					
Personnel		**260,190**	**11,627,891**	259,317	11,588,877
General and administrative	II	**16,219,497**	**724,849,321**	9,461,904	422,852,490
Total Operating Expenses		**16,479,687**	**736,477,212**	9,721,221	434,441,366
Total Operating Income (Loss)		**283,997**	**12,691,826**	68,870	3,077,800
Income tax expense (benefit) (Note 3)		**98,415**	**4,398,166**	17,076	763,126
NET INCOME (LOSS)		**185,582**	**8,293,660**	51,794	2,314,674
Retained Earnings, Beginning of Period		**68,443**	**3,058,718**	16,649	744,044
Retained Earnings, End of Period		**254,025**	**11,352,377**	68,443	3,058,718

SUPPLEMENTAL STATEMENTS OF CASH FLOWS

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

	Years ended March 31,			
	2011		2010	
	USD	INR	USD	INR
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income (Loss)	185,582	8,293,660	51,794	2,314,674
Adjustments to reconcile net income (loss) to				
cash provided by (used in) operating activities:				
Changes in operating assets and liabilities:				
Accounts receivable, trade	(124,040)	(5,543,348)	613,227	27,405,115
Due from parent company	(1,849,417)	(82,650,446)	(179,831)	(8,036,647)
Prepaid income taxes	(55,346)	(2,473,413)	(5,559)	(248,432)
Prepaid expense	-	-	12,189	544,726
Deferred income tax asset	172	7,687	3,689	164,861
Due from affiliates	(1,116,001)	(49,874,085)	(530,002)	(23,685,789)
Accounts payable	(6,641)	(296,786)	36,361	1,624,973
Accrued expenses	451,903	20,195,545	(124,563)	(5,566,720)
Due to parent company	2,442,402	109,150,945	1,132,410	50,607,403
Due to affiliates	235,031	10,503,535	(175,102)	(7,825,308)
Customer advances	43,425	1,940,663	-	-
Unearned revenue	6,602	295,043	(51,857)	(2,317,489)
Accrued income taxes	98,243	4,390,480	12,293	549,374
Net Cash (Used In) Provided by Operating Activities	311,915	13,939,481	795,049	35,530,740
Cash , Beginning of Period	863,235	38,577,972	68,186	3,047,232
Cash, End of Period	1,175,150	52,517,454	863,235	38,577,972
Supplemental Disclosure				
Cash paid for income taxes	55,346	2,473,413	5,559	248,432

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, 2011 and 2010

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

E. FOREIGN CURRENCY TRANSLATION

USD amounts in the supplemental schedules on pages 9 to 19 have been translated for convenience into Indian Rupees at the exchange rate of Rs 44.69 = USD 1 which was the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2011.

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
CanvasM (Americas) Inc.
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation
Notes to Supplemental Financial Statements (USD & INR)
March 31, 2011 and 2010

3. INCOME TAXES

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

	Years ended March 31,			
	2011		2010	
	USD	INR	USD	INR
Current income tax expense consists of the following:				
Federal	**91,302**	**4,080,286**	6,509	290,887
State	**6,941**	**310,193**	5,785	258,532
Prior year under accrual	**-**	**-**	1,094	48,891
Total current tax expense	**98,243**	**4,390,480**	13,388	598,310
Deferred income tax expense (benefit) consists of the following:				
Federal	**-**	**-**	3,069	137,154
State	**172**	**7,687**	619	27,663
Total deferred tax expense (benefit)	**172**	**7,687**	3,688	164,817
Total current and deferred income tax expense (benefit):	**98,415**	**4,398,166**	17,076	763,126

As of March 31, 2011, CAI had $0 (0 INR) (2010: $0 (0 INR)) of federal NOL and $0 (0 INR) (2010: $2,427 (108,463 INR)) of state NOL carryforward.

4. CONCENTRATIONS WITH CUSTOMERS

	Years Ended March 31,			
	2011		2010	
	USD	INR	USD	INR
Amounts due for services rendered and billed	991,400	44,305,666	867,360	38,762,318
	991,400	44,305,666	867,360	38,762,318

As at March 31, 2011 and 2010 100% of the accounts receivable balance was due from one customer.

Revenue, directly from the parent company, for the three months ended March 31, 2011 and 2010 was $1,204,992 (53,851,092 INR) and $721,013 (32,222,070 INR), respectively representing 21% and 26% of total revenue. Revenue, directly from the parent company for the years ended March 31, 2011 and 2010 was $4,914,615 (219,634,144 INR) and $2,708,428 (121,039,647 INR), respectively representing approximately 29% 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 three months ended March 31, 2011 and 2010 was $3,600,865 (160,922,657 INR) and $1,392,713 (62,240,344 INR), respectively representing approximately 63% and 51% of total revenue. Revenue from an affiliated company for the years ended March 31, 2011 and 2010 was $8,335,645 (372,519,975 INR) and $4,212,776 (188,268,959 INR), respectively representing approximately 50% and 43% 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, 2011 and 2010, 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,			
	2011		2010	
	USD	INR	USD	INR
Beginning balance, due from (to) parent company	**(1,645,368)**	**(73,531,495)**	(692,788)	(30,960,696)
Expenses related to contract revenue	**(11,588,195)**	**(517,876,434)**	(6,544,083)	(292,455,069)
Advances from parent	**(3,065,200)**	**(136,983,777)**	(2,528,595)	(113,002,911)
Amounts paid to parent	**8,566,385**	**382,831,734**	5,084,465	227,224,741
Revenue from parent company	**4,914,615**	**219,634,153**	2,708,428	121,039,647
Amounts retained for services provided (Note 2C)	**579,410**	**25,893,821**	327,205	14,622,791
Ending balance, due to parent company	**(2,238,353)**	**(100,031,996)**	(1,645,368)	(73,531,496)
Amounts due to parent company	**(4,808,784)**	**(214,904,557)**	(2,366,382)	(105,753,612)
Amounts due from parent company	**2,570,431**	**114,872,561**	721,014	32,222,116
Net amount due to parent company	**(2,238,353)**	**(100,031,996)**	(1,645,368)	(73,531,496)

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,			
	2011		2010	
	USD	INR	USD	INR
Beginning balance, due from (to) affiliated companies	**445,713**	**19,918,915**	(259,391)	(11,592,184)
Expenses related to contract revenue	**(184,448)**	**(8,242,980)**	(373,323)	(16,683,805)
Expense reimbursements	**(2,452,529)**	**(109,603,538)**	(823,606)	(36,806,952)
Advances from affiliates	**(7,219,645)**	**(322,645,923)**	(3,682,773)	(164,583,125)
Amounts paid to affiliates	**2,392,725**	**106,930,870**	1,353,364	60,481,837
Revenue from affiliated companies	**8,335,645**	**372,519,971**	4,212,776	188,268,959
Amounts retained for services provided (Note 2C)	**9,222**	**412,149**	18,666	834,184
Ending balance, due from (to) affiliated companies	**1,326,683**	**59,289,463**	445,713	19,918,914
Amounts due to affiliated companies	**(392,647)**	**(17,547,394)**	(157,616)	(7,043,859)
Amounts due from affiliated companies	**1,719,330**	**76,836,858**	603,329	26,962,773
Net amount due from (to) affiliated companies	**1,326,683**	**59,289,463**	445,713	19,918,914

7. NEW ACCOUNTING UPDATES

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, Taxas
a wholly owned subsidiary of CanvasM Technologies Limited, an India corporation

	Years ended March 31,			
	2011		2010	
	USD	INR	USD	INR
Schedule I				
REVENUES				
Contract revenue	**3,513,424**	**157,014,919**	2,868,887	128,210,560
Revenue from parent company	**4,914,615**	**219,634,144**	2,708,428	121,039,647
Revenue from affiliated companies	**8,335,645**	**372,519,975**	4,212,776	188,268,959
	16,763,684	**749,169,038**	9,790,091	437,519,167
Schedule II				
GENERAL AND ADMINISTRATIVE				
Bank charges	**$ 970**	**43,349**	$ 1,615	72,174
Contracted services	**16,162,346**	**722,295,243**	9,392,249	419,739,608
Professional fees	**19,267**	**861,042**	9,900	442,431
Travel expenses	**36,914**	**1,649,687**	58,140	2,598,277
	16,219,497	**24,849,321**	9,461,904	22,852,490

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 Nagoh

Registered Office

35-3, Jalan SS,

15/8A, 47500,

Subang Jaya,

Selangor Darul Ehsan,

Malaysia

Bankers

HSBC Limited

Auditors

SSY Partners

DIRECTORS' REPORT
for the year ended 31 March 2011

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 March 2011.

Principal activities

The principal activities of the Company are to act as a developer, advisor, consultants and implementer of software systems for Telecom industry and providing programming services and management control, technical, scientific and operational assistance, project management training.

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

Financial results

	2011 RM	2011 INR	2010 RM	2010 INR
Revenue	21,842,998	325,460,670	13,043,859	194,353,499
Profit	431,010	6,422,049	335,844	5,004,075

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 2011.

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
Krishnadas Chillara
Jagdish Mitra
Oon Guat Ngoh
Chong Li Khuen

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 end of 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 except as disclosed in the financial statements.

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 action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance 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 render the amount written off or provided for bad and doubtful debts of the Company inadequate to any substantial extent or the values attributed to current assets of the Company misleading; 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, transaction 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 year 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 immediate holding corporation, and Mahindra & Mahindra Ltd., a corporation incorporated in India, as the ultimate 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 25 th April 2011.

Milind Vasant Kulkarni **Jagdish Mitra**
Director Director

Pune, India

Statement by Directors

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

We, Milind Vasant Kulkarni and Jagdish Mitra, 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 herein are drawn up in accordance the applicable Financial Reporting Standards issued by the MalaysianAccounting Standards Board so as to give a true and fair view of the financial position of the Company as at 31 March 2011 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated April 25, 2011.

Milind Vasant Kulkarni
Director

Jagdish Mitra
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 the accompanying financial statements set out herein are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Milind Vasant Kulkarni at Puchong in the state of Selangor on

Milind Vasant Kulkarni
Director

Independent Auditors' Report 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 statement of financial position as at 31 March 2011, and the statement of comprehensive 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 herein.

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 Financial Reporting Standards issued by the Malaysian Accounting Standards Board. 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 applicable 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 judgement, 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 Financial Reporting Standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the financial position of the Company as of 31 March 2011 and of its financial performance and cash flows for the year then ended.

SSY Partners	**Jason Sia Sze Wan**
AF: 0040	No. 2376/05/12 (J)
Chartered Accountants	Partner
Subang Jaya	
25 April 2011	

TECH MAHINDRA (MALAYSIA) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Financial Position as at 31 March 2011

		2011	**2011**	2010	2010
	Note	**RM**	**INR**	RM	INR
Non-current assets			z		
Equipment	5	**6,934**	**103,317**	10,453	155,750
Current assets					
Trade and other receivables	6	**7,516,395**	**111,994,285**	6,452,642	96,144,366
Cash and bank balances		**1,709,610**	**25,473,189**	190,973	2,845,497
		9,226,005	137,467,474	6,643,615	98,989,863
Current liabilities					
Trade and other payables	7	**3,174,748**	**47,303,745**	2,794,101	41,632,105
Amount owing to holding corporation	8	**4,868,091**	**72,534,556**	3,100,877	46,203,067
		8,042,839	**119,838,301**	5,894,978	87,835,172
Net current assets		**1,183,166**	**17,629,173**	748,637	11,154,691
		1,190,100	**17,732,490**	759,090	11,310,441
Financed by:					
Share capital	9	**312,822**	**4,661,048**	312,822	4,661,048
Retained earnings		**877,278**	13,071,442	446,268	6,649,393
		1,190,100	17,732,490	759,090	11,310,441

The accompanying notes form an integral part of these f nancial statements.

Statement of Comprehensive Income for the year ended 31 March 2011

	Note	**2011 RM**	**2011 INR**	2010 RM	2010 INR
Revenue					
Service income		**21,842,998**	**325,460,670**	13,043,859	194,353,499
Cost of services		**(20,688,332)**	**(308,256,147)**	(12,381,442)	(184,483,486)
Gross prof t		**1,154,666**	**17,204,523**	662,417	9,870,013
Other operating income		**381**	**5,677**	-	-
Administrative expenses		**(724,037)**	**(10,788,151)**	(326,573)	(4,865,938)
Prof t before taxation	10	**431,010**	6,422,049	335,844	5,004,075
Taxation	12	**-**	**-**	-	-
Prof t for the year		**431,010**	**6,422,049**	335,844	5,004,075

Statement of Changes in Equity for the year ended 31 March 2011

In Ringgit Malaysia	**Share capital RM**	**Retained earnings RM**	**Total RM**
At 1 April 2010	**312,822**	**446,268**	**759,090**
Prof t for the year	**-**	**431,010**	**431,010**
At 31 March 2011	**312,822**	**877,278**	**1,190,100**
At 1 April 2009	312,822	110,424	423,246
Prof t for the year	**-**	335,844	335,844
At 31 March 2010	312,822	446,268	759,090

In Indian Rupee	**Share capital INR**	**Retained earnings INR**	**Total INR**
At 1 April 2010	**4,661,048**	**6,649,393**	**11,310,441**
Prof t for the year	**-**	**6,422,049**	**6,422,049**
At 31 March 2011	**4,661,048**	**13,071,442**	**17,732,490**
At 1 April 2009	4,661,048	1,645,318	6,306,366
Prof t for the year	-	5,004,075	5,004,075
At 31 March 2010	4,661,048	6,649,393	11,310,441

The accompanying notes form an integral part of these f nancial statements.

TECH MAHINDRA (MALAYSIA) Sdn. Bhd.
(Incorporated in Malaysia)

Statement of Cash Flows for the year ended 31 March 2011

	Note	**2011 RM**	**2011 INR**	2010 RM	2010 INR
Cash flows from operating activities					
Prof t before taxation		**431,010**	**6,422,049**	335,844	5,004,075
Adjustments for:					
Depreciation on equipment		**6,149**	**91,620**	5,243	78,120
Unrealised gain on foreign exchange		**(10,984)**	**(163,662)**	-	-
Allowance for doubtful debts		**86,733**	**1,292,322**	**-**	**-**
Operating prof t before changes in working capital		**512,908**	**7,642,329**	341,087	5,082,195
Increase in trade and other receivables		**(1,202,653)**	**(17,919,529)**	(4,583,200)	(68,289,680)
Increase in trade and other payables		**443,798**	**6,612,590**	2,637,277	39,295,428
Increase in amount owing to holding corporation		**1,767,214**	**26,331,489**	**1,745,592**	**26,009,321**
Net cash generated from operating activities		**1,521,267**	**22,666,879**	140,756	2,097,264
Cash flows from investing activities					
Purchase of equipment		**(2,630)**	**(39,187)**	**(3,300)**	**(49,170)**
Net cash used in investing activities		**(2,630)**	**(39,187)**	**(3,300)**	**(49,170)**
Net increase in cash and cash equivalents		**1,518,637**	**22,627,692**	137,456	2,048,094
Cash and cash equivalents at beginning of the year		**190,973**	**2,845,497**	53,517	797,403
Cash and cash equivalents at end of the year	13	**1,709,610**	**25,473,189**	**190,973**	**2,845,497**

The accompanying notes form an integral part of these f nancial statements.

Notes to the Financial Statements for the year ended 31 March 2011

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 Suite 3B-10-5, Level 10, Block 3B, Plaza Sentral, Jalan Stesen Sentral 5, 50470, Kuala Lumpur.

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 48 (2010: 36).

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the applicable Financial Reporting Standards issued by the Malaysian Accounting Standards Board.

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 Financial Reporting Standards issued by the Malaysian Accounting Standards Board 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 period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

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 goods or performance of services and customers' acceptances.

(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

3. Significant accounting policies (continued)

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 the 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 assets

Financial assets are recognised in the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

On initial recognition, financial assets are measured at fair value, plus transaction costs for financial assets not at 'fair value through profit or loss'. Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

After initial recognition, financial assets are classified into one of four categories: financial assets at 'fair value through profit or loss', 'held-to-maturity' investments, loans and receivables and 'available-for-sale' financial assets.

(i) Financial assets at 'fair value through profit or loss'

Financial assets are classifed as at 'fair value through profit or loss' when the financial assets are either 'held for trading', or upon initial recognition, financial assets are designated as at 'fair value through profit or loss'.

A financial asset is classified as 'held for trading' if:

- it is acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective hedging instrument.

Financial assets (other than 'held for trading') are designed as at 'fair value through profit or loss' upon initial recognition if:

- it eliminates or significant reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases; or

i. Financial assets at 'fair value through profit or loss' (continued)

- a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy , and information about the grouping is provided internally on that basis; or
- a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as at 'fair value through profit or loss'.

After initial recognition, financial assets at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial assets at 'fair value through profit or loss' are recognised in profit or loss.

ii. 'Held-to-maturity' investments

'Held-to-maturity' investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that and the Company have the positive intention and ability to hold to maturity .

After initial recognition, 'held-to-maturity' investments are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when 'held-to-maturity' investments are derecognised or impaired.

iii. Loans and receivables

Loans and receivables are non-derivative financial assets (such as trade receivables, loans assets, unquoted debt instruments and deposits held in banks) with fixed or determinable payments that are not quoted in an active market.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

iv ‘Available-for-sale’ financial assets

Investment in quoted equity and debt instruments that are traded in active market and certain unquoted equity instruments (when the fair value can be determined using a valuation technique) are classifed as ‘available-for-sale’ financial assets. ‘Available-for-sale’ financial assets are measured at fair value.

Gains or losses on ‘available-for-sale’ financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains or losses, until the ‘available-for-sale’ financial assets are derecognised. At that time, the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Interest calculated using the effective interest method is recognised in profit or loss. Dividends on ‘available-for-sale’ equity instruments are recognised in profit or loss when the Company’s right to receive payment is established.

v. Investment in unquoted equity instruments carried at cost

Investment in equity instruments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such an unquoted equity instruments, are measured at cost less any accumulated impairment losses.

vi. Impairment of financial assets

At the end of each reporting period, the Company assess whether there is any objective evidence that financial assets held, other than financial assets at ‘fair value through profit or loss’, are impaired. Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets which have an impact on the estimated future cash flows of the financial assets that can be reliably measured.

For investment in equity instruments classified as ‘available-for-sale’, objective evidence that the financial assets are impaired include the disappearance of an active market for the financial assets because of financial difficulties, or the decline of the market price below the cost.

For other financial assets, objective evidence could include:

– significant financial difficulty of the issuer; or
– a breach of contract; or
– the lender granting to the borrower a concession that the lender would not otherwise consider; or
– it becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
– observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

Impairment losses, in respect of ‘held-to-maturity’ investments carried at amortised cost are measured as the differences between the assets’ carrying amounts and the present values of their estimated future cash flows discounted at the ‘held-to-maturity’ investments’ original effective interest rate.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for a similar financial assets. Such impairment losses are not reversed.

For ‘available-for-sale’ financial assets, if a decline in fair value has been recognised in other comprehensive income and there is objective evidence that the assets are impaired, the cumulative losses that have been recognised are reclassified to profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as

3. Significant accounting policies (continued)

'available-for-sale' financial assets are not reversed through profit or loss. If the fair value of a debt instrument classified as an 'available-for-sale' financial asset subsequently increases, and the increase can be objectively related to an event occurring after the impairment losses were recognised in profit or loss, the impairment losses are reversed and recognised in profit or loss.

vii. Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Company transfer the financial assets and the transfers qualify for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised on the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at 'fair value through profit or loss'. After initial recognition, financial liabilities are either classified as at 'fair value through profit or loss' or amortised cost using the effective interest method.

i. Financial liabilities at 'fair value through profit or loss'

Financial liabilities are classified as at 'fair value through profit or loss' when the financial liabilities are either 'held for trading' or upon initial recognition, the financial liabilities are designated as at 'fair value through profit or loss'.

A financial liability is classified as 'held for trading' if:

– it is incurred principally for the purpose of repurchasing it in the near term; or

– on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

– it is a derivative that is not designated and effective hedging instrument.

– Financial liabilities (other than 'held for trading') are designed as at 'fair value through profit or loss' upon initial recognition if:

– it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring liabilities or recognising the gains and losses on them on different bases; or

– a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

– a contract contains one or more embedded derivatives, the entire hybrid contracts are designated as at 'fair value through profit or loss'.

After initial recognition, financial liabilities at 'fair value through profit or loss' are measured at fair value. Gains or losses on the financial liabilities at 'fair value through profit or loss' are recognised in profit or loss.

ii. Financial liabilities at amortised cost using the effective interest method

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts.

Estimate future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities. After initial recognition, financial liabilities other than financial liabilities at 'fair value through profit or loss' are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

iii. Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(h) Equity instruments

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 assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits 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.

(i) Income tax (continued)

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 transactions 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 INR14.90 = RM1 which approximates the market rate as at 31 March 2011. Comparative figures are also translated at this rate.

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

	2011	2010
	RM	RM
1 United States Dollar (USD)	**3.0382**	3.2700

4. Changes in accounting policies and effects arising from adoption of new and revised Financial Reporting Standards (FRS)

During the financial year, the Company has adopted the following new and revised Financial Reporting Standards, Interpretations and amendments to certain Standards and Interpretations (collectively referred to as 'FRSs') issued by the Malaysian Accounting Standards Board (MASB), which are and effective for the financial periods beginning on or after 1 January 2010:

FRS 4:	Insurance Contracts
FRS 7:	Financial Instruments: Disclosures
FRS 8:	Operating Segments
FRS 101:	Presentation of Financial Statements
FRS 123:	Borrowing Costs
FRS 139:	Financial Instruments: Recognition and Measurement
Amendments to FRS 1:	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (revised May 2009)
Amendments to FRS 2:	Share-based Payment Vesting Conditions and Cancellations (revised May 2009)
Amendments to FRS 5:	Non-current Assets Held for Sale and Discontinued Operations (revised September 2009)
Amendments to FRS 7:	Financial Instruments: Disclosures (revised September 2009)
Amendments to FRS 8:	Operating Segments (revised September 2009)
Amendments to FRS 107	Statement of Cash Flows (revised September 2009)
Amendments to FRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors (revised September 2009)
Amendments to FRS 110:	Events After the Reporting Period (revised September 2009)
Amendments to FRS 116:	Property, Plant and Equipment (revised September 2009)
Amendments to FRS 117:	Leases (revised September 2009)
Amendments to FRS 118:	Revenue (revised September 2009)
Amendments to FRS 119:	Employee Benefits (revised September 2009)

Amendments to FRS 120:	Accounting for Government Grants and Disclosure of Government Assistance (revised November 2009)
Amendments to FRS 123:	Borrowing Costs (revised September 2009)
Amendments to FRS 127:	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (revised September 2009)
Amendments to FRS 127:	Consolidated and Separate Financial Statements (revised September 2009)
Amendments to FRS 128:	Investments in Associates (revised September 2009)
Amendments to FRS 129:	Financial Reporting in Hyperinf ationary Economies (revised September 2009)
Amendments to FRS 131:	Interests in Joint Ventures (revised September 2009)
Amendments to FRS 132:	Financial Instruments: Presentation (revised March 2010)
Amendments to FRS 134:	Interim Financial Reporting (revised September 2009)
Amendments to FRS 138:	Intangible Assets (revised September 2009)
Amendments to FRS 140:	Investment Property (revised September 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 Def ned Benef t Asset, Minimum Funding Requirements and their Interaction
Amendments to IC Interpretation 9:	Reassessment of Embedded Derivatives (revised September 2009)

FRSs that have been issued but are not yet effective

The Company has not early adopted the following FRSs that have been issued by the MASB but are not yet effective and have no signif cant impact on the Company:

FRS 3:	Business Combinations
FRS 124:	Related Party Disclosures
FRS 127:	Consolidated and Separate Financial Statements
Amendments to FRS 1:	First-time Adoption of Financial Reporting Standards (revised January 2010)
Amendments to FRS 1:	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (revised March 2010)
Amendments to FRS 1:	Additional Exemptions for First-time Adopters (revised July 2010)
Amendments to FRS 1:	First-time Adoption of f nancial Reporting Standards (revised November 2010)
Amendments to FRS 2:	Share-based Payment (revised January 2010)
Amendments to FRS 2:	Group Cash-settled Share-based Payment Transactions (revised July 2010)
Amendments to FRS 3:	Business Combinations (revised November 2010)
Amendments to FRS 5:	Non-current Assets Held for Sale and Discontinued Operations (revised January 2010)

Changes in accounting policies and effects arising from adoption of new FRSs (continued)

FRSs that have been issued but are not yet effective (continued)

Amendments to FRS 7:	Improving Disclosures about Financial Instruments (revised March 2010)
Amendments to FRS 7:	Financial Instruments: Disclosures (revised November 2010)
Amendments to FRS 101:	Presentation of Financial Statements (revised November 2010)
Amendments to FRS 121:	The Effects of Changes in Foreign Exchange Rates (revised November 2010)
Amendments to FRS 124*:	Related Party Disclosures (revised November 2010)
Amendments to FRS 127:	Consolidated and Separate Financial Statements (revised January 2010)
Amendments to FRS 128:	Investments in Associates (revised November 2010)
Amendments to FRS 131:	Interests in Joint Ventures (revised November 2010)
Amendments to FRS 132:	Financial Instruments: Presentation (revised November 2010)
Amendments to FRS 134:	Interim Financial Reporting (revised November 2010)
Amendments to FRS 138:	Intangible Assets (revised January 2010)

Amendments to FRS 139:	Financial Instruments: Recognition and Measurement (revised November 2010)
IC Interpretation 4:	Determining Whether an Arrangement contains a Lease
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:	Distributions of Non-cash Assets to Owners
IC Interpretation 18:	Transfers of Assets from Customers
IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 9:	Reassessment of Embedded Derivatives (revised January 2010)
Amendments to IC Interpretation 13:	Customer Loyalty Programmes (revised November 2010)
Amendments to IC Interpretation 14:	Prepayments of a Minimum Funding Requirement (revised November 2010)
Amendments to IC Interpretation 15:	Agreements for the Construction of Real Estate (revised August 2010)

FRSs that have been issued but are not yet effective (continued)

These new FRSs will be applicable to the Company for f nancial year beginning 1 January 201 1 except for those marked "*" will be applicable for f nancial year beginning 1 January 2012.

At the date the f nancial statements are authorised for issue, the impact of the adoption of these FRSs is yet to be reasonably estimated. Hence, the impact on the adoption of new accounting policies is not disclosed, except for the following:

(a) FRS 101: Presentation Of Financial Statement (FRS 101)

Prior to the adoption of the revised FRS 101, the components of the f nancial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity , a cash f ow statement and notes to the f nancial statements. With the adoption of the revised FRS 101, the components of the interim f nancial statements presented consist of a statement of f nancial position, a statement of comprehensive income, a statement of changes in equity, a statement cash f ows and notes to the f nancial statements.

(b) FRS 139: Financial Instruments – Recognition And Measurement (FRS 139)

FRS 139 sets out the new requirements for the ecognition and measurement of the company's f nancial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the f nancial instruments at the balance sheet date ref ects the designation of the f nancial instruments. The Company determines the classif cation at initial recognition and for the purpose of the f rst adoption of the Standard, as at transitional date on 1 April 2010.

5. Equipment

	Computer	
	RM	**INR**
Carrying amount		
At 1 April 2010	10,453	155,750
Additions	2,630	39,187
Depreciation charge	**(6,149)**	**(91,620)**
At 31 March 2011	**6,934**	**103,317**
At 31 March 2011		
Cost	25,252	376,255
Accumulated depreciation	**(18,318)**	**(272,938)**
Carrying amount	**6,934**	**103,317**
Carrying amount		
At 1 April 2009	12,396	184,700
Additions	3,300	49,170
Depreciation charge	**(5,243)**	**(78,120)**
At 31 March 2010	**10,453**	**155,750**
At 31 March 2010		
Cost	22,622	337,068
Accumulated depreciation	**(12,169)**	**(181,318)**
Carrying amount	**10,453**	**155,750**

6. Trade and other receivables

	2011 RM	**2011 INR**	2010 RM	2010 INR
Trade receivables	**7,445,928**	**110,944,327**	6,336,651	94,416,100
Less: Allowance for doubtful debts	**(86,733)**	**(1,292,322)**	-	-
	7,359,195	**109,652,005**	6,336,651	94,416,100
Other receivables	**157,200**	**2,342,280**	**115,991**	**1,728,266**
	7,516,395	**111,994,285**	**6,452,642**	**96,144,366**

7. Trade and other payables

2011 RM	**2011 INR**	2010 RM	2010 INR

Trade payables	**333,299**	**4,966,155**	66,742	994,456
Other payables	**687,244**	**10,239,935**	345,397	5,146,415
Advanced billings	**1,509,103**	**22,485,635**	-	-
Provision for expenses	**645,102**	**9,612,020**	**2,381,962**	**35,491,234**
	3,174,748	**47,303,745**	**2,794,101**	**41,632,105**

Advanced billing represent invoices issued to customers of which goods or services sold have not been completed and have been included under trade receivables.

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 repayable upon demand.

The signif cant account balances with holding corporation are as follows:

	2011 RM	2011 INR	2010 RM	2010 INR
Amount due from holding corporation	**1,326,922**	**19,771,138**	2,931,508	43,679,469
Amount due to holding corporation	**(6,195,013)**	**(92,305,694)**	**(6,032,385)**	**(89,882,536)**
	(4,868,091)	**(72,534,556)**	**(3,100,877)**	**(46,203,067)**

9. Share capital

	2011 RM	2011 INR	2010 RM	2010 INR
Authorised: 5,000,000 ordinary shares of RM1 each	**5,000,000**	**74,500,000**	5,000,000	74,500,000
Issued and fully paid:				
312,822 ordinary shares of RM1 each	**312,822**	**4,661,048**	312,822	4,661,048

10. Profit before taxation

	2011 RM	2011 INR	2010 RM	2010 INR
Profit before taxation is arrived at after charging:				
Staff costs (Note 11)	**5,702,978**	**84,974,372**	2,507,375	37,359,888
Depreciation on equipment	**6,149**	**91,620**	5,243	78,120
Realised loss on foreign exchange	**258,077**	**3,845,348**	13,878	206,782
Auditors' remuneration				
- current year	**11,800**	**175,820**	9,500	141,550
- underprovision in prior year	**1,800**	**26,820**	1,000	14,900
Allowance for doubtful debts	**86,733**	**1,292,322**	-	-
Rental of premises	**67,125**	**1,000,163**	**31,500**	**469,350**
and crediting:				
Unrealised gain on foreign exchange	**10,984**	**163,662**	**-**	**-**

11. Staff costs

	2011 RM	2011 INR	2010 RM	2010 INR
Salaries and allowances	**5,657,929**	**84,303,142**	2,479,536	36,945,087
EPF	**44,171**	**658,148**	27,271	406,338
Sosco	**878**	**13,082**	**568**	**8,463**
	5,702,978	**84,974,372**	**2,507,375**	**37,359,888**

12. Taxation

No income tax is provided for the current f nancial year as the Company was awarded MSC Malaysia Status and is eligible for income tax exemption on statutory income from 15 November 2007 to 14 November 2012.

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:

	2011 RM	2011 INR	2010 RM	2010 INR
Prof t before taxation	**431,010**	**6,422,049**	335,844	5,004,075
Taxation at Malaysian statutory rate of 25% (2010: 20%)	**107,753**	**1,605,512**	67,169	1,000,818
Tax effect of expenses not deductible for tax purposes	**26,712**	**398,009**	3,174	47,293
Tax exempt income	**(134,465)**	**(2,003,521)**	(70,343)	(1,048,111)
	-	**-**	**-**	**-**

13. Cash and cash equivalents

	2011 RM	2011 INR	2010 RM	2010 INR
Cash in hand	**2**	**30**	1,510	22,499
Cash at bank (USD)	**545,940**	**8,134,506**	4,247	63,280
Cash at bank	**1,163,668**	**17,338,653**	**185,216**	**2,759,718**
	1,709,610	**25,473,189**	**190,973**	**2,845,497**

14. 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 the transactions with unrelated parties.

Significant transactions with holding corporation during the financial year consist of:

	2011 RM	**2011 INR**	2010 RM	2010 INR
Revenue				
Service income charged to holding corporation	**7,614,515**	**113,456,273**	5,934,863	88,429,459
Expenses				
Cost of services charged by holding corporation	**14,228,483**	**212,004,397**	7,108,996	105,924,040

15. Fair values of the financial instruments

The fair values of the financial instruments of the Company as at 31 March 2011 are not materially different from their carrying values.

16. Financial risk management policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

(b) Market risk

For key product purchases, the Company establishes floating and fixed price levels that the Company considers acceptable and enters into physical supply agreements, where necessary, to achieve these levels. The Company does not face significant exposure from the risk from changes in prices.

(c) Foreign currency risk

The Company is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly United States Dollars (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

(d) Liquidity and cash flow risks

The Company relies on its management of working capital to ensure that the cash flow within the operating cycle are sustainable. In the event of additional funds required to operate the Company, the financial support from its holding company and related companies is necessary to meet its short term funding needs.

TECH MAHINDRA (MALAYSIA) Sdn. Bhd.
(Incorporated in Malaysia)

Detailed Income Statement for the year ended 31 March 2011

	Financial year ended 2011		**Quarter ended2011**		Financial year ended 2010		Quarter ended 2010	
	RM	**INR**	**RM**	**INR**	RM	INR	RM	INR
Revenue								
Service income – external	14,228,483	212,004,397	3,526,864	52,550,274	7,108,996	105,924,040	3,906,263	58,203,319
Service income – holding corporation	7,614,515	113,456,273	1,883,401	28,062,675	5,934,863	88,429,459	3,997,707	59,565,834
	21,842,998	325,460,670	5,410,265	80,612,949	13,043,859	194,353,499	7,903,970	117,769,153
Less: Cost of services								
Communication expenses	59,668	889,053	22,046	328,485	43,381	646,377	17,546	261,435
Travel expenses	186,525	2,779,223	30,579	455,627	88,042	1,311,826	58,585	872,917
Travel – air fare	71,378	1,063,532	60,771	905,488	3,088	46,011	2,032	30,277
Allowances – short term	-	-	-	-	11,596	172,780	-	-
Cost of sales	439,300	6,545,570	-	-	2,618,964	39,022,564	2,618,964	39,022,564
Salaries	5,657,929	84,303,142	1,506,826	22,451,707	2,479,536	36,945,087	970,307	14,457,574
EPF and Socso	45,049	671,230	-	-	27,839	414,801	10,101	150,505
TML India cost	14,228,483	212,004,397	3,526,863	52,550,259	7,108,996	105,924,040	3,906,263	58,203,319
	20,688,332	308,256,147	5,147,085	76,691,566	12,381,442	184,483,486	7,583,798	112,998,591
Gross profit	1,154,666	17,204,523	263,180	3,921,383	662,417	9,870,013	320,172	4,770,562
Add: Other								
Gain on foreign exchange					-	-	-	-
Reversal of allowance for doubtful debts	-	-	29,425	438,433	-	-	-	-
Misc income	381	5,677	-	-	-	-	-	-
	1,155,047	17,210,200	292,605	4,359,816	662,417	9,870,013	320,172	4,770,562
Administrative								
Rental of premises	67,125	1,000,163	22,500	335,250	31,500	469,350	7,875	117,338
Professional fees	107,088	1,595,611	29,771	443,588	43,670	650,683	19,055	283,920
Bank charges	1,568	23,363	309	4,604	1,135	16,912	401	5,975
Conveyance	37,991	566,066	11,218	167,148	25,455	379,280	10,414	155,169
General expenses	8,797	131,075	2,580	38,442	23,108	344,309	(903)	(13,455)
Entertainment	35,596	530,380	10,584	157,702	24,635	367,062	6,480	96,552
Balance carried forward	258,165	3,846,658	76,962	1,146,734	149,503	2,227,596	43,322	645,499

Detailed Income Statement for the year ended 31 March 2011

	Financial year ended 31.3.2011		Quarter ended 31.3.2011		Financial year ended 31.3.2010		Quarter ended 31.3.2010	
	RM	**INR**	**RM**	**INR**	RM	INR	RM	INR
Balance brought forward	**258,165**	**3,846,658**	**76,962**	**1,146,734**	149,503	2,227,596	43,322	645,499
Auditors' remuneration	**13,600**	**202,640**	**7,200**	**107,280**	10,500	156,450	2,500	37,250
Loss on foreign exchange	**247,093**	**3,681,686**	**71,921**	**1,071,623**	13,878	206,782	3,929	58,542
Depreciation	**6,149**	**91,620**	**1,578**	**23,512**	5,243	78,120	1,413	21,054
Staff welfare	**25,518**	**380,218**	**8,208**	**122,299**	8,683	129,377	5,541	82,561
Off ce expenses	**11,266**	**167,863**	**454**	**6,765**	470	7,003	360	5,364
Tender fee	**10,000**	**149,000**	**-**	**-**	-	-	-	-
Postage and courier charges	**39,216**	**584,318**	**14,106**	**210,179**	25,173	375,078	12,459	185,639
Travelling expenses	**(226)**	**(3,367)**	**(1,502)**	**(22,380)**	56,793	846,216	20,960	312,304
Allowance for doubtful debt	**86,733**	**1,292,322**	**-**	**-**	-	-	-	-
Balance carried forward	**697,514**	**10,392,958**	**178,927**	**2,666,012**	**270,243**	**4,026,622**	**90,484**	**1,348,213**
Balance brought forward	**697,514**	**10,392,958**	**178,927**	**2,666,012**	270,243	4,026,622	90,484	1,348,213
Telephone	**834**	**12,427**	**-**	**-**	2,393	35,655	-	-
Recruitment charges	**-**	**-**	**-**	**-**	45,000	670,500	-	-
Repair and maintenance	**3,634**	**54,147**	**710**	**10,579**	1,271	18,938	416	6,198
Insurance	**3,330**	**49,617**	**3,330**	**49,617**	-	-	-	-
Consumables	**6,875**	**102,437**	**-**	**-**	-	-	-	-
Disbursement	**2,015**	**30,024**	**-**	**-**	1,850	27,565	375	5,588
Training	**2,125**	**31,662**	**2,125**	**31,663**	-	-	-	-
Printing and stationery	**7,710**	**114,879**	**904**	**13,470**	5,816	86,658	2,682	39,962
	(724,037)	**(10,788,151)**	**(185,996)**	**(2,771,341)**	**(326,573)**	**(4,865,938)**	**(93,957)**	**(1,399,961)**
Profit before taxation	**431,010**	**6,422,049**	**106,609**	**1,588,475**	**335,844**	**5,004,075**	**226,215**	**3,370,601**
Revenue	**21,842,998**	**325,460,670**	**5,410,265**	**80,612,949**	13,043,859	194,353,499	7,903,970	117,769,153
Less: Cost of services	**20,688,332**	**308,256,147**	**5,147,085**	**76,691,566**	**12,381,442**	**184,483,486**	**7,583,798**	**112,998,591**
Gross prof t	**1,154,666**	**17,204,523**	**263,180**	**3,921,383**	662,417	9,870,013	320,172	4,770,562
Add: Other income	**381**	**5,677**	**-**	**-**	-	-	-	-
Reversal of provision for doubtful debts	**-**	**-**	**-**	**438,433**	**-**	**-**	**-**	**-**
	1,155,047	**17,210,200**	**292,605**	**4,359,816**	662,417	9,870,013	320,172	4,770,562
Administrative expenses	**(724,037)**	**(10,788,151)**	**(185,996)**	**(2,771,341)**	**(326,573)**	**(4,865,938)**	**(93,957)**	**(1,399,961)**
Prof t before taxation	**431,010**	**6,422,049**	**106,609**	**1,588,475**	335,844	5,004,075	226,215	3,370,601
Taxation	**-**	**-**	**-**	**-**	-	-	-	-
Prof t after taxation	**431,010**	**6,422,049**	**106,609**	**1,588,475**	**335,844**	**5,004,075**	**226,215**	**3,370,601**

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 Limited

Auditors

Zhong Sheng Jia Hua

Certif ed Public Accountants

DIRECTORS' REPORT

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

Financial Results

For the ended December 31	**2010 RMB**	**2010 INR**	2009 RMB	2009 INR
Income	**88,037**	**603,053**	–	–
Prof t/(Loss) before tax	**(2,142,165)**	**(14,673,830)**	(1,756,814)	(12,034,176)
Prof t/(Loss) after tax	**(2,142,165)**	**(14,673,830)**	(1,756,814)	(12,034,176)

Review of Operations:

The Company continued its marketing activities but on income of RMB 88,037 (INR 603,053), there was a loss of RMB 2,142,165 (INR 14,673,830).

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 recived from the employees, bankers, State and other Governmment Authorities and support from the shareholder.

C.P. Gurnani
Director

Place: Pune
Date: 30th March 2011

REPORT OF THE AUDITORS

Shengjiawaishenzi[2010]No.014

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 31 December 2010 and the related consolidated cash f ow statements, prof t/loss and prof t distribution statements for the year then ended.

Management is responsible for the preparation of these f nancial statements in accordance with the Accounting Standards for Business Enterprises an Accounting Systems for Business Enterprises. This responsibility includes:

(1) designing, implementing and maintaining internal control relevant to the preparation of f nancial 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 f nancial statements based on our audit. W e 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 f nancial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the f nancial statements. The procedures selected depend on the auditor 's judgment, including the assessment of the risks of material misstatement of the f nancial 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 f nancial 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 f nancial 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 f nancial statements present fairly , in all material respects, the f nancial position of Tech Mahindra (Beijing) IT Services Ltd. as of December 31, 2010, and of its f nancial performance and its cash f ows 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 Certif ed Public Accountants Co., Ltd.

PRC Certif ed Public Accountant: Zhang Dan

PRC Certif ed Public Accountant: Wu Bo

Beijing, PRC, 30 March 201 1

Balance Sheet (As of 31 December 2010)

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	357,007.01	**12,614.73**	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	-	**207,955.00**
Accounts receivable	6			Staff welfare fund unpaid	73		
Other receivables	7	19,551.57	**333,444.40**	Dividend unpaid	74		
Prepayments	8			Tax unpaid	75	11,685.00	**94,017.86**
Subsidy receivable	9			Other outstanding payments	80		
Inventories	10			Other expenses	81	1,868,561.00	**2,838,794.70**
Deferred expenses	11	13,300.00	**22,850.88**	Contingent liabilities	82	25,000.00	
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	389,858.58	**368,910.01**	Other current liabilities	90		
Long-term investment:							
Long-term investment in stocks	32			Total current liabilities	100	1,905,246.00	**3,140,767.56**
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	17,939.20	**17,939.20**	Long-term accounts payable	103		
Less:Accumulated depreciation	40	4,815.23	**8,044.31**	Specif c payable	106		
Fixed assets, net value	41	13,123.97	**9,894.89**	Other long-term liabilities	108		
Less : Provision for devaluation of f xed assets	42			Total long-term liabilities	110		
Fixed assets, net amount	43	13,123.97	**9,894.89**	Deferred taxation:			
Construction materials	44			Deferred tax, credit	111		
Construction in progress	45			Total liabilities	114	1,905,246.00	**3,140,767.56**
Disposal of f xed assets	46						
Total f xed assets	50	13,123.97	**9,894.89**	Shareholders' Equity:			
Intangible and other assets:				Share capital	115	2,431,984.50	**3,314,450.50**
Intangible assets	51			Less:Investment Returned	116		
Long-term deferred expenses	52			Paid-up capital (stock)	117	2,431,984.50	**3,314,450.50**
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 prof t	121	(3,934,247.95)	**(6,076,413.16)**
Deferred taxation,debit	61			Shareholders' Equity:	122	(1,502,263.45)	**(2,761,962.66)**
Total Assets	67	402,982.55	**378,804.90**	Total Liabilities and Shareholders' Equity	135	402,982.55	**378,804.90**

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Income Statement (For the year ended December 31, 2010)

RMB Yuan

Item		No.	Last year cumulative	**Current year cumulative**
1.	Principal operating revenues	1		**88,036.89**
	Less: Operating cost	4		
	Operating tax and subsidies	5		
2.	Principal operating prof t	10		**88,036.89**
	Add: Other operating prof t	11		
	Less: Operating expense	14	1,740,303.13	**1,794,689.75**
	Administration expense	15	4,411.88	**426,502.81**
	Financial expense	16	5,945.14	**11,402.19**
3.	Operating prof t	18	(1,750,660.15)	**(2,144,557.86)**
	Add: Investment income	19		
	Subsidy income	22		
	Non-operating income	23	3,245.96	**2,804.40**
	Less: Non-operating expense	25	9,399.64	**411.75**
4.	Total prof t	27	(1,756,813.83)	**(2,142,165.21)**
	Less: Income tax payable	28		
5.	Net prof t	30	(1,756,813.83)	**(2,142,165.21)**

Cash flow Statement (For the year ended December 31, 2010)

RMB Yuan

	Items	No.	**Amount**
1.	Cash f ows from operating activities		
	Cash inf ow from sale of goods and provision of services	1	**91,558.37**
	Repayment of tax received	3	**2,804.40**
	Other cash inf ow relating to operating activities	8	**258,355.84**
	Total cash inflow	9	**352,718.61**
	Payments for purchase of goods and receipt of services	10	
	Payments to and for staf f	12	**1,097,514.60**
	Taxation paid	13	**136,681.81**
	Other Payments relating to operating activities	18	**345,380.48**
	Total cash outflow	20	**1,579,576.89**
	Net cash inf ow/outf ow generated from operations	21	**(1,226,858.28)**
2.	Cash f ow from investing activities		
	Cash inf ow from retirement of investment	22	
	Cash inf ow from prof t of investment	23	
	Cash gain of disposal of f xed assets, intangible assets, and other long-term investment	25	
	Other proceeds relating to investment activities	28	
	Total cash inflow	29	
	Purchase of f xed assets, intangible assets and other long-term assets	30	
	Cash paid for investment	31	
	Other cash paid relating to investment activities	35	
	Total cash outflow	36	
	Net cash inf ow/outf ow generated from investment activities	37	
3.	Cash f ows from f nancing activities:		
	Absorption of investment	38	**882,466.00**
	Borrowings raised	40	
	Other cash inf ow relating to f nancing activities	43	
	Total cash inflow	44	**882,466.00**
	Borrowings repaid	45	
	Dividend, interest and prof t paid	46	
	Other cash outf ow relating to f nancing activities	52	
	Total cash outflow	53	
	Net cash inf ow/outf ow generated from f nancing activities	54	**882,466.00**
4.	Inf uence of f uctuation of exchange rate	55	
5.	Net increase in cash and cash equivalents	56	**(344,392.28)**

Cash flow Statement (For the year ended December 31, 2010)

RMB Yuan

	Supplementary information	No.	**Amount**
1.	Adjustment of net prof t to cash f ows generated from operations:		
	Net prof t	57	**(2,142,165.21)**
	Add: Provision for devaluation of assets	58	
	Depreciation of f xed assets	59	**3,229.08**
	Amortization of intangible assets	60	
	Amortization of long-term expense	61	
	Decrease of deferred expenses (Less: increase)	64	**(9,550.88)**
	Increase of pre-paid expense (Less: decrease)	65	**(25,000.00)**
	Loss on disposal of f xed assets, intangible assets and other long-term assets (less: gain)	66	
	Loss on retirement of f xed assets	67	
	Financial expense	68	
	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	**(313,892.83)**
	Increase of payables in operations (less: decrease)	73	**970,233.70**
	Others	74	**290,287.86**
	Net cash inf ow/outf ow generated from operations	75	**(1,226,858.28)**
2.	Investing and f nancing activities not relating to cash f ows		
	Capital transferred from liabilities	76	
	Transferable bonds to be expired within one year	77	
	Fixed assets transferred from f nancing activities	78	
3.	Net increase in cash and cash equivalents		
	Cash and bank balances at end of period	79	**12,614.73**
	Less: Cash and bank balances at beginning of period	80	**357,007.01**
	Cash equivalent at end of period	81	
	Less: Cash equivalent at beginning of period	82	
	Net increase in cash and cash equivalents	83	**(344,392.28)**

TECH MAHINDRA (BEIJING) IT SERVICES LIMITED

Notes to the financial Statements

General Information of TECH MAHINDRA LIMITED

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 2010,the Company have received capital US$479,990.00. The Company' s registered address is C-292,29th Floor , ZhongHuanShiMao Building, No.A6 JianGuoMenW ai Street, Chaoyang District, Beijing. Legal representative: Mr . Jagdish Mitra.

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 accounting as Accounting Principle and actual cost as Pricing Base.

4 Measurement Currency

The Company uses RMB as Measurement Currency .

5 Fixed assets depreciation Policy

(1) Fixed assets is pricing using actual cost;

(2) Depreciation rate of the f xed 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 uses RMB as measurement currency . The foreign currency transactions shall be translated into the measurement currency using the off cial 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 off cial 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.

Notes to the Items of Financial Statements (RMB Yuan)

1	Cash and Bank	End of Period	12,614.73
	Bank Deposit		12,614.73
	US$		4,986.81
	RMB		7,627.92
	Cash on hand RMB		0.00
2	Other receivables	End of Period	333,444.40
	Among which:		
	Other		333,444.40

3 Fixed Assets

	Beginning of period	Increase	Decrease	End of period
Original value	17,939.20	0.00	0.00	17,939.20
Accumulated depreciation	4,815.23	3,229.08	0.00	8,044.31
Net value	13,123.97	0.00	0.00	9,894.89

4	D eferred expenses	End of year	22,850.88
	Among which:		
	Rent Expenses		13,300.00
	Telephone		250.00
	Service charge		9,300.88
5	Wages and salaries unpaid	End of year	207,955.00
	Among which:		
	Wages		207,955.00
6	Other payables	End of Period	2,838,794.70
	Among which:		
	TM India		2,665,477.52
7	Tax unpaid	End of Period	94,017.86
	Among which		
	Personal income tax		94,017.86
8	Paid-up Capital	End of Period	3,314,450.50
	Tech Mahindra Limited		3,314,450.50

Report of the Auditors in Foreign Exchange Revenue and Spending Statement

Shengjiawaishenzi[2010]No.014

To TECH MAHINDRA (BEIJING) IT SERVICES LTD.

We have audited the accompanying Foreign Exchange Revenue and Spending Statement of the Company as of 31 December 2010. 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, 30 March 2011

Foreign Exchange Revenue and Spending Statement

Prepared by Tech Mahindra (Beijing) IT Services Ltd December 31, 2010

Organizing Body Code 66690378-3 Foreign Exchange Registration Certificate No. 110000050872 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	39,997.63	5,193.66	11. Forex accounts payable		
1.1 Cash			among which		
1.2 Capital account deposit	39,997.63	5,193.66	domestic accounts payable		
1.3 Current account deposit			11.1 Trade in goods		
1.4 External debt account deposit			among which		
1.5 other account deposit			One-year and above financial lease		
2. Forex accounts receivable			11.2 Trade in services		
among which:			among which:		
domestic account receivable			One-year and above		
2.1 Trade in goods			11.3 Other payable		
2.2 Trade in services			among which:		
2.3 Other receivable			One-year and Above		
3. Prepayment forex			12. Advances on forex sales		
4. Forex dividend receivable			among which:		
among which			One-year and Above		
Domestic account receivable			13. Wages and salaries of foreign employees unpaid		
5. Overseas investment			14. Forex dividend unpaid		
among which			among which:		
Fixed assets			One-year and Above		
Intangible assets			15. Overseas loans		
6. Domestic forex investment			15.1 Financial institutions loans		
7. Non-forex assets			15.2 Affiliated enterprise loans		
7.1 RMB			15.3 Other loans		
7.2 Fixed assets			15.4 Bonds		
7.3 Intangible assets			16. Domestic forex loans		
7.4 Capital pricing transfer			among which:		
7.5 Unilateral capital transfers			Domestic foreign-capital financial institution Loans		
7.6 Other			17. Forex Interest unpaid		
8. Sale and purchase of Forex balance			Among which:		
9. Exchange rate convert balance	299,247.77	479,237.02	Domestic interest unpaid		
10. Other assets			18. Paid-up overseas capital		
			18.1 Foreign direct investment	350,000.00	479,990.00
			18.2 Foreign stock investment		
			19. Paid-up domestic Forex capital		
			20. Ordinary items balance		
Total Assets	350,000.00	479,990.00	Total Liabilities and ordinary items balance	350,000.00	479,990.00

Note: 1. External guaranties increase 0.00US$ decrease 0.00US$ the account at the end of 2010 is US$0.00

2. According to stock right or promise proportion, the distribute net profit unpaid to foreign-side at the end of 2010 is US $-917,512.97

3. The account of "Other assets" is 0.00% of "Total assets".

Date: December 31, 2010

Tabulation: Sunjing Financial director Mr. Nitin Kulkarni Legal Representative Mr. Jagdish Mitra

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 Seventh Annual Report together with the audited Accounts of your Company for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rupees in Thousands)

For the year ended March 31	**2011**	2010
Total Income	**NIL**	98,533
Loss for the year before Tax	**846**	709,697
Provision for Tax	**NIL**	NIL
Loss for the year	**846**	709,697
Loss brought forward from the previous years	**709,766**	69
Loss carried forward to Balance Sheet	**710,612**	709,766

DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year under review.

DIRECTORS

Mr. Vineet Nayyar and Mr. Sonjoy Anand retire by rotation and being eligible, offers themselves for re-appointment.

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.

UPDATE ON SATYAM COMPUTER SERVICES LIMITED

The Company as on 31st March, 2011 holds 501,843,740 equity shares of Rs. 2 each aggregating to 42.65% of the total paid up capital of the Satyam.

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.

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. 60,00,000 during the year ended 31st March, 2011 or not less than Rs. 5,00,000 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, 2011 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 : May 20, 2011

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 March 31, 2011, 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 (Auditors' 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 March 31, 2011;
      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, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 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 : May 20, 2011

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, 2011 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) During the year, the Company did not undertake any activity in relation to purchase of inventory and fixed assets and sale of goods and services. Accordingly, the provisions of the Clause (iv) of paragraph 4 of Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

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

(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 Education 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, 2011 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 issued any debentures during the year nor any debentures are oustanding as of the year end. 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 has not availed any term loans 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, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

(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, the Company has not issued any secured debentures during the period covered by our audit. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(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: May 20, 2011

Balance Sheet as at March 31, 2011

Rs. in Thousands

		Schedule	March 31, 2011	March 31, 2010
I.	**SOURCES OF FUNDS :**			
	SHAREHOLDERS' FUNDS :			
	Share Capital	I	**304,723**	304,723
	Reserves and Surplus	II	**30,126,238**	30,132,210
			30,430,961	30,436,933
II.	**APPLICATION OF FUNDS :**			
	FIXED ASSETS :			
	Gross Block	III	**1,252**	1,252
	Less : Accumulated Depreciation		**-**	-
	Net Block		**1,252**	1,252
	INVESTMENT :	IV	**29,695,331**	29,695,331
	CURRENT ASSETS, LOANS AND ADVANCES :			
	Cash and Bank Balances	V	**2,087**	9,195
	Loans and Advances	V	**22,229**	22,227
			24,316	31,422
	Less : CURRENT LIABILITIES AND PROVISIONS :			
	Current Liabilities	VI	**550**	838
			550	838
	Net Current Assets		**23,766**	30,584
	Debit balance in Profit & Loss Account		**710,612**	709,766
			30,430,961	30,436,933
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :		X		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Hemant M Joshi
Partner
Place : Pune
Date : May 20, 2011

For Venturbay Consultants Private Limited

Milind Kulkarni
Director

Atanu Sarkar
Director

Sarang Deshpande
Company Secretary

Place : Pune
Date : May 20, 2011

Profit and Loss Account for the year ended March 31, 2011

Rs. in Thousands except earnings per share

	Schedule	**Year ended March 31, 2011**	Year ended March 31, 2010
INCOME :			
Other Income	VII	**-**	98,533
Total Income		**-**	98,533
EXPENDITURE :			
Operating and Other Expenses	VIII	**846**	3,161
Finance charges	IX	**-**	805,069
Total Expenditure		**846**	808,230
LOSS BEFORE TAX		**(846)**	(709,697)
Provision for Tax			
Current tax		**-**	-
Deferred tax		**-**	-
LOSS AFTER TAX		**(846)**	(709,697)
Balance brought forward from previous year		**(709,766)**	(69)
Loss carried to Balance Sheet		**(710,612)**	(709,766)
Loss Per Share (refer note 6 of schedule X)			
- Basic		**0.03**	31.02
- Diluted		**0.03**	31.02
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	X		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Hemant M Joshi
Partner
Place : Pune
Date : May 20, 2011

For Venturbay Consultants Private Limited

Milind Kulkarni
Director

Atanu Sarkar
Director

Sarang Deshpande
Company Secretary

Place : Pune
Date : May 20, 2011

Cash Flow Statement for the year ended March 31, 2011

Rs. in Thousands

			Year ended March 31, 2011	Year ended March 31, 2010
A	**Cash flow from operating activities**			
	Loss before tax		**(846)**	(709,697)
	Net loss before taxation and after exceptional item		**(846)**	(709,697)
	Adjustments for :			
	Finance Charges	**-**		805,069
	Interest income	**-**		(98,533)
			-	706,536
	Operating (loss)/profit before working capital changes		**(846)**	(3,161)
	Adjustments for :			
	Trade and other receivables	**(2)**		-
	Trade and other payables	**(288)**		831
			(290)	831
	Cash used in operations		**(1,136)**	(2,330)
	Income taxes paid	**-**		(22,227)
			-	(22,227)
	Net cash used in operating activities		**(1,136)**	(24,557)
B	**Cash flow from investing activities**			
	Purchase of Free Hold Land	**-**		(1,252)
	Investments in Associate (refer note 8 & 9 of schedule X)	**-**		(29,695,331)
	Interest received	**-**		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)	**(5,972)**		30,436,822
	Proceeds from borrowings	**-**		10,326,082
	Repayment of Borrowings/ conversion in equity shares	**-**		(10,326,082)
	Finance charges paid	**-**		(805,069)
	Net cash from / (used in) financing activities		**(5,972)**	29,631,753
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(7,108)**	9,146
	Cash and cash equivalents at the beginning of the year		**9,195**	49
	Cash and cash equivalents at the end of the year		**2,087**	9,195

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, 2011	March 31, 2010
2	Cash and cash equivalents :	**2,087**	9,195
	Cash and Bank balances	**-**	
	Total Cash and cash equivalents	**2,087**	9,195

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Hemant M Joshi
Partner
Place : Pune
Date : May 20, 2011

For Venturbay Consultants Private Limited

Milind Kulkarni
Director

Atanu Sarkar
Director

Sarang Deshpande
Company Secretary

Place : Pune
Date : May 20, 2011

Schedules forming part of the Balance Sheet

Rs. in Thousands

		As at March 31, 2011	As at March 31, 2010
SCHEDULE I			
SHARE CAPITAL:			
Authorised :			
35,000,000 (previous year 35,000,000) Equity Shares of Rs. 10/- each fully paid up.		**350,000**	350,000
		350,000	350,000
Issued, Subscribed and Paid up:			
30,472,300 (previous year 30,472,300) Equity Shares of Rs. 10 each fully paid-up.		**304,723**	304,723
		304,723	304,723

Note :

All of the above equity shares are held by Tech Mahindra Limited, the holding company

		As at March 31, 2011	As at March 31, 2010
SCHEDULE II			
RESERVES AND SURPLUS :			
Securities Premium :			
As per last Balance Sheet	**30,132,210**		-
Add : Received during the year	**-**		30,156,687
Less : Share issue expenses	**5,972**		24,477
		30,126,238	
		30,126,238	30,132,210

Rs. in Thousands

	As at March 31, 2011	As at March 31, 2010
SCHEDULE IV		
INVESTMENTS (at cost) :		
Long Term (Quoted)		
Trade :		
501,843,740 (Previous year 501,843,740) equity shares of Satyam Computer Services Limited of Rs 2/- each, fully paid up (Refer note 8 & 9 of Schedule X)	**29,695,331**	29,695,331
	29,695,331	29,695,331
Market value of quoted investment	**32,971,134**	46,345,269
SCHEDULE V		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current Assets :		
(a) Cash and Bank Balances :		
Balance with scheduled banks :		
In Current Accounts	**2,087**	9,195
	2,087	9,195
(b) Loans and Advances :		
(Unsecured, considered good unless otherwise stated)		
Deposits	**2**	-
Advance taxes (Including Tax deducted at source)	**22,227**	22,227
	22,229	22,227

SCHEDULE III

FIXED ASSETS

Rs. in Thousands

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description of Assets	Cost as at April 01, 2010	Additions during the year	Deductions during the year	**Cost as at March 31, 2011**	As at April 01, 2010	Additions during the year	Deductions during the year	**Cost as at March 31, 2011**	**As at March 31, 2011**	As at March 31, 2010
Tangible Fixed Assets :										
Freehold Land	**1,252**	-	-	**1,252**	-	-	-	**-**	**1,252**	1,252
Total	**1,252**	-	-	**1,252**	-	-	-	**-**	**1,252**	1,252
Previous year	-	1,252	-	1,252	-	-	-	-	1,252	-

Rs. in Thousands

	As at March 31, 2011	As at March 31, 2010
SCHEDULE VI		
CURRENT LIABILITIES :		
(a) Sundry Creditors :		
Total outstanding dues of Micro, Small and Medium enterprises (Refer note 7 of Schedule X)	**-**	-
Total outstanding dues of Creditors other than Micro, Small and Medium enterprises	**550**	327
(b) Other Liabilities	**-**	511
	550	838

Schedules forming part of the Profit and Loss Account

Rs. in Thousands

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE VII		
OTHER INCOME:		
Interest on :		
Deposit with bank (Tax deducted at source Rs.Nil (previous year: Rs.22,227 Thousands)	**-**	98,533
	-	98,533

Schedules forming part of the Profit and Loss Account

Rs. in Thousands

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE VIII		
OPERATING AND OTHER EXPENSES:		
Professional and Legal fees	**846**	3,089
Miscellaneous expenses	**-**	72
	846	3,161

Rs. in Thousands

	Year ended March 31, 2011	Year ended March 31, 2010
SCHEDULE IX		
FINANCE CHARGES		
Interest		
- Fixed loans	**-**	364,787
- Inter Corporate Deposit	**-**	220,565
Loan syndication charges	**-**	219,717
Bank Charges	**-**	-
	-	805,069

Schedules forming part of the Balance Sheet and Profit and Loss Account

SCHEDULE X

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

1. **Significant Accounting Policies :**

(a) Basis for preparation of accounts:

The accompanying financial statements 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	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. The Company did not have any employee on payroll during the year ended March 31, 2011 and therefore the disclosure required under Accounting Standard 15 on 'Employees Benefits' (AS 15) is not applicable for the year ended March 31, 2011.

3. During the year ended March 31, 2011 Company had no operating income hence the disclosure of information as required under Accounting Standard 17 on 'Segmental reporting (AS 17)' is not required.

4. Payment to Auditors:

Rs. in Thousands

Particulars	**For the year ended 31st March 2011**	For the year ended 31st March 2010
Audit Fees *	**500**	300
Total	**500**	300

* Excluding Service Tax

5. As required under Accounting Standard 18 "Related Party Disclosures" (AS 18), following are details of transactions during

the year ended March 31, 2011 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 of the holding company and also holds more than 20% stake of holding Company
Tech Mahindra Limited	Holding Company
Tech Mahindra (Americas) Inc, USA	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. SPC	Fellow Subsidiary Company
Tech Mahindra (Nigeria) Ltd.	Fellow Subsidiary Company
Tech Mahindra Brazil Servicecos De Informatica Ltd	Fellow Subsidiary Company
Mahindra Logisoft Business Solutions Limited	Fellow Subsidiary Company
Satyam Computer Services Limited.	Associate company

b) Related party transactions for the year ended March 31, 2011.

Rs. in Thousands

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]	- [-]
Deposit Given	- [-]	2 [-]
Debit / (Credit) balances (Net) outstanding as on March 31, 2011	- [-]	2 [-]

Figures in brackets "[ ]"are for previous year ended March 31, 2010.

*Includes Inter Corporate deposit amounting to Rs. 4,961,300 Thousands converted into equity shares of the company.

Out of the above items transactions with Holding company and Associate Company in excess of 10% of the total related party transactions are as under

Rs. in Thousands

Transactions	For the year ended March 31, 2011
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]
Deposit Given	
Associate Company	2
Satyam Computer Services Limited	[-]

Figures in brackets "[ ]"are for previous Year ended March 31, 2010.

6. Earning per share is calculated as follows:

Rs. in Thousands except earnings per share

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Profit / (Loss) after taxation	**(846)**	(709,697)
Equity Shares outstanding as at the end of year (in nos.)	**30,472,300**	30,472,300
Weighted average Equity Shares outstanding as at the end of the year (in nos.)	**30,472,300**	22,882,001
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	**30,472,300**	22,882,001
Add: Diluted number of Shares	**-**	-
Weighted average Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	**30,472,300**	22,882,001
Nominal Value per Equity Share (Rs.)	**10**	10
Earning/(Loss) Per Share		
Loss Per Share (Basic) (Rs.)	**0.03**	31.02
Loss Per Share (Diluted) (Rs.)	**0.03**	31.02

7. 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".

8. 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 Thousands 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 42.65%, as on March 31, 2011.

   As per the share subscription agreement dated April 13, 2009, these investments have lock in period of three years from the date of allotment.

9. The Company has incurred expenditure of Rs.588,394 Thousands on acquisition of shares in Satyam and the same has been added to the cost of investment.

10. 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.

11. 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.

12. 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 : May 20, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Information pursuant to Part IV of Schedule VI to the Companies Act,1956)

I Registration Details

Registration No. U72200PN2004PTC019520 State Code 11

Balance Sheet Date 31 (Date) 03 (Month) 2011 (Year)

II Capital Raised During the Year (Amount in Rs. in Thousands):

Pubic Issue: NIL	Rights Issue: NIL
Bonus Issue: NIL	Preference shares: NIL
ESOP Allotment: NIL	Private Placement: NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities: 2972034 9	Total Assets: 29720349

Sources of Funds

Paid-up Capital: 304723	Reserve & Surplus: 29415626
Secured Loans: NIL	Unsecured Loans: NIL

Application of Funds

Net Fixed Assets: 1252	Investments: 29695331
Net Current Assets: 23766	Deferred Tax Assets: NIL

IV Performance of Company (Amount in Rs. Thousands)

Turnover: NIL	Total Expenditure: 846
Profit/(Loss) Before Tax: (846)	Profit/(Loss) After Tax: (846)
Earning Per Share (Basic) in Rs.: (0.03)	
Dividend Rate %: NIL	

V Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code) 852490

Product Description COMPUTER SOFTWARE SERVICES

For Venturbay Consultants Private Limited

Milind Kulkarni Director	Atanu Sarkar Director	Sarang Deshpande Company Secretary

Place : Pune

Dated : May 20, 2011

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 Twelth Report together with the audited accounts of your Company for the year ended 31st March 2011

Financial Results

(Rs. in Million)

Particulars	**2011**	2010
Income	**42.08**	33.42
Profit before Depreciation	**11.46**	10.99
Depreciation	**(0.18)**	(0.49)
Profit before tax	**11.27**	10.50
Provision for tax	**0.00**	0.00
Profit after tax	**11.27**	10.50
Balance/(Loss) brought forward from the previous years	**(34.93)**	(45.43)
(Loss) carried forward	**(23.66)**	(34.93)

Operations

Your Company's gross revenue for the year was Rs. 42.08 Million, an increase of 26% over the previous year. The Profit After Tax is Rs. 11.27 Million, an increase of 7% 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. Sonjoy Anand and Mr. Atanu Sarkar retire by rotation, and being eligible, offer themselves for re-appointment.

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 2011 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.

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 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.

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.60,00,000 during the year ended 31st March 2011 or not less than Rs. 5,00,000 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: 20th May 2011

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 2011.

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 specif ed in the Schedule: Not Applicable.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Areas in which Research & Development is carried out: None
2. Benef ts derived as a result of the above ef forts: 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: 20th May 2011

AUDITORS' REPORT

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 March 31, 2011, 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 of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

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

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

   iii) 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;

   iv) 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;

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

      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

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

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

5. On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Mumbai
Date : 20th May 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) 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 (other than intangible assets in the form of software products fully depreciated in past years and as explained to us no longer being put to use and therefore written off during the year) 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.

(ii) The Company does not have any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are 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.

(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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public to which the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Rules framed thereunder would apply.

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

(viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.

(ix) 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, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, except in case of service tax, where the Company has not been regular in depositing the dues with the appropriate authorities and there have been serious delays; no arrears of such dues as at the year end.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Cess and other material statutory dues applicable to the Company, in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, and Cess which have not been deposited as on March 31, 2011 on account of disputes.

(x) 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 during the financial year and in the immediately preceding financial year.

(xi) The Company has not obtained any loans from financial institutions or banks nor issued any debentures.

(xii) According to the information and 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.

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society.

(xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) 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.

(xvi) The Company has not obtained any term loans.

(xvii) 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.

(xviii) 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.

(xix) The Company has not issued any debentures.

(xx) The Company has not raised any money by public issues during the year.

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

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Mumbai
Date : 20th May 2011

Balance Sheet as at March 31, 2011

in Rupees

		Schedule	As at March 31, 2011	As at March 31, 2010
I.	**SOURCES OF FUNDS :**			
	SHAREHOLDERS' 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		**2,671,742**	47,976,653
	Less : Accumulated Depreciation		**(2,252,560)**	(47,522,202)
	Net Block		**419,182**	454,451
	INVESTMENT :	III	**3,000**	3,000
	CURRENT ASSETS, LOANS AND ADVANCES :	IV		
	Sundry Debtors		**4,827,128**	2,461,518
	Cash and Bank Balances		**82,411,318**	72,002,747
	Other Current Assets		**1,846,832**	1,596,490
	Loans and Advances		**15,238,474**	16,616,800
			104,323,752	92,677,555
	Less : CURRENT LIABILITIES AND PROVISIONS :			
	Current liabilities	V	**1,002,456**	949,763
	Provisions	VI	**2,904,388**	2,618,840
			3,906,844	3,568,603
	Net Current Assets		**100,416,908**	89,108,952
	Debit balance in Profit & Loss Account		**23,660,910**	34,933,597
	Total		**124,500,000**	124,500,000
	SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :	X		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner

Mumbai, Dated 20th May 2011

For and on behalf of the Board of Directors

Ulhas N. Yargop
Milind Kulkarni
C. P. Gurnani
Vineet Nayyar
Sonjoy Anand
Atanu Sarkar
Directors

Sandeep Nagarkar
Company Secretary
Pune, Dated 20th May 2011

Profit and Loss account for the year ended March 31, 2011

		Schedule	Current Year March 31, 2011	Previous Year March 31, 2010
				in Rupees
INCOME				
Income from services and other income		VII	**42,075,445**	33,421,552
	TOTAL		**42,075,445**	33,421,552
EXPENDITURE				
Personnel expenses		VIII	**26,206,729**	19,796,954
Operating and other expenses		IX	**4,412,209**	2,638,310
Depreciation			**183,820**	486,567
	TOTAL		**30,802,758**	22,921,831
PROFIT BEFORE TAX			**11,272,687**	10,499,721
Less: Provision for taxation				
- Current tax			**2,247,000**	1,813,000
- MAT credit entitlement			**(2,247,000)**	(1,813,000)
			-	-
PROFIT AFTER TAX			**11,272,687**	10,499,721
Balance brought forward from previous year			**(34,933,597)**	(45,433,318)
Balance carried to balance sheet			**(23,660,910)**	(34,933,597)
Earnings per share				
(Nominal value per share Rs. 10)				
Basic and diluted (in Rupees)			**0.91**	0.84
Weighted average number of outstanding shares			**12,450,000**	12,450,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS		X		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner

Mumbai, Dated 20th May 2011

For and on behalf of the Board of Directors

Ulhas N. Yargop
Milind Kulkarni
C. P. Gurnani
Vineet Nayyar
Sonjoy Anand
Atanu Sarkar
Directors

Sandeep Nagarkar
Company Secretary
Pune, Dated 20th May 2011

Cash Flow Statement for the year ended March 31, 2011

in Rupees

	Particulars		**Current Year March 31, 2011**		Previous Year March 31, 2010
A	**Cash Flow from operating activities**				
	Net Prof t before tax		**11,272,687**		10,499,722
	Adjustments for:				
	Depreciation		**183,820**		486,567
	Loss on sale of f xed assets		**10,906**		-
	Advances written off		**107,196**		-
	Interest income		**(5,064,815)**		(5,548,083)
	Provision for bad debts written back		**(53,545)**		-
	Operating profit before working capital changes		**6,456,249**		5,438,206
	Adjustments for:				
	Trade and other receivables		**(2,474,427)**		977,842
	Trade and other payables		**338,241**		127,834
			(2,136,186)		1,105,676
	Income-tax (tax deducted at source)		**1,433,492**		(1,438,970)
	Net cash generated from operating activities		**5,753,555**		5,104,912
B	**Cash flow from investing activities**				
	Purchase of Fixed assets		**(177,234)**		-
	Interest received		**4,814,472**		5,541,022
	Sale of Fixed Assets		**17,778**		-
	Net cash generated from investing activities		**4,655,016**		5,541,022
C	**Cash flow from financing activities**		**-**		-
	Net increase in cash and cash equivalents A+B+C)		**10,408,571**		10,645,934
	Cash and cash equivalents as at the commencement of the year comprising:				
	With a scheduled bank on:				
	Current account	194,992		219,667	
	In deposit account	71,807,755	**72,002,747**	61,137,146	61,356,813
	Cash and cash equivalents as at the end of the year comprising:				
	With a scheduled bank on:				
	Current account	-		194,992	
	In deposit account	82,411,318	**82,411,318**	71,807,755	72,002,747
	[net of book overdraft of Rs. 178,318 in the linked current account (as at March 31, 2010 Rs. Nil)]				
	Net increase as disclosed above		**10,408,571**		10,645,934

Notes: 1. Figures in brackets are outf ows/deductions.

2. Previous year's f gures have been regrouped where necessary.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Rajesh K Hiranandani

Partner

Mumbai, Dated 20th May 2011

For and on behalf of the Board of Directors

Ulhas N. Yargop
Milind Kulkarni
C. P. Gurnani
Vineet Nayyar
Sonjoy Anand
Atanu Sarkar

Directors

Sandeep Nagarkar

Company Secretary

Pune, Dated 20th May 2011

Schedule annexed to and forming part of the Balance Sheet as at March 31, 2011

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE I		
SHARE CAPITAL:		
Authorised :		
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 Equity shares of Rs. 10 each fully paid-up	**124,500,000**	124,500,000
All the above shares are held by Tech Mahindra Limited, the holding company (including 6 Equity shares held jointly)		
Total	**124,500,000**	**24,500,000**

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "III"		
INVESTMENTS		
Long term (at cost, fully paid-up)		
Non-trade (unquoted):		
In Government securities		
National Savings Certif cate (deposited with Sales Tax authorities)	**3,000**	3,000
Total	**3,000**	3,000

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "IV"		
CURRENT ASSETS, LOANS AND ADVANCES		
a) Sundry debtors (unsecured)		
Debts outstanding for a period exceeding six months		
- Considered good	**159,288**	-
- Considered doubtful	**-**	165,905
	159,288	165,905
Other debts		
- Considered good	**4,667,840**	2,461,518
	4,827,128	2,627,423
Less: Provision for doubtful debts	**-**	165,905
	4,827,128	2,461,518
b) Cash and bank balances		
Balances with a scheduled bank		
- in current account	**-**	194,992
- in deposit account	**82,411,318**	71,807,755
[net of book overdraft of Rs. 178,318 in the linked current account (as at March 31, 2010 Rs. Nil)]		
	82,411,318	72,002,747
c) Other current assets		
Interest accrued on investment	**2,704**	2,704
Interest accrued on f xed deposits	**1,844,128**	1,593,786
	1,846,832	1,596,490
d) Loans and advances (unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	**168,679**	113,513
Advance payment of income-tax net of provisions	**11,009,795**	14,690,287
MAT credit entitlement	**4,060,000**	1,813,000
	15,238,474	16,616,800
Total	**104,323,752**	92,677,555

SCHEDULE II
FIXED ASSETS
in Rupees

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance as at April 01, 2010	Additions	Deletions	Closing Balance as at March 31, 2011	Opening Balance as at April 01, 2010	For the period	On Deletions	Closing Balance as at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Intangible assets										
Software products	45,502,245	-	45,432,145	70,100	45,502,245	-	45,432,145	70,100	-	-
Sub-total (A)	45,502,245	-	45,432,145	70,100	45,502,245	-	45,432,145	70,100	-	-
Tangible assets										
Computers	1,985,329	177,234	-	2,162,563	1,840,101	159,976	-	2,000,077	162,486	145,228
Off ce equipment	437,929	-	-	437,929	161,502	19,731	-	181,233	256,696	276,427
Furniture and f xtures	1,150	-	-	1,150	1,150	-	-	1,150	-	-
Vehicles	50,000	-	50,000	-	17,204	4,112	21,316	-	-	32,796
Sub-total (B)	2,474,408	177,234	50,000	2,601,642	2,019,957	183,820	21,316	2,182,460	419,182	454,451
Total (A) + (B)	**47,976,653**	**177,234**	**45,482,145**	**2,671,742**	**47,522,202**	**183,820**	**45,453,461**	**2,252,560**	**419,182**	**454,451**
Previous Year	47,976,653	-	-	47,976,653	47,035,635	486,567	-	47,522,202		

Schedule annexed to and forming part of the Balance Sheet as at March 31, 2011

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "V"		
CURRENT LIABILITIES		
Sundry Creditors		
Micro, small and medium enterprises (Refer Note 4 of Schedule X)		
Others	**466,334**	607,984
Other liabilities	**536,122**	341,779
Total	**1,002,456**	949,763

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "VI"		
PROVISIONS		
Provision for gratuity	**1,123,691**	805,255
Provision for compensated absences	**1,780,697**	1,813,585
Total	**2,904,388**	2,618,840

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "VII"		
INCOME FROM SERVICES AND OTHER INCOME		
Income from services	**36,498,025**	27,350,203
[tax deducted at source Rs. 3,460,689 (year ended March 31, 2010 Rs. 3,151,832)]		
Interest		
a) On deposits with bank	**5,064,815**	5,548,083
[tax deducted at source Rs. 506,482 (year ended March 31, 2010 Rs. 554,809)]		
b) On income tax refund	**459,060**	156,244
Provision for doubtful debts no longer required	**53,545**	-
Deputation charges	**-**	314,232
Other income	**-**	52,790
Total	**42,075,445**	33,421,552

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "VIII"		
PERSONNEL EXPENSES		
Salaries, wages, bonus, etc.	**24,516,781**	18,503,361
Contribution to provident and other funds (Refer note 7 of schedule X)	**1,249,265**	919,237
Gratuity	**318,436**	337,480
Staff welfare	**122,247**	36,876
Total	**26,206,729**	19,796,954

in Rupees

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "IX"		
OPERATING AND OTHER EXPENSES		
Rent, rates and taxes	**136,460**	96,025
Power	**-**	35,000
Insurance	**519,952**	291,744
Repairs - equipment	**-**	45,131
- others	**250,943**	94,243
Communication expenses	**205,134**	140,933
Travelling expenses	**942,948**	313,975
Legal and professional charges	**1,784,086**	706,482
Provision for doubtful debts	**-**	165,905
Software expenses	**180,063**	170,700
Advances written off	**107,196**	-
Bad debts written off	**112,360**	-
Less: Provision for doubtful debts	**(112,360)**	-
	-	-
Loss on sale of f xed assets	**10,906**	-
Miscellaneous expenses	**274,521**	578,172
Total	**4,412,209**	2,638,310

Schedule annexed to and forming part of the Balance Sheet as at March 31, 2011

SCHEDULE X

NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i. Basis for preparation of financial statements

The accounts have been prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

ii. Use of Estimates:

The preparation of financial statements, in conformity with the 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 reporting period. Differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.

iii. Fixed assets

a) Tangible Assets:

Tangible assets are stated at cost less depreciation. Costs comprise of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

b) Intangible Assets:

Software products are stated at initially incurred cost less accumulated amortisation.

iv. Depreciation / amortisation on fixed assets

Depreciation on tangible assets is provided, pro-rata for its period of use, 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 hardware which are amortised / depreciated over a period of four years and three years respectively, based on technical evaluation of their useful economic life.

v. Revenue recognition

a) Sale of services are recognised when the services are rendered and no significant uncertainty as to determination of realisation exists.

b) Interest income is recognised on a time proportion basis.

c) Other income is recognised when no significant uncertainty as to determination or realisation exists.

vi. Investments

Investments, all of which being long term, are stated at cost and provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

vii. Taxation

Tax expense comprises current tax and deferred 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 recognised 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income-tax at normal rates during the specified period. The carrying amount of MAT credit entitlement is reviewed at each Balance Sheet date.

viii. Employee Benefits

(a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

(b) Long term employee benefits:

(i) Defined Contribution plan

1. Provident Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident fund and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Employees Provident Fund Organisation. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to Profit and Loss Account as incurred.

(ii) Defined benefit plan:

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company makes provision for gratuity based on an independent actuarial valuation. Actuarial gains and losses are recognised in the Profit and Loss Account.

Schedule annexed to and forming part of the Balance Sheet as at March 31, 2011

2. Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment /availment. The Company makes provision for compensated absences based on an independent actuarial valuation. Actuarial gains and losses are recognised in the Proft and Loss Account.

2. The net deferred tax assets as at March 31, 2011 has not been accounted in the absence of virtual certainty supported by convincing evidence that suff cient future taxable income will be available against which deferred tax asset on carry forward of losses can be realised.

3. Segment Reporting

As the Company's business activity falls within a single segment viz. "Development of software and its management", and the sales being in the domestic market, the disclosure requirements of Accounting Standard - 17 "Segment Reporting", notif ed under the Companies Act, 1956 are not applicable.

4. 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.

5. Legal and professional charges includes auditors' remuneration

Auditors' remuneration excluding service tax :	**Year ended March 31, 2011 (Rupees)**	**Year ended March 31, 2010 (Rupees)**
Audit fees	2,70,000	2,70,000
Other services	20,000	20,000
Reimbursement of expenses	1,940	Nil

6. Related Party Disclosures

I. (a) List of related party relationships where control exists

S. no.	**Name**	**Relationship**
i.	Mahindra and Mahindra Limited	Holding Company upto 10th April 2009 Ultimate Holding Company from 11th April 2009 to 22nd March 2010
ii.	Tech Mahindra Limited	Holding Company w.e.f. 11th April 2009

(b) List of fellow subsidiaries with whom there were transactions

i.	Mahindra Holidays and Resorts India Limited (upto 22nd March 2010)
ii.	Mahindra Consulting Engineers Limited (upto 22nd March 2010)
iii.	Mahindra Logistic Limited (upto 22nd March 2010)
iv.	Mahindra First Choice Services Limited (upto 22nd March 2010)

(b) Related Party Transactions:

(In Rupees)

Sr. No.	**Particulars**	**For the year ended March 31, 2011**	**For the year ended March 31, 2010**
1.	Income from services:		
	- Mahindra and Mahindra Limited	N.A.	3,737,140
	- Tech Mahindra Limited	407,136	-
	- Mahindra Holidays and Resorts India Limited	N.A.	19,983,252
	- Mahindra Consulting Engineers Limited	N.A.	1,60,000
	- Mahindra Logistic Limited	N.A.	120, 0 00
	- Mahindra First Choice Services Limited	N.A.	5,500
2.	Reimbursement of expenses (net payable)		
	- Mahindra and Mahindra Limited	N.A.	182,437
3.	Rent Paid		
	- Mahindra and Mahindra Limited	N.A.	67,620
4.	Salary processing charges paid		
	- Mahindra and Mahindra Limited	N.A.	96,000
5.	Deputation charges received		
	- Mahindra and Mahindra Limited	N.A.	314,232
6.	Salary recovered		
	- Mahindra and Mahindra Limited	N.A.	471,348
7.	Professional fees		
	- Mahindra and Mahindra Limited	N.A.	271,424
8.	Closing balances		
	Receivables - Tech Mahindra Limited	60,464	-

Schedule annexed to and forming part of the Balance Sheet as at March 31, 2011

7. Employee Benefits

A. Defined Contribution Plan

Contribution to def ned contribution plan, recognised in the Prof t and Loss Account under Company's Contribution to provident and other funds in Schedule "VIII" for the period is as under:

		in Rupees
	As at	
	March 31, 2011	March 31, 2010
Employer's contribution to Provident Fund	**953,512**	806,113
Employer's contribution to ESIC	**265,992**	72,094

B. Def ned Benef t Plan

	Gratuity (Unfunded)	
	March 31, 2011	March 31, 2010
i. Reconciliation of opening and closing balances of Def ned Benef t Obligation		
Present value of Def ned Benef t Obligation (Opening)	**805,255**	467,775
Interest Cost	**65,617**	38,177
Current Service Cost	**227,296**	141,632
Net Actuarial (gain)/ losses	**25,294**	157,671
Past Service Cost	**229**	-
Benef ts paid	**-**	-
Present value of Def ned Benef t Obligation (Closing)	**1,123,691**	805,255
ii. Reconciliation of fair value of Plan Assets		
Fair value of Plan Assets (Opening)	**-**	-
Expected return on Plan Assets	**-**	-
Net Actuarial Gain / (Loss)	**-**	-
Employer's Contribution	**-**	-
Benef ts paid	**-**	-
Fair value of Plan Assets (Closing)	**-**	-
iii. Net assets / (liabilities) recognised in the Balance Sheet		
Present value of Def ned Benef t Obligation	**(1,123,691)**	(805,255)
Fair value of Plan Assets	**-**	-
Net assets recognised in the Balance Sheet	**(1,123,691)**	(805,255)
iv. Components of Employer's expenses		
Current Service Cost	**227,296**	141,632
Interest Cost	**65,617**	38,177
Expected return on Plan Assets	**-**	-
Net Actuarial (gains) / losses	**25,294**	157,671
Past Service Cost	**229**	-
Total expense recognised in the prof t and loss account in Schedule "VIII" under provident and other funds:	**318,436**	337,480

v. Actuarial Assumptions

Mortality Table	**"LIC (1994-96) (Ultimate)"**	
Discount rate	**7.90%**	6.85%
Expected rate of return on Plan Assets	**NA**	NA
Salary escalation	**10% for first 3 years and 8% thereafter**	10% for f rst 4 years and 8% thereafter

Schedule annexed to and forming part of the Balance Sheet as at March 31, 2011

vi Net (Liabilities) / Assets recognised in the Balance Sheet as at respective year ends and experience adjustments:

		2011	2010	2009	2008	2007
1.	Present Value of Def ned Benef t Obligation	1,123,691	805,255	467,775	802,366	666,719
2.	Fair Value of Plan Assets	NA	NA	NA	NA	NA
3.	Funded Status [(Def cit) / Surplus]	(1,123,691)	(805,255)	(467,775)	(802,366)	(666,719)
4.	Net (Liability) / Assets	(1,123,691)	(805,255)	(467,775)	(802,366)	(666,719)
5.	Experience adjustment arising on:					
	a. Plan Liabilities [Loss / (Gain)]	77,404	174,724	(392,070)	131,065	316,078
	b. Plan Assets [Loss / (Gain)]	NA	NA	NA	NA	NA

vii. a. The estimates of rate of escalation in salary considered in actuarial valuation take into account inf ation, seniority, promotion and other relevant factors including supply and demand in the employment market.

b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benef t obligations.

viii. The above information is as certif ed by the actuary and relied upon by the auditors.

8. Figures for the previous year have been regrouped, wherever necessary.

Signatures to Schedule I to X

For and on behalf of the Board of Directors

Ulhas N. Yargop
Milind Kulkarni
C. P. Gurnani
Vineet Nayyar
Sonjoy Anand
Atanu Sarkar

Directors

Sandeep Nagarkar
Company Secretary
Pune, Dated 20th May 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(As Required Under Part IV, of Schedule VI to the Companies Act,1956)

I Registration Details

Registration No.	119360	State Code	11
Balance Sheet Date	31 (Date) 03 (Month) 2011 (Year)		

II Capital Raised During the Year (Amount in Rs. Thousands)

Pubic Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Preference shares	NIL
		Private Placement	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	128407	Total Assets	128407
Sources of Funds			
Paid-up Capital	124500	Reserve & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets ((including Capital WIP & advances))	419	Investments	3
Net Current Assets	100417	Misc. Expenditure	NIL
Accumulated Losses	23661		

IV Performance of Company (Amount in Rs. Thousands)

Turnover/Income (including Other Income)	42075	Total Expenditure	30803
Prof t/(Loss) Before Tax	11273	Prof t/(Loss) After Tax	11273
Earning per Share in Rs. (Refer note 8 above)	0.91	Dividend Rate %	NIL

V Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Product Description	INFORMATION TECHNOLOGY SERVICES
Item Code No. (ITC Code)	N.A

12 Previous year's f gures have been regrouped wherever necessary, to conf rm with the current year's f gures.

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 20th May 2011

TECH MAHINDRA (BAHRAIN) LTD S.P.C.

Board of Directors

Mr. Milind Kulkarni
Mr. Vikrant Gandhe - (resigned in 2010)
Mr. C.K. Krishnadas

Registered Office

Flat 1126, Building 722
Road 1708, Block 317
Manama,
Kingdom of Bahrain

Bankers

Ahli United Bank B.S.C.
HSBC Middle East Limited

Auditors

Grant Thornton - Abdulaal Gulf Audit
P O Box 11175
1st Floor, Suite 106
Bahrain Car Parks Building
Manama, Kingdom of Bahrain

DIRECTORS' REPORT

The Directors present their Report and financial statements for the year ended March 31,2011.

Financial Results

For the year ended March 31,	2011 BHD	2011 INR	2010 BHD	2010 INR
Income	6,609,830	785,181,706	8,238,669	978,671,491
Profit/(Loss) before tax	183,113	21,751,993	392,304	46,601,793
Profit/(Loss)after tax	183,113	21,751,993	392,304	46,601,793

PRINCIPAL ACTIVITIES

The principal activities are providing information technology services to telecom industry.

Review of Operations:

The income for the year declined by BHD 1,628,839 (equivalent to INR 193,489,785) a decrease of 19.77% over previous year. The profit declined by BHD 209,191 (equivalent to INR 24,849,800) iover the previous year.

REVIEW OF BUSINESS

The results for the year are set out in the financial statements.

CHANGE IN DIRECTORS

During the year under review, Mr. Vikrant Gandhe resigned from the position of Director and Mr. C K Krishnadas was appointed on the Board as a Director.

AUDITOR

During the year under review Grant Thornton-Abdulaal Gulf Audit, Chartered Accounts are appointed as auditors of the Company in place of Deloitte & Touche. A resolution proposing the re-appointment of Grant Thornton-Abdulaal Gulf Audit Chartered Accounts as the auditor of the Company for the year ending March 31,2012 and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

Milind Kulkarni
Director

Place: Pune

26th April 2011

INDEPENDENT AUDITORS' REPORT

To the Proprietor of
Tech Mahindra (Bahrain) Ltd. S.P.C.

Report on 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 31 March 2011, and the related statements of comprehensive income, changes in equity and the cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the Company for the period ended 31 March 2010 were audited by another auditor whose report dated 27 April 2010 expressed a qualified opinion due to non-receipt of independent confirmation for the accounts receivables.

Directors' responsibility for the financial statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about whether the financial statements are free of 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 auditors' 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 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 the 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, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other regulatory matters

Further, in accordance with the requirements of the Bahrain Commercial Companies Law, we report that we have obtained all the information that we considered necessary for the purpose of our audit, we have reviewed the accompanying report of the Board of Directors and confirm that information contained therein is consistent with the financial statements, the Company has maintained proper books of accounts and nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law or its Memorandum and Articles of Associations which would materially affect its activities or its financial position.

Grand Thornton

Manama, Kingdom of Bahrain

26 April 2011

Statement of Financial Position

	Notes	31 March 2011		31 March 2010	
		BD	INR	BD	INR
Assets					
Non-current assets					
Plant and equipment	3	**3,381**	**401,629**	**5,797**	**688,626**
Current assets					
Accounts and other receivables	4	1,706,759	202,745,902	2,847,412	338,244,071
Cash and cash equivalents	5	828,416	98,407,537	2,862,678	340,057,520
		2,535,175	**301,153,439**	**5,710,090**	**678,301,591**
Total assets		**2,538,556**	**301,555,068**	**5,715,887**	**678,990,217**
Equity and Liabilities					
Equity					
Share capital	9	50,000	5,939,500	50,000	5,939,500
Statutory reserve	10	25,000	2,969,750	25,000	2,969,750
Retained earnings		550,417	65,384,035	367,304	43,632,042
		625,417	**74,293,285**	**442,304**	**52,541,292**
Non-current liabilities					
Employees' terminal benefits	8	**32,296**	**3,836,442**	**-**	**-**
Current liabilities					
Accounts and other payables	6	398,696	47,361,098	2,267,101	269,308,928
Amount due to related party	7	1,482,147	176,064,243	3,006,482	357,139,997
		1,880,843	**223,425,341**	**5,273,583**	**626,448,925**
Total liabilities		**1,913,139**	**227,261,783**	**5,273,583**	**626,448,925**
Total equity and liabilities		**2,538,556**	**301,555,068**	**5,715,887**	**678,990,217**

These financial statements were approved by the Proprietor on 26 April 2011 and signed on its behalf by:

Milind Kulkarni
Director

The attached notes 1 to 18 from part of this financial information.

Statement of Comprehensive Income

	Notes	Year ended 31 March 2011		For the Period from 3 November 2009 to 31 March 2010	
		BD	INR	BD	INR
Income					
Revenue	11	6,609,830	785,181,706	8,238,669	978,671,491
Expenses					
Direct costs	12	(6,251,094)	(742,567,456)	(7,782,698)	(924,506,695)
General and administrative expenses	13	(173,207)	(20,575,260)	(63,004)	(7,484,245)
Depreciation	3	(2,416)	(286,997)	(663)	(78,758)
		(6,426,717)	**(763,429,713)**	**(7,846,365)**	**(932,069,698)**
Profit for the year/period transferred to retained earnings		**183,113**	**21,751,993**	**392,304**	**46,601,793**

These financial statements were approved by the Proprietor on 26 April 2011 and signed on its behalf by:

Milind Kulkarni
Director

The attached notes 1 to 18 from part of this financial information.

Statement of Changes In Equity

	Share capital		Statutory reserve		Retained earnings		Total	
	BD	INR	BD	INR	BD	INR	BD	INR
Capital introduced	50,000	5,939,500	-	-	-	-	50,000	5,939,500
Profit for the period	-	-	-	-	392,304	46,601,792	392,304	46,601,792
Transfer to statutory reserve	-	-	25,000	2,969,750	(25,000)	(2,969,750)	-	-
At 31 March 2010	**50,000**	**5,939,500**	**25,000**	**2,969,750**	**367,304**	**43,632,042**	**442,304**	**52,541,292**
At 1 April 2010	50,000	5,939,500	25,000	2,969,750	367,304	43,632,042	442,304	52,541,292
Profit for the year	-	-	-	-	183,113	21,751,993	183,113	21,751,993
At 31 March 2011	**50,000**	**5,939,500**	**25,000**	**2,969,750**	**550,417**	**65,384,035**	**625,417**	**74,293,285**

The attached notes 1 to 18 from part of this financial information.

Statement of Cash Flows

	Year ended 31 March 2011		For the Period from 3 November 2009 to 31 March 2010	
	BD	INR	BD	INR
Operating activities				
Profit for the year/period	183,113	21,751,993	392,304	46,601,793
Adjustments for:				
Depreciation	2,416	286,997	663	78,758
Provision for employees' terminal benefits	32,296	3,836,442	-	-
Operating profit before working capital changes	217,825	25,875,432	392,967	46,680,551
Changes in operating assets and liabilities:				
Change in accounts and other receivables	1,140,653	135,498,169	(2,847,412)	(338,244,071)
Change in accounts and other payables	(1,868,405)	(221,947,830)	2,267,101	269,308,928
Change in amount due to related party	(1,524,335)	(181,075,754)	3,006,482	357,139,997
Net cash (used in)/generated from operating activities	**(2,034,262)**	**(241,649,983)**	**2,819,138**	**334,885,405**
Investing activities				
Purchase of plant and equipment	-	-	(6,460)	(767,385)
Net cash used in investing activities	**-**	**-**	**(6,460)**	**(767,385)**
Financing activities				
Capital introduced	-	-	50,000	5,939,500
Net cash generated from financing activities	**-**	**-**	**50,000**	**5,939,500**
Net change in cash and cash equivalents	(2,034,262)	(241,649,983)	2,862,678	340,057,520
Cash and cash equivalents, beginning of the year/period	2,862,678	340,057,520	-	-
Cash and cash equivalents, end of the year/period	**828,416**	**98,407,537**	**2,862,678**	**340,057,520**
Comprises:				
Bank balances	828,416	98,407,537	2,862,678	340,057,520
	828,416	**98,407,537**	**2,862,678**	**340,057,520**

The attached notes 1 to 18 from part of this financial information.

Notes to the financial statements for the year ended March 31, 2011

1. **Organisation and activities**

   Tech Mahindra (Bahrain) Ltd. S.P.C. (the "Company'') is a single person company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 73221-1 dated 3 November 2009.

   The Company is engaged in the activities of computers support, power supply system and spare parts, supply and installation of computer mounts, computer software design, development and maintenance, internal wiring for computer communications networks and their maintenance, consultant for computer hardware and software, installation and maintenance of computers energy supply systems.

   The Company's registered office is situated in the Kingdom of Bahrain.

2. **Summary of significant accounting policies**

   2.1 **Basis of preparation**

   The Company's financial statements have been prepared on the basis of historical cost. The Company's financial statements are presented in Bahrain Dinars. All values are rounded to the nearest Bahrain Dinar.

   2.2 **Convenience translation**

   The Company's functional currency is Bahraini Dinars (BD). In addition to presenting the financial statements in BD, supplementary information in Indian Rupees (INR) has been presented for the convenience of users of the financial statements. All amounts in the financial statements including comparatives are translated from BD to INR at the mid market rate at 31 March 2010 of INR 118.79 per 1 BD.

   2.3 **Statement of compliance**

   The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law.

   2.4 **Standards effective and not relevant to the Company**

   Certain other new standards and interpretations have been issued but are not relevant to the Company and have no material effect on the Company's financial position and its results of operation.

   - Improvements to IFRSs (Issued in April 2009) Amendment to IAS 1, "Presentation of Financial Statements: Current/non-current classification of convertible instruments" (effective for annual periods beginning on or after January 1, 2010);
   - Improvements to IFRSs (Issued in April 2009) Amendments to IAS 7, "Cash Flows: Classification of expenditures on unrecognised assets" (effective for annual periods beginning on or after January 1, 2010);
   - Improvements to IFRSs (Issued in April 2009) Amendments to IAS 17, "Leases: Classification of leases of land and buildings" (effective for annual periods beginning on or after January 1, 2010);
   - Improvements to IFRSs (Issued in April 2009) Amendments to IAS 18, "Revenue Recognition : Determining whether an entity is acting as a principal or agent" (This amendment is not part of the standard so does not have an implementation date);
   - Improvements to IFRSs (Issued in April 2009) Amendments to IAS 39, "Financial Instruments Recognition and Measurement: Treating loan prepayment penalties as closely related embedded derivatives" (effective for annual periods beginning on or after January 1, 2010);
   - Revised IAS 27, "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after July 1, 2009);
   - Revised IAS 32, "Financial Instruments: Presentation" (effective for annual periods beginning on or after February 1, 2010);
   - Revised IAS 39, "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after July 1, 2009);
   - Revised IFRS 2, "Share Based Payments: Group Cash-settled Share-based Payment Transactions" (effective for annual periods beginning on or after January 1, 2010);
   - Revised IFRS 3, "Business Combinations" (effective for annual periods beginning on or after July 1, 2009); and
   - IFRIC 17, "Distributions of Non-cash Assets to Owners" (effective for annual periods beginning on or after July 1, 2009).

   2.5 **Standards and interpretations not yet effective**

   Certain other new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

   - Improvements to IFRSs (Issued in 2010) Amendments to IFRS 1, "First time Adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after January 1, 2011);
   - Improvements to IFRSs (Issued in 2010) Amendments to IFRS 3, "Business Combinations" (effective for annual periods beginning on or after July 1, 2010);
   - Improvements to IFRSs (Issued in 2010) Amendments to IFRS 7, "Financial Instruments: Disclosures" (effective for annual periods beginning on or after January 1, 2011);
   - Improvements to IFRSs (Issued in 2010) Amendments to IAS 1, "Presentation of Financial Statements: Clarification of statement of changes in equity" (effective for annual periods beginning on or after January 1, 2011);
   - Improvements to IFRSs (Issued in 2010) Amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates" (effective for annual periods beginning on or after July 1, 2010);
   - Improvements to IFRSs (Issued in 2010) Amendments to IAS 28, "Investments in Associates" (effective for annual periods beginning on or after July 1, 2010);
   - Improvements to IFRSs (Issued in 2010) Amendments to IAS 31, "Investments in Joint Ventures" (effective for annual periods beginning on or after July 1, 2010);
   - Improvements to IFRSs (Issued in 2010) Amendments to IAS 34, "Interim Financial Reporting" (effective for annual periods beginning on or after January 1, 2011);
   - Improvements to IFRSs (Issued in 2010) Amendments to IFRIC 13, "Customer Loyalty Programmes" (effective for annual periods beginning on or after January 1, 2011);
   - Revised IAS 24, "Related Party Disclosures" (effective for annual periods beginning on or after January 1, 2011);
   - Revised IFRS 1, "First time adoption of IFRS" (effective for annual periods beginning on or after 1 July 2010);
   - Revised IFRS 7, "Financial Instruments Disclosures - Transfers of Financial Assets" (effective for annual periods beginning on or after 1 July 2011);
   - IFRS 9, "Financial Instruments" (effective for annual periods beginning on or after 1 January 2013);
   - IFRIC 14, "Prepayments of a Minimum Funding" (effective for annual periods beginning on or after 1 January 2011); and
   - IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments" (effective for annual periods beginning on or after 1 July 2010).

Management does not expect the above standards to have a material effect on the Company's financial position and results of its operations.

2.6 **Plant and equipment**

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of the plant and equipment includes the cost of bringing them to their present location and condition. The cost of replacing part of an item of plant and equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other cost are recognised in the statement of comprehensive income as expenditure incurred.

Depreciation is recognised on a straight-line basis to write down the cost or valuation less estimated residual value of plant and equipment. The estimated useful lives of plant and equipment for the depreciation purpose are as follows:

Furniture	3 years
Computer equipment	1 year

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'other expenses'.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use.

2.7 **Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of bank balances.

2.8 **Provisions**

Provisions are recognised by considering an obligation of the Company as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

2.9 **Employees' terminal benefits**

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short term benefits are recognized as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the General Organisation for Social Insurance in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined benefit scheme under IAS-19, is recognised as an expense in the income statement.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 1976, based on length of service and final salary. Provision for this, which is unfunded and which represent a defined benefit plan under IAS-19 -Employee benefits has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

2.10 **Revenue recognition**

Revenue is recognized when the services are rendered by the Company during the year.

2.11 **Foreign currency transactions**

Transactions in foreign currencies are translated into Bahraini Dinars and recorded at the appropriate rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bahraini Dinars at the exchange rates prevailing at the statement of financial position date. The resultant exchange gains and losses are recognized in the statement of comprehensive income.

2.12 **Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and liabilities are measured subsequently as described below:

a. **Financial assets**

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and accounts and other receivables fall into this category of financial instruments.

b. **Financial liabilities**

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in the statement of comprehensive income. The Company's financial liabilities include accounts and other payables and amount due to related party.

2.13 **Significant accounting judgments and estimates**

The Company's financial statements prepared under IFRS require the Company to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Future events may occur which may cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Company's financial statements as they become reasonably determinable.

a. **Judgements**

Judgement and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Leases: In applying the classification of leases, management considers its leases of office as operating lease arrangement which does not transfer substantially all the risk and rewards incidental to ownership.

b. **Use of estimates**

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial position date, 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.

Useful lives of depreciable assets: Management reviews the useful lives of depreciable assets at each reporting date. At 31 March 2011 management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analysed in note 3. Actual results, however, may vary due to technical obsolescence.

Notes to financial statements for the year ended 31 March 2011

3. **Plant and equipment**

	Furniture		Computer equipment		Total	
	BD	INR	BD	INR	BD	INR
Costs						
At 1 April 2010 and at 31 March 2011	**5,882**	**698,723**	**578**	**68,661**	**6,460**	**767,384**
Accumulated depreciation						
At 1 April 2010	567	67,354	96	11,404	663	78,758
Charge for the period	1,934	229,740	482	57,257	2,416	286,997
At 31 March 2011	**2,501**	**297,094**	**578**	**68,661**	**3,079**	**365,755**
Net book value						
At 31 March 2011	**3,381**	**401,629**	**-**	**-**	**3,381**	**401,629**
At 31 March 2010	**5,315**	**631,369**	**482**	**57,257**	**5,797**	**688,626**

4. **Accounts and other receivables**

	2011		2010	
	BD	INR	BD	INR
Accounts receivables	**1,562,238**	**185,578,252**	2,713,726	322,363,512
Advances	**144,521**	**17,167,650**	133,686	15,880,559
	1,706,759	**202,745,902**	2,847,412	338,244,071

All amounts are short term. The net carrying value of accounts and other receivables is considered a reasonable approximation of fair value at the financial position date. The age of accounts and other receivables past due but not impaired are disclosed in Note 15(e).

5. **Cash and cash equivalents**

	2011		2010	
	BD	**INR**	BD	INR
Bank balances	**828,416**	**98,407,537**	2,862,678	340,057,520

There are no restrictions on bank balances at the time of approval of the financial statements.

6. **Accounts and other payables**

	2011		2010	
	BD	**INR**	BD	INR
Accounts payable	**218,434**	**25,947,807**	1,621,446	192,611,571
Accrued expenses	**180,262**	**21,413,291**	645,655	76,697,357
	398,696	**47,361,098**	2,267,101	269,308,928

The carrying values of accounts and other payables are considered to be reasonable approximate of fair value at the financial position date.

7. **Amount due to related party**

	2011		2010	
	BD	**INR**	BD	INR
Tech Mahindra Limited, India	**1,482,147**	**176,064,243**	3,006,482	357,139,997

Amount due to related party is unsecured, bears no interest and has no fixed repayment terms.

8. **Employees' terminal benefits**

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	2011	
	BD	**INR**
Provision for the year end as at 31 March	**32,296**	**3,836,442**

The number of staff employed by the Company at 31 March 2011 was 79.

9. **Share capital**

The authorized share capital of the Company consists of 500 shares of BD100 each, issued and fully paid up.

	Number of shares	%	Amount	
			BD	INR
Tech Mahindra Limited, India	500	100	50,000	5,939,500

10. **Statutory reserve**

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriations is required to be transferred to a non-distributable reserve account up to a minimum of 50% of the issued share capital. The Company discontinued such transfer since the reserve has reached 50% of the paid up share capital (2010: BD25,000).

11. **Revenue**

	2011		2010	
	BD	**INR**	BD	INR
Service revenue – costs plus 5% (i)	**3,845,360**	**456,790,315**	8,238,669	978,671,491
STC – Pass through (ii)	**2,764,470**	**328,391,391**	-	-
	6,609,830	**785,181,706**	8,238,669	978,671,491

(i) The Company has an agreement with Tech Mahindra Limited, India (the "Parent") whereby the Company charges the Parent with a mark up of 5% on the aggregate of direct and indirect cost incurred during the year, except for pass through transactions on behalf of the Parent. Accordingly, the revenue has been represented on gross basis inclusive of pass through transactions in the amount of BD2,764,470.

(ii) This amount pertains to billings made by the Company to STC on behalf of the Parent.

12. **Direct costs**

	2011		2010	
	BD	**INR**	BD	INR
Tech Mahindra Limited - India cost	**2,764,470**	**328,391,391**	-	-
Staff costs	**1,926,235**	**228,817,455**	692,093	82,213,727
Project specific costs	**1,269,473**	**150,800,698**	6,280,475	746,057,625
Travelling expenses	**146,121**	**17,357,714**	73,866	8,774,542
Subcontractor charges	**144,795**	**17,200,198**	736,264	87,460,801
	6,251,094	**742,567,456**	7,782,698	924,506,695

13. **General and administrative expenses**

	2011		2010	
	BD	**INR**	BD	INR
Professional charges	**81,923**	**9,731,633**	18,249	2,167,799
Foreign exchange loss	**21,159**	**2,513,478**	14,094	1,674,226
Rent	**15,840**	**1,881,634**	1,260	149,675
Transportation	**12,692**	**1,507,682**	3,390	402,698
Telephone and mobile charges	**8,977**	**1,066,378**	5,803	689,338
Recruitment charges	**7,540**	**895,676**	-	-
Office expenses	**5,007**	**594,782**	6,739	800,526
Miscellaneous expenses	**20,069**	**2,383,997**	13,469	1,599,983
	173,207	**20,575,260**	63,004	7,484,245

14. Related party transactions

The Company's related parties include its Proprietor, key management personnel, directors, their close relatives and businesses under their control. The Company's transactions with related parties are at arm's length and in the ordinary course of business. The balances with related parties at the statement of financial position date have been separately disclosed in the financial statements.

The Company's transactions with its related parties are as follows:

		2011		**2010**	
Name of related party	**Nature of transactions**	**BD**	**INR**	BD	INR
Tech Mahindra Limited India	Pass through revenue	**2,764,470**	**328,391,391**	-	-
Tech Mahindra Limited India	Service revenue	**3,845,360**	**456,790,314**	8,238,669	978,671,491

15. Financial assets and liabilities and risk management

The Company's principal financial instruments comprise of cash and cash equivalents, accounts and other receivables, amount due to related party and accounts and other payables.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors approves policies for managing each of these risks, which are summarized below.

a. Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Company is not exposed to the risk of changes in the market interest rates as the Company has no interest bearing financial assets and financial liabilities.

b. Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents.

The following table shows the maturity profile of financial liabilities as at 31 March 2011:

	Due within 1 year	
Particulars	**BD**	**INR**
Accounts and other payables	**398,696**	**47,361,098**
Amount due to related party	**1,482,147**	**176,064,243**
	1,880,843	**223,425,341**

The following table shows the maturity profile of financial liabilities as at 31 March 2010:

	Due within 1 year	
Particulars	BD	INR
Accounts and other payables	2,267,101	269,308,928
Amount due to related party	3,006,482	357,139,997
	5,273,583	626,448,925

c. Foreign currency risk

The Company's primary exposure to the risk of changes in foreign currency relates to the transactional currency exposures. Such exposure arises when the transaction is denominated in currencies other than the functional currency of the operating unit or the counterparty.

The Company manages this risk by maintaining foreign currency bank accounts, which are used for foreign currency transactions to minimize the impact of foreign exchange fluctuations.

d. Credit risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Company. The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. A regular annual review and evaluation of these accounts are carried out to assess the credit standing of the customers.

The table below shows the gross maximum exposure to the Company's credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques as at 31 March:

	2011		2010	
Particulars	**BD**	**INR**	BD	INR
Accounts and other receivables	**1,706,759**	**202,745,902**	2,847,412	338,244,071
Bank balances	**828,416**	**98,407,537**	2,862,678	340,057,520
	2,535,175	**301,153,439**	5,710,090	678,301,591

e. Credit quality per class of financial asset

The Company continuously monitors defaults of the customer and other counterparty, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are neither past due or impaired for each of the reporting dates under review are of good credit quality.

The table below shows the age analysis of the Company's financial assets as at 31 March 2011.

	Neither past due or impaired	
Particulars	**BD**	**INR**
Accounts and other receivables	**1,706,759**	**202,745,902**
Bank balances	**828,416**	**98,407,537**
	2,535,175	**301,153,439**

The table below shows the age analysis of the Company's financial assets as at 31 March 2010.

	Neither past due or impaired	
Particulars	BD	INR
Accounts and other receivables	2,847,412	338,244,071
Bank balances	2,862,678	340,057,520
	5,710,090	678,301,591

16. Capital management policy

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize Proprietor's value.

The Company monitors capital using capital to overall financing ratio, which is capital divided by overall financing.

The Company ensures that its capital management ratio is within the acceptable levels prescribed by its Proprietor or at least at par with its peers in the industry.

	2011		2010	
	BD	**INR**	BD	INR
Total equity	**625,417**	**74,293,285**	442,304	52,541,292
Less: Cash and cash equivalents	**(828,416)**	**(98,407,537)**	(2,862,678)	(340,057,520)
Capital	**(202,999)**	**(24,114,252)**	(2,420,374)	(287,516,228)
Total equity	**625,417**	**74,293,285**	442,304	52,541,292
Overall financing	**625,417**	**74,293,285**	442,304	52,541,292
Capital to overall financing	-	-	-	-

17. Post- reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

18. Comparative figures

Comparative figures for the year ended 31 March 2011 are not comparable as the previous period financial statements was for the 5 months period ended 31 March 2010. However, we have reclassified/re-arranged the prior period figures, wherever necessary to conform with the presentation in the current year's financial statements.

TECH MAHINDRA (NIGERIA) LIMITED

Board of Directors

Mr. Milind Kulkarni (Indian)

Mr. Atanu Sarkar (Indian)

Chief (Mrs) Faidat. Oreagba (Nigerian)

Registered Office

2nd Floor, Consortium House,

Plot 1682, Sanusi Fafunwa Street,

PO BOX 71897, Victoria lland,

Lagos, Nigeria

Secretary:
Probitas Partners & Co
70 Queens Street
off Herbert Macaulay Way
Yaba Lagos, Nigeria

Bankers

Citibank Nigeria Limited

Auditors
Spiropoulos, Adiele, Okpara & Co.
(Chartered Accountants)
Nigerian Correspondent Firm of
Grant Thornton, 2 Sunday Street
Palmgroove, Lagos, Nigeria.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2011

DIRECTORS' REPORT

The Directors submit their report together with the Audited Financial Statements for the year ended 31st March, 2011.

1. **LEGAL FORM**

The company was incorporated in Nigeria under the Companies and Allied Matters Act 2004 as a Private Limited Liability Company on 18th August, 2009. It commenced full operation in January 2011.

2. **PRINCIPAL ACTIVITY**

The principal activity of the company is to provide global solution on information technology to various sector of the economy. It also direct, operate, manage, invest company is engaged in directing, operating, managing, investing in or provide telecommunication, networking, communication, internet information and other information technology related services.

3. **DIRECTORS SHAREHOLDING**

The direct and indirect interests of directors in the issued share capital of the company as recorded in the register of directors shareholding and /or as notif ed by the directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act 2004.

Name	Number of Ordinary Shares held	
	Direct Shareholding	Indirect Shareholding
Mr. Milind Kulkarni	1	-

4. **DIRECTORS INTERESTS IN CONTRACTS**

For the purpose of section 277 of the Companies and Allied Matters Act 2004, none of the directors had direct or indirect interest in contracts or proposed contracts with the company during the year.

5. **CONVERSION OF FINANCIAL STATEMENTS TO INDIAN RUPEES**

The amounts are converted for convenience into Indian Rupees at the exchange rate of Rs. 0.29 to N 1.00, which is the market rate as at March 31, 2011.

6. **DONATIONS AND CHARITABLE GIFTS**

There were no donations made during the year.

7. **POST BALANCE SHEET EVENTS**

There are no post balance sheet events which could have a material effect on the f nancial position of the company as at March 31, 201 1 and prof t attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

8. **HUMAN RESOURCES**

a) **Employment of Disabled Persons**

The company maintains a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The company promotes training and career development of its employees. In the event of members of staf f becoming disabled, ef forts will be made to ensure that their employment with the company continues and appropriate training arranged to ensure that they f t into the company' s working environment.

The Company had no physically challenged person in its employment as at 31st March, 2011.

b) **Health, safety and welfare at work**

The Company takes the health, safety and welfare of its employees very serious, with a strong conviction that a healthy workforce will always be highly productive and will deliver superior performance at all times.

c) **Employees consulting and training:**

The company places considerable value on the involvement of its employees and has continued the practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the company . Employee representatives are consulted regularly on a wide range of matters af fecting their current and future interests.

9. **AUDITORS**

In accordance with section 357 (2) of the Companies & Allied Matters Act, C20 LFN 2004, Messrs Spiropoulos, Adiele, Okpara & Co.(Chartered Accountants) have indicated their willingness to do so, will continue in off ce as Auditors to the company. A resolution will be proposed authorising the Directors to f x their remuneration.

By order of the Board

Mr. Milind Kulkarni — Director

Mr. Atanu Sarkar — Director

Lagos, Nigeria.

Date: 30th April, 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies and Allied Matters Act, Cap C20 LFN 2004 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of each financial year and its profit or loss. The responsibilities include ensuring that the company:

- Keeps proper accounting records that disclose with accuracy, the financial position of the company and comply with the requirement of the Companies and Allied Matters Act; Cap C20 LFN 2004
- Establishes adequate internal controls to safequard its assets and to prevent and detect fraud and other irregularities; and
- Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the annual financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the Nigerian Accounting Standards and the Companies and Allied Matters Act, Cap C20 LFN 2004.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit and loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve months from that date of this statement.

Signed on behalf of the board of directors by:

Mr. Milind Kulkarni	**Mr. Atanu Sarkar**
Director	Director

Date: 30th April, 2011

AUDITORS REPORT

To the members of Tech Mahindra (Nigeria) Limited

We have audited the financial statements of Tech Mahindra (Nigeria) Limited for the year ended 31st March 2011 set out on pages 10 to 18, which have been prepared in accordance with the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 6, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis , of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statements, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of presentation of information in the financial statements, and assessed whether the company's books of accounts had been properly kept.

OPINION

In our opinion, the Company's books of accounts have been properly kept. The financial statements referred to above, which are in agreement with the books of accounts, give a true and fair view of the state of affairs of the company as at 31st March, 2011 and of the profit and cash flow statement for the year ended, and have been properly prepared in accordance with the provisions of the Companies and Allied Matters Act (CAMA), C20 LFN 2004 and relevant statements of accounting standards issued by the Nigerian Accounting Standard Board (NASB).

Spiropoulos, Adiele, Okpara & Co.

Chartered Accountants

Lagos, Nigeria.

Date: 30th April, 2011

STATEMENT OF ACCOUNTING POLICIES

STATEMENT OF ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the company in the preparation of its financial statements:

1. **Basis of Accounting**

   The financial statements have been prepared under the historical cost convention basis.

2. **Fixed Assets**

   Fixed Assets are stated at cost or valuation less accumulated depreciation. The cost of an asset shall comprise of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The expenditure for maintenance and repairs is charged to Profit and Loss.

3. **Depreciation**

   Depreciation on fixed assets is calculated on a straight line basis at annual rates estimated to write off their cost over their expected useful lives as follows:

Asset	**Rate of Depreciation**
Plant and Machinery	**20**
Furniture & Fittings	**20**
Computer	**33.33**
Motor Vehicle	**33.33**

4. **Foreign Currency Transactions**

   Transactions in foreign currencies are translated to Naira at the rates of exchange ruling at the date of transaction. Foreign currencies balances are converted to Naira at rates of exchange ruling at the balance sheet date. All differences arising from conversion are dealt with in the Profit and Loss account.

5. **Taxation**

   (i) Income tax

   Income tax is provided on the taxable profit at the current statutory rate.

   (ii) Deferred taxation

   Deferred taxation arises from timing differences in the recognition of items for accounting and tax purposes. This is calculated using the liability method. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the assets are realised or the liabilities settled, based on the tax rates and tax laws that have been enacted at the balance sheet date.

6. **Debtors**

   Debtors are stated after deduction of specific provisions for any debts considered to be doubtful of collection.

7. **Provision**

   The Company recognises provision when there is a present obligation as a result of past event for which it is probable that an outflow of economic resources will be required to settle such obligation in accordance with the Statement of Accounting Standards (SAS) 23.

8. **Turnover**

   Sales represents invoiced value, excluding value added tax.

9. **Basic Earnings Per Share**

   Basic earnings per share are calculated by dividing net earnings for the year by the weighted average number of ordinary share in issue during the year.

BALANCE SHEET AS AT 31ST MARCH, 2011

	Notes	2011 =N=	2011 Rs.
FIXED ASSETS			
At Cost Less Accum. Depreciation	6	**4,670,853**	1,354,547
CURRENT ASSETS			
Debtors and Prepayment	8	**334,918,251**	97,126,293
Bank Balance	9	**105,671,565**	30,644,754
		440,589,816	127,771,047
CURRENT LIABILITIES			
Amount falling due within 1 year:			
Creditors and Accruals	10	**377,417,975**	109,451,213
Deferred Taxation		**2,521,320**	731,183
		379,939,295	110,182,396
Net Current Assets		**60,650,521**	17,588,651
Total Assets Less Liabilities		**65,321,373**	18,943,198
FINANCED BY:			
Share Capital	11	**15,250,026**	4,422,508
Prof t and Loss Account		**50,071,347**	14,520,691
		65,321,373	18,943,198

DIRECTORS

Mr. Milind Kulkarni Director (Indian)

Mr. Atanu Sarkar Director (Indian)

Chief (Mrs) Faidat. Oreagba Director (Nigerian)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Notes	2011 =N=	2011 Rs.
Turnover	1	**449,814,060**	130,446,077
Direct Expenses	2	**(299,541,558)**	(86,867,052)
		150,272,502	43,579,026
Interest Expense/Similar Charges	3	**(235,041)**	(68,162)
Less Expenses:			
Administrative Expenses	4	**(80,524,051)**	(23,351,975)
		69,513,410	20,158,889
Other Income	5	**5,075,214**	1,471,812
Prof t before Taxation		**74,588,623**	21,630,701
Taxation	7	**(24,517,276)**	(7,110,010)
Prof t after Taxation		**50,071,347**	14,520,691
Retained Prof t For the Year		**50,071,347**	14,520,691
Retained Prof t Brought Forward		**-**	-
Retained Prof t Carried Forward		**50,071,347**	14,520,691
Earnings per share (Kobo)		**328**	95
Net Assets per share (N)		**4**	1

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011

	2011 =N=	2011 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Prof t Before Tax	**74,588,623**	21,630,701
Adjustment		
Depreciation	**129,393**	37,524
Operating Profit Before Working Capital Changes:	**74,718,016**	21,668,225
(Increase)/Decrease in Debtors and Prepayment	**(334,918,251)**	(97,126,293)
Increase/(Decrease) in Creditors and Accruals	**355,422,019**	103,072,386
	20,503,768	5,946,093
Tax Paid	**-**	-
Net Cash Flow from Operating Activities	**95,221,784**	27,614,317
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	**(4,800,245)**	(1,392,071)
Net Cash Flow from Investing Activities	**(4,800,245)**	(1,392,071)
Cash Flow from Financing Activities:		
Share Capital	**15,250,026**	4,422,508
Net Cash Flow from Financing Activities	**15,250,026**	4,422,508
Net Inf ow in Cash and Cash Equivalent	**105,671,565**	30,644,754
Cash and Cash Equivalent as at 1st April, 2010	**-**	-
Cash and Cash Equivalent as at 31st March, 2011	**105,671,565**	30,644,754
Cash and Cash Equivalent Consist of :		-
Bank	**105,671,565**	30,644,754
	105,671,565	30,644,754

NOTES TO THE FINANCIAL STATEMENTS

		2011 =N=	2011 Rs.
1	**TURNOVER**		
	Sales	**449,814,060**	130,446,077
2	**DIRECT EXPENSES**	**299,541,558**	86,867,052
3	**INTEREST EXPENSES/ SIMILAR CHARGES**		
	Bank Charges	**235,041**	68,161.95
4	**ADMINISTRATIVE EXPENSES**		
	Salaries and Wages	**35,881,665**	10,405,683
	Gas and Electricity	**29,500**	8,555
	Utility and Guest House Expenses	**5,624,119**	1,630,995
	Telephone, Internet and Postage	**2,552,879**	740,335
	Rent	**930,508**	269,847
	Motor Running Expenses	**773,142**	224,211
	Audit Fees	**1,200,000**	348,000
	Entertainment	**1,517,165**	439,978
	Off ce Running Expenses	**1,174,250**	340,533
	Business Promotion Expenses	**1,642,435**	476,306
	Repairs and Maintenance	**5,275,280**	1,529,831
	Insurance	**1,500,133**	435,039
	Legal Expenses and Professional Fees	**4,868,498**	1,411,864
	Travelling and Conveyance	**8,480,119**	2,459,234
	Depreciation	**129,393**	37,524
	Miscellaneous Expenses	**7,530,176**	2,183,751
	Exchange Loss	**1,414,790**	410,289
		80,524,051	23,351,975
5	**OTHER INCOME**		
	Interest Received	**97,344**	28,230
	Exchange Gain - Unrealized	**4,977,869**	1,443,582
		5,075,214	1,471,812

6	**FIXED ASSETS**	**VEHICLE** =N=	**PLANT & MACHINERY** =N=	**COMPUTER** =N=	**FURNITURE & FITTINGS** =N=	**TOTAL** =N=	**INDIAN RUPEES** Rs.
	COST						
	As At 1st April, 2010	-	-	-		-	-
	Additions during the year	3,748,950	880,000	71,295	100,000	4,800,245	1,392,071
	As At 31st March, 2011	**3,748,950**	**880,000**	**71,295**	**100,000**	**4,800,245**	**1,392,071**
	DEPRECIATION						
	As At 1st April, 2010	-	-	-	-	-	-
	Charge for the year	104,138	15,666	7,922	1,667	129,393	37,524
	As At 31st March, 2011	104,138	15,666	7,922	1,667	129,393	37,524
	NET BOOK VALUE						-
	As At 31st March, 2011	**3,644,813**	**864,334**	**63,373**	**98,333**	**4,670,853**	**1,354,547**

			2011 =N=	2011 Rs.
7	**TAXATION**			
	Charge:			
	Current Tax:			
	Education Tax		**1,394,803**	404,493
	Technology Tax		**745,886**	216,307
	Income Tax Charge		**19,855,267**	5,758,027
	Deferred Tax		**2,521,320**	731,183
	Charge for the year		**24,517,276**	7,110,010
	Payable			
	At Start of Year		**-**	-
	Tax Paid		**-**	-
	Income Tax Charge		**21,995,956**	6,378,827.24
	At end of year		**21,995,956**	6,378,827.24
8	**DEBTORS AND PREPAYMENTS**			
	Amount falling due within one year:			
	Accounts Receivable	**421,199,289**		
	Unearned Income	**(115,941,331)**		
			305,257,958	88,524,808
	Withholding Tax Receivable		**5,795,288**	1,680,634
	Advance Payment to Suppliers		**4,765,614**	1,382,028
	Staff Debtors		**306,600**	88,914
	Prepaid Expenses		**18,792,791**	5,449,909
			334,918,251	97,126,293
9	**BANK AND CASH**			
	Bank Balance		**105,671,565**	30,644,754
10	**CREDITORS AND ACCRUALS**			
	Amount falling Due within one year			
	Accounts Payable		**267,134,505**	77,469,006
	Corporate Taxation		**21,995,956**	6,378,827
	Accrued Expenses		**66,688,839**	19,339,763
	Vat Payable		**21,598,675**	6,263,616
			377,417,975	109,451,213
11	**SHARE CAPITAL**			
	Authorised			
	16,000,000 Ordinary Shares of N1.00 each		**16,000,000**	4,640,000
	Issued and Fully Paid-Up			
	15,250,026 Ordinary Shares of N1.00 each		**15,250,026**	4,422,508

		2011 =N=	2011 Rs.
12	**PROFIT AND LOSS ACCOUNT**		
	The prof t and loss for the year is arrived at after charging the following:-		
	Depreciation	**129,393**	37,524
	Auditors Remuneration	**1,200,000**	348,000

13 EMPLOYEES

The number of persons employed by the company during the year were 93.

14	**SUBSTANTIAL INTEREST IN SHARES**		
	TECH MAHINDRA LIMITED INDIA	**15,250,025**	4,422,507
	MILIND KULKARNI	**1**	0.29
		15,250,026	4,422,508

15 FINANCIAL COMMITMENT

The Directors are of the opinion that all known liabilities and f nancial commitments have been taken into consideration in the preparation of these f nancial statements.

16 CONTINGENT LIABILITIES

At the balance sheet date, there were no claims, guarantees, or litigations against the company likely to result in any significant liability.

17 APPROVAL OF ACCOUNT

These f nancial statements were approved by the Board of the Directors of the company on 30th April, 2011

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31ST MARCH 2011

	2011	2011
	=N=	% **Rs.**
Turnover	**449,814,060**	
Brought in Materials and Services	**(339,214,379)**	
	110,599,681	100
APPLIED AS FOLLOWS:		
To Pay Employee's Salaries, Wages and Fringe Benef ts.	**35,881,665**	32.44
To Provide For Depreciation of Fixed Assets.	**129,393**	0.12
To Pay Tax to Government	**24,517,276**	22.17
To be Retained for Company's		
Growth.	**50,071,347**	45.27
	110,599,681	100

TECH MAHINDRA BRASIL SERVICOS DE INFORMATICA LTDA.

Registered Office

Rua Quintana,
887, 12º. Andar,
Brooklin Novo,
conjunto 121,
São Paulo, SP,
CEP 04569-011

DIRECTORS' REPORT

Your Directors present their Report of your Company for the period ended March 31, 2011.

Review of Operations:

The Company was registered on 21st July 2010 and became subsidiary of Tech Mahindra Limited with effect from 21st July 2010 and is in the process of starting the business..

Outlook for the current year:

The Company believes that there is good potential for growth in Brasil.

Acknowledgements:

Your Directors gratefully acknowledge the co-operation and assistance received from the State and other Government Authorities

Place: Pune
26th April 2011

Milind Kulkarni
Director

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 & Company
Chartered Accountants

DIRECTORS' REPORT

Your Directors present their Sixth Annual Report of your Company for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rupees)

For the year Ended March 31	2011	2010
Donations received	**93,206,484**	**67,454,153**
Interest received on investments	**31,549,263**	**34,393,671**
Expenditure on the objects of the Company	**74,253,919**	**72,187,152**
Corpus fund	**438,369,234**	**389,262,155**

Review of Activities

As you know the Company was promoted in 2006 by Tech Mahindra Limited with an initial corpus of Rs 150 Million as one of the major manifestations of its Corporate Social Responsibility. Your Company focuses on activities for Social and Inclusive Development mainly in the area of education particularly education of girl child.

Your Company works through four broad areas of community intervention which are fundamental to a nation's sustainable development:

A) **Education -** Child development through support of Education – special thrust on out of school children and municipal schools. There is a special focus on improvement of English standards in these Schools

B) **Women's Empowerment** – with focus on underprivileged girls and women from the minority community

C) **Empowering People With Disability (PWD) with special focus on Visually Impaired (VI) -** to live life with dignity and honour through appropriate training and technology interventions. TMF has today carved a niche for itself in the country in the domain of enabling the VI through partnerships with outstanding & committed individuals (themselves VI in many cases) or organisations led by inspirational and passionate activists

D) **Vocational Training** (VT) - to underprivileged youth so they find suitable jobs as per market needs. Special thrust is on employability

Your Company seeks to achieve its objectives by working in partnership with those who share its goals and values and have demonstrated competence, dedication and integrity. Beginning on a relatively small scale in Pune, your Company has grown rapidly and today has a large number of outstanding partners in Maharashtra, Delhi-Noida region and Bangalore.

Besides providing the Foundation with a healthy corpus while founding your Company, Tech Mahindra Limited also contributes 1.5% of its annual profit. Presently your Company has a corpus of Rs. 43.84 Crores as on 31st March 2011 and contributed Rs. 7.42 Crores as grant to various organizations during the year 2010-11

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.60,00,000 during the year ended 31st March, 2011 or not less than Rs.5,00,000 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 2011 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: 25th May 2011

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 2011, 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, 2011 and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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, 2011 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
Dated: 25th May 2011

Balance Sheet as at March 31, 2011

Rs. in Thousands

		Schedule	**As at March 31, 2011 Rupees**	As at March 31, 2010 Rupees
I. SOURCES OF FUNDS :				
SHAREHOLDERS' FUNDS:				
Capital		I	**500,000**	500,000
Corpus Fund		I	**438,282,823**	388,782,823
Surplus /(Deficit) in Income and Exenditure Account			**86,411**	479,332
	TOTAL		**438,869,234**	389,762,155
CURRENT ASSETS, LOANS AND ADVANCES:		II		
Loans & Advances			**12,113,195**	9,226,650
Cash and Bank Balances			**426,824,122**	380,607,200
			438,937,317	389,833,850
Less : CURRENT LIABILITIES AND PROVISIONS:				
Liabilities		III	**68,082**	**71,695**
			68,082	71,695
	TOTAL		**438,869,234**	389,762,155
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS		VI	-	

As per our attached report of even date

For **B K Khare & Co.**
Chartered Accountants

R.D. Onkar
Partner
M No . 45716
Place: Pune
Dated : 25th May 2011

For **Tech Mahindra Foundation**

Anand Mahindra Director

Vineet Nayyar Director

Place: Mumbai
Dated : 25th May 2011

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDED MAR 31 , 2011

Rs. in Thousands

	Schedule	**March 31, 2011 Rupees**	March 31, 2010 Rupees
INCOME	IV	**75,255,747**	73,847,824
TOTAL		**75,255,747**	73,847,824
EXPENDITURE :			
Operating and Other Expenses	V	**1,394,748**	1,503,050
Donation		**74,253,919**	72,187,152
TOTAL		**75,648,668**	73,690,202
(Deficit)/Excess of Income over Expenditure for the year		**(392,921)**	157,622
Balance carried forward from previous year		**479,332**	321,710
Excess of Income over expenditure/(Expenditure over income)		**86,411**	479,332
TOTAL		**75,255,747**	73,847,824
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	VI		

As per our attached report of even date

For **B K Khare & Co.**
Chartered Accountants

R.D. Onkar
Partner
M No . 45716
Place: Pune
Dated : 25th May 2011

For **Tech Mahindra Foundation**

Anand Mahindra
Director

Vineet Nayyar
Director

Place: Mumbai
Dated : 25th May 2011

Schedules forming part of the Balance Sheet

	As at March 31, 2011 Rupees	As at March 31, 2010 Rupees
Schedule I		
Corpus Funds		
Share Capital		
Authorised :		
50,000 Equity Shares of Rs. 10/- each fully paid-up	**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	**388,782,823**	360,782,823
Add : Received during the year	**49,500,000**	28,000,000
TOTAL	**438,282,823**	388,782,823
Schedule II		
CURRENT ASSETS, LOANS AND ADVANCES :		
(a) Cash and Bank Balances :		
Balance with Scheduled banks : (i) In Current accounts	**318,713**	316,795
(ii) In Fixed Deposit accounts	**426,505,409**	380,290,405
	426,824,122	380,607,200
(b) Loans and Advances :		
(Unsecured)		
Balances with Government Authorities		
Tax Deducted at Source	**6,451,062**	3,885,341
Other Advances	**5,662,133**	5,341,308
TOTAL	**12,113,195**	9,226,650
	438,937,317	389,833,850
Schedule III		
CURRENT LIABILITIES AND PROVISIONS:		
Dues to Small Scale Industrial Undertakings	**-**	-
Others	**68,082**	71,695
TOTAL	**68,082**	71,695

Schedule VI

Schedules forming part of the Balance Sheet and Income Expenditure Account

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

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
Dated : 25th May 2011

For Tech Mahindra Foundation

Anand Mahindra Director

Vineet Nayyar Director

Place: Mumbai
Dated : 25th May 2011

Schedules forming part of the Income and Expenditure Account

Rs. in Thousands

Schedule IV	March 31, 2011 Rupees	March 31, 2010 Rupees
INCOME		
Interest on :		
Deposits with banks	**31,549,263**	34,393,671
[Tax Deducted at source: **Rs. 417,413**		
(previous year: Rs. 6,91,002/-)]		
Donations Received	**43,706,484**	39,454,153
	75,255,747	73,847,824

Schedule V	March 31, 2011 Rupees	March 31, 2010 Rupees
OPERATING AND OTHER EXPENSES		
Professional Fees	**415,464**	175,552
Bank Charges	**226**	560
Audit Fees	**55,150**	55,459
Printing & Stationery	**55,408**	58,660
Travelling & Conveyance	**500,357**	291,612
Books & Periodicals	**2,464**	83,642
Staff Welfare Expenses	**2,844**	32,832
Award Functions & Rewards	**8,625**	661,516
Hall Rent	**82,092**	8,250
Telephone Expenses	**32,920**	8,795
Office & Miscellaneous Expenses	**239,199**	126,172
	1,394,748	1,503,050

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Information pursuant to Part IV of Schedule VI to the Companies Act,1956)

I Registration Details

Registration No.	11-160651
State Code	11
Balance Sheet Date	Date 31, Month 03, Year 2011

II Capital Raised During the Year (Amount in Rs.in Thousands):

Pubic Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Preference shares	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities (including shareholders' funds	43869
Total Assets	43869

Sources of Funds

Paid-up Capital	500
Reserve & Surplus	43369
Secured Loans	NIL
Unsecured Loans	NIL
Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	43869
Deferred Tax Assets	NIL
Accumulated Losses	NIL

IV Performance of Company (Amount in Rs. Thousands)

Turnover (Sales and Other Income)	75256
Total Expenditure	75648
Profit/(Loss) Before Tax	(0.392)
Profit/(Loss) After Tax	(0.392)
Earning Per Share (Basic) in Rs. (Refer Note 18 Above)	NA
Dividend Rate %	NIL

V Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)	NA
Product Description	NA

As per our attached report of even date

For Tech Mahindra Foundation

Anand Mahindra Director

Vineet Nayyar Director

Place: Mumbai

Dated : 25th May 2011

CREATE THE NEXT WAVE

Tech Mahindra
IT Services and Telecom Solutions

Tech Mahindra Limited

Sharda Centre, Off Karve Road
Erandwane, Pune - 411004
Maharashtra, India
Tel: +91 20 6601 8100
Fax: +91 20 2542 4466

Website: www.techmahindra.com
Email: investor.relations@techmahindra.com

www.sapprints.com